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Tuesday, 12 August 2003

The SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m., and read prayers.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.01 p.m.)—I inform the House that the Minister for Trade will be absent from question time today. The minister is travelling to Tasmania to attend the acceptance ceremony and launch of Incat’s new high-speed vessel. The Minister for Foreign Affairs will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Fuel: Ethanol

Mr CREAN (2.01 p.m.)—My question is to the Prime Minister. Can the Prime Minister confirm that a meeting took place between Minister Truss and the Institute of Petroleum on the issue of ethanol policy in late August 2002—following the Prime Minister’s meeting with Mr Honan which this House has now become aware existed—in which Minister Truss reportedly said in relation to the government’s policy on ethanol:

…the Prime Minister would not agree to this if it affected the operations of MANILDRA.

Prime Minister, isn’t this the real reason why you did not disclose the meeting with Mr Honan and have misled the parliament; and will the Prime Minister now instruct Ministers Truss and Vaile and their departments to release all of the documents subject to the freedom of information requests lodged with them on the ethanol issue?

Mr HOWARD—As to questions about meetings between ministers and other people, I will have to inquire of those other ministers before I say anything. When I know about those things, I will let the honourable member know. But it is interesting that it would appear that the Leader of the Opposition has already asked me this question—on 19 September 2002. In that question, the Leader of the Opposition said:

I ask the Prime Minister whether he is aware of a recent meeting between the chairman of the Australian Institute of Petroleum and the minister for agriculture to discuss the regulation of ethanol blending in fuel.

Then he goes on to make comments about remarks attributed to me. So there is nothing particularly new about this question, Mr Speaker. It is hardly a devastating new piece of information. But I would remind the Leader of the Opposition, of course, that we have placed a cap on ethanol blending of 10 per cent and that decision was not welcomed by Manildra.

Mr CREAN (Hotham—Leader of the Opposition) (2.04 p.m.)—I seek leave to table a summary of the meeting referred to in my question, which shows the comments attributed to the Prime Minister.

Leave granted.

Mr CREAN—I table the document to which I have referred.

Indonesia: Terrorist Attacks

Mr JULL (2.04 p.m.)—My question is also addressed to the Prime Minister. Is the Prime Minister aware of a statement to Arab media outlets in which al-Qaeda claims responsibility for the 5 August bombing of the Marriott Hotel in Jakarta? Is the Prime Minister aware that the statement mentions Australia; and, if so, what is the government’s response?

Mr HOWARD—In reply to the member for Fadden, I can inform the House that I am aware of a statement released to Arab media outlets which purports to claim responsibility on behalf of al-Qaeda for the 5 August bombing of the Marriott Hotel in Jakarta. The preliminary information I have is that the statement could well be authentic. The statement described the bombing as part of a series of operations ‘Dr Ayman al-Sawahiri
has promised to carry out’. Al-Sawahiri is Osama bin Laden’s deputy and spiritual mentor in the al-Qaeda organisation. The statement portrayed the bombing as ‘a fatal slap on the face of America and its allies in Muslim Jakarta, where faith has been denigrated by the dirty American presence and the discriminatory Australian presence’.

This, let me remind the House, is not the first time that al-Qaeda has referred to Australia, and this most recent statement does not, on our advice, of itself change the threat level facing Australia. It does, however, point to the strong links between al-Qaeda and Jemaah Islamiah, the latter being most probably responsible for carrying out the Marriott bombing. I would remind the House that on 29 May this year I informed the House that new information had come to light shortly before then indicating that al-Qaeda had explored possible targets in Australia in 2000 and 2001—and that was before the attacks on New York and Washington on 11 September 2001. That information confirmed the earlier indications from a series of statements of al-Qaeda’s hostility towards Australia.

On 3 November 2001 Osama bin Laden first made specific reference to Australia when he criticised Australian troops in East Timor, who were then under United Nations auspices, calling them ‘a crusader force’. Bin Laden also specifically mentioned Australia on two subsequent occasions, including following the attacks in Bali. Al-Zawahiri also released a statement in May this year in which he confirmed that Australia remained a terrorist target.

I say again to the House something that I have said outside the parliament over the past few days. Those responsible for terrorist attacks have frequently said that the attacks are carried out to avenge their ‘Muslim brothers’. It scarcely needs to be brought to the House’s attention that, in the case of the attack in Jakarta, clearly, they were not avenging Muslim brothers; they were killing them. In fact, the overwhelming majority of those who died or were maimed or injured were in fact faithful followers of Islam. It is yet another reminder of how obscene it is that terrorists seek to invoke the good name of Islam to justify their actions. The greatest demonstration and proof of that is that, in the process of carrying out these terrorist attacks, they are indiscriminately killing innocent members of the Islamic faith.

**Fuel: Ethanol**

**Mr CREAN** (2.09 p.m.)—My question is to the Prime Minister. Why did the Prime Minister repeatedly tell the parliament that, at the meeting with Mr Honan on 1 August, he did not discuss the import of Brazilian ethanol? Is it not the case that the censored record of the meeting, which has been released specifically, contains a reference to ‘the payment of a producer credit to ethanol producers to enable Australian ethanol producers to compete with cheaper Brazilian product’? Why does the Prime Minister continue to mislead the parliament and the Australian people about the discussions that he had with Mr Honan? Will the Prime Minister now release in full the documents that were censored in the freedom of information process? Will he also release the 16 documents that he referred to last September?

**Mr HOWARD**—I start my answer by correcting something that the Leader of the Opposition said. What I have claimed and continue to claim is that the denial I gave in answer to questions last September was of a discussion with Mr Honan about the pending shipment of ethanol from Brazil by Trafigura. Let me remind the opposition leader again: that was the context in which the question was asked by the member for Chis-
holm. I did not discuss the Trafigura shipment with Mr Honan during our meeting on 1 August because neither of us were aware of it. That is why I did not mention that meeting in my parliamentary answers and that is why I do not believe that I have misled the parliament.

Mr Crean interjecting—

The SPEAKER—The Leader of the Opposition has an obligation to hear the Prime Minister in silence.

Indonesia: Terrorist Attacks

Mr BRUCE SCOTT (2.11 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on cooperation with the Indonesian military on counter-terrorism issues such as hostage recovery and hijacking? Is the minister aware of any alternative policies?

Mr DOWNER—First, I thank the honourable member for Maranoa for his question. I know that he is very concerned about the issue of the security of Australians overseas and agrees with the government’s general position, which is that, as a government, we should do everything we can and take every possible measure to at least try to protect Australians overseas who might get into difficulties. That includes Australians who, in a most unfortunate circumstance, might be in an aircraft that is hijacked or where Australians are taken hostage. If that were to happen in Indonesia, we would obviously want to make sure that we have full cooperation and conceivably even interoperability with the Indonesians in order to help rescue the Australians and perhaps other hostages who had been subject to hijacking. That is commonsense.

Therefore, we make no secret of the fact that we have been taking steps to develop very limited links with Indonesia’s special forces, Kopassus, in the area of hostage recovery and counter-hijack operations. This activity is part of a broader counter-terrorism cooperation that is already occurring very successfully with Indonesia, between our respective police forces, immigration and intelligence organisations and so on under the memorandum of understanding on counter-terrorism. It includes a four-year, $4.75 million capacity building program with the Indonesian police to improve its ability to deal with counter-terrorism. That specific contribution is part of the overall $10 million package that we announced in October last year.

Currently, the Indonesian special forces have by far the most effective capability in Indonesia to recover hostages and resolve a hijacking situation. We just have to face up to that, whether we like it or not. It is enormously important to remember that this is the organisation in Indonesia that has by far the most effective capacity to do that job. So, in the event of Australian lives being at risk, we have to have some mechanisms in place to ensure cooperation between our special forces to facilitate their rescue.

Senior defence officials met recently with their Indonesian counterparts to determine how best we might be able to cooperate in this particular field. I know there is sensitivity about Kopassus. When the Labor Party was in government in Australia under Mr Keating, it developed very extensive and close relations with Kopassus. In our case, as a government we have obviously severed links with Kopassus. We are only reintroducing those links in a very qualified and narrow way, because we are aware of the human rights record of Kopassus.

I am not aware of any TNI policy of cooperation with Laskar Jihad, but individuals in TNI appear to have had contact with Laskar Jihad members. That could of course include some Kopassus people. The government has urged the Indonesian government and its
relevant authorities to take quick action against any illegal Laskar Jihad activity. I note that Laskar Jihad formally announced its disbandment on 14 October 2002. The government is not aware of any policy of institutional links between TNI and Jemaah Islamiyah. In talking to Kopassus unit 81, which is the unit responsible for dealing with hijacking and the taking of terrorists, we will limit our cooperation to exclude those people we know to have links to Laskar Jihad and other violent groups or who have been involved in serious human rights abuses.

This government’s main priority is the safety and security of Australians. We do not intend to be soft on terrorism. We do not intend to take a weak and equivocal stand on security issues. We intend to be as decisive and effective as we possibly can be. We believe that these very limited and qualified links with Kopassus will give us a capability to help Australians who might get into difficulties by being taken hostage or being involved in a hijacking. We can help them through cooperation with the Indonesians. I think that is just plain commonsense.

Foreign Affairs: Indonesia

Mr Rudd (2.16 p.m.)—My question is to the Minister for Foreign Affairs. Does the Minister for Foreign Affairs still stand by the statement made by the deputy secretary of the Department of Foreign Affairs and Trade, in Senate estimates on 22 November 2002, confirming that Kopassus had links to the terrorist organisation Laskar Jihad and that Kopassus may have other links to other organisations involved in terrorist activities? Minister, was the deputy secretary of the Department of Foreign Affairs and Trade telling the truth on behalf of the Howard government about Kopassus links to terrorist organisations or does the foreign minister, like the Prime Minister, now regard this as a non-core truth taken out of context?

Government members interjecting—

The Speaker—The member for Griffith will withdraw the concluding part of his question.

Mr Rudd—The final part of my question is: does the foreign minister now regard this as a non-core truth?

Mr Downer—I do not think that asking questions with that sort of suffix rises to the level of dignity one would expect in the parliament. One of the reasons the opposition lack credibility out there in the Australian community is their constant political point scoring. I answered a question which was asked of me by the member for Maranoa. In it I made perfectly clear that, whilst I am not aware of any TNI policy of cooperation with Laskar Jihad—an organisation which claims to have disbanded itself on 14 October 2002—individuals in TNI appear to have had contact with Laskar Jihad members. I made that perfectly clear.

For the benefit of the House, let me make two other points about that. Firstly, Kopassus is part of TNI, so there is no question of that. Secondly, I did say that in talking with Kopassus unit 81 we will limit our cooperation to exclude those people we know to have links to Laskar Jihad and other violent groups or who have been involved in serious human rights abuses. This policy stands in stark contrast to the policy of the Labor Party. My predecessor, Senator Evans, said in relation to links with Kopassus that he wanted work with Kopassus to focus on ‘low-level military war fighting skills’. That was the standard set by the Labor Party. All I can say is that when it comes to points of principle, this government is much more principled on the issues of Indonesia, East Timor and human rights than ever the Labor Party was.

Indonesia: Terrorist Attacks
Ms JULIE BISHOP (2.20 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the steps taken by the government to protect the welfare of Australians in Indonesia following the attack last week on the Marriott Hotel in Jakarta?

Mr DOWNER—I thank the honourable member for her question and for all the work she does on counter-terrorism.

Mr ALBANESE—What does she do?

Mr DOWNER—She does one of the things you never do and that is to ask questions about these issues in the parliament. You have no interest in counter-terrorism. No wonder the public think you are soft on security issues. They are right.

The SPEAKER—The minister will address his remarks through the chair.

Mr DOWNER—As the Prime Minister has said, the Marriott Hotel attack was, as it turned out, more of an attack on Indonesians than on Western interests. The Prime Minister and I have spoken to our counterparts. We have conveyed our condolences to the injured and to the victims’ families. We have reiterated our readiness to cooperate still further with the Indonesians to deal with the problem of terrorism. I want to make a point about the effectiveness of the Australian embassy and Australian officials in responding to the Marriott Hotel bombing. I think this is a very important point. Our embassy officials were at the scene of the Marriott within 15 minutes of the bomb going off, which was an extraordinary achievement on their part. They worked quickly to obtain the hotel register, to identify Australian guests and to establish their safety and whereabouts by that evening.

The bomb went off around the middle of the day. The embassy was able to establish within one hour of the explosion the identities of two Australians who had been affected by the blast. Honourable members might recall that one of those was injured and had to have, off the top of my head, around 30 stitches. The other was not physically injured but was in his room at the time and somewhat shaken by the blast, as one can imagine. The Department of Foreign Affairs and Trade’s crisis centre was activated quickly and remained open until around midday on 6 August—the next day—when it was firmly established that there were no Australian fatalities. My department also activated an emergency call unit, which took 350 calls and registered inquiries about 132 individuals.

I want to take this opportunity, because I know the House will be pleased to hear it, to praise the work of the Australian embassy and Australian officials in responding so decisively to the Marriott Hotel bombing. I remember the extraordinary work that Australian officials did in Bali at the time of the Bali bomb blast, not only those working in the consulate but various people from Australian government organisations, and Australian private citizens who volunteered their assistance almost immediately at the time of the Bali bombing. It is that same absolute determination to help Australians where Australians get into difficulties that has been shown by the officials at our embassy in Jakarta. They deserve a great deal of praise for the excellent job they have done.

Education: Report

Ms MACKLIN (2.24 p.m.)—My question is to the Minister for Education, Science and Training. Why has the minister ignored his own department’s research which found the 1996 increases in HECS ‘reduced demand for higher education among school leaver applicants by around 9,000 students a year’ and ‘lowered demand for higher education among “mature age” applicants by around 17,000 persons per year’? Minister,
isn’t it true that these damning findings were deleted from the national report on Australia’s higher education sector 2001 by Dr Shergold, the minister’s former departmental secretary and now the head of the Department of the Prime Minister and Cabinet, as reported in the Sydney Morning Herald today?

Government members interjecting—

The SPEAKER—I allow the question to stand, but I point out to the member for Jagajaga that the inclusion of the name was probably not necessary to authenticate the question.

Dr NELSON—Whilst I thank the member for Jagajaga for the question, there are a number of quite false assertions in the question. Yesterday afternoon immediately after question time I tabled a letter from the Secretary of the Commonwealth Department of Education, Science and Training addressed to me and dated 8 August. The letter said, in part:

I would stress that the Department had already taken the decision to remove all material relating to unpublished internal Departmental analysis before that draft was provided to your Higher Education Adviser.

As the letter was tabled yesterday, I presume it has been read by the member for Jagajaga. The real question we seek to address in facing Australia’s future in higher education is: what is the impact of the Higher Education Contribution Scheme and the 25 per cent of university funding that is contributed by students, who subsequently pay it back in the main through the tax system once they become graduates?

If you look back over the last 10 years, which is what this major report has done—it is a rear-vision look at higher education over the last decade—you will find that in 1991 there were 505,000 students in Australian universities. By 2000, there were 600,000. Commencements from 1992 increased from 127,000 to 167,000. Importantly, the commencements for students from low socio-economic backgrounds—the students who have come from the poorest families and backgrounds in the country—increased from 20,300 in 1992 to 28,000 by the year 2000. In other words, there were 8,000 more low-SES commencements over that eight- to nine-year period. Importantly, Professor Bruce Chapman, the Director of the Centre for Economic Policy Research at the Australian National University, who co-designed HECS for the Australian Labor Party in 1989 and is Australia’s pre-eminent researcher and commentator on the impact of HECS and income-contingent loans on participation in universities, concluded in his major report:

… changes to HECS introduced in 1997 had no adverse impact on participation for members of any wealth group; indeed, there were large higher education participation increases for those from all family wealth backgrounds.

Similarly, the Phillips Curran report initiated by the states, all of which are hostile to varying degrees to this government, concluded:

Because the HECS charge does not have to be paid up-front and is repayable on an income contingent basis, students discount the size of the charge in their decision making. This is evident in the very limited demand impact of previous increases in HECS. This means that universities can increase charges, at least up to a point, without a commensurate impact in demand.

But the key reason why the department itself, I am advised, chose to remove that and other editings of this retrospective of the last decade in higher education—

Ms Macklin interjecting—

Dr NELSON—The member for Jagajaga surely wishes to be educated about the facts. These are facts. The key reason, I am advised—and I have examined the research, as I do frequently—is that in 1997 there were a number of changes made. The first was that
the funding of courses moved from the general field of study to actual subjects that were coded and then funded. For example, if you take the case of law, we went from 5,389 law students to 3,788.

Ms Macklin—Mr Speaker, I raise a point of order which goes to relevance. The question was: was it Dr Shergold that removed this information?

The SPEAKER—The member for Jagajaga will resume her seat. The minister’s response is entirely relevant.

Dr NELSON—Of course it would be nonsense to say that 1,600 fewer lawyers were trained in 1997, although I suspect there are some Australians who would appreciate it if it had been the case. Similarly, if you look at veterinary science it appears that we went from 227 veterinary science students to 93. Of course we did not. What happened was that the Commonwealth changed the way it codes and funds places in higher education. In the same year the 25 per cent up-front discount that was being given to New Zealand citizens—25 per cent discount on HECS—was abolished. That had an adverse impact on mature age participation. So in the end, examining it in the context of the scientists who are researching this on a day-to-day basis and the other issues which occurred in 1997, the department concluded that methodologically its own research was not of a sufficient standard—and of its usually high standard—and that it should not be part of the 10-year retroview of higher education. I conclude by quoting Professor Deryck Schreuder, the President of the Australian Vice-Chancellors Committee. Writing in the Financial Review on Saturday, 9 August, he said:

Unless Parliament legislates a significant package of reform for the universities in this current session, drawing from the major reviews and proposals now before it … the nation’s higher education system will be forced to battle on, an increasing shadow of what it could be for Australia’s citizens.

Housing: Affordability

Mr HUNT (2.31 p.m.)—My question is addressed to the Treasurer. Will the Treasurer advise the House what the government has done to assist home buyers to enter the housing market? What steps is the government currently taking to address the issue of affordability for first home buyers? Is the Treasurer aware of any alternative policy approaches?

Mr COSTELLO—I thank the honourable member for Flinders for his question. I can inform the House that, when the government introduced A New Tax System in Australia on 1 July 2000, it made part of A New Tax System the First Home Owners Scheme, which gives a grant of $7,000 to every first home buyer coming into the market in Australia. Since we introduced it, 482,000 individuals and families have benefited from the First Home Owners Scheme. They have been paid a total of $3.8 billion in First Home Owners Scheme payments to help them get into the market.

Mr Fitzgibbon—How much was it?

Mr COSTELLO—It was $3.8 billion actually. Thank you for reminding me again that it was $3.8 billion. Mr Speaker, I can always rely on the member for Hunter to help the coalition put its case. He is one of its secret weapons! Stable income has also helped, with real incomes going up by 10 per cent since the government was elected. In addition to that, the lowest home loan interest rates in 30 years have also helped people to get into the market.

Every first home owner gets a first home owners grant whether they are buying a new home or an established home. There is no
GST on an established home. Fifteen per cent of new home buyers buy new homes. In other words, the 85 per cent of first home buyers who are not buying a new home pay no GST and get a $7,000 grant. Again: the 85 per cent of first home buyers who do not buy a new house—they are buying an established house—pay no GST and get a $7,000 grant.

In addition to those measures, the government has announced an inquiry by the Productivity Commission to look at other factors influencing the housing market. The inquiry committee will consist of the chairman, Gary Banks, Commissioner David Robertson and an associate commissioner, Dr Ed Shann. We on this side of the House believe that in particular it should look at the release of new land by state governments and councils and the supply of new land coming onto the market in big cities. Of course, it will no doubt look at taxation treatment, because, as I said earlier, although most first home buyers do not pay GST—only 15 per cent do—there is no doubt that a lot of first home buyers are paying stamp duty, which is being imposed by state Labor governments. Since 1996 the stamp duty on an average home has risen to $16,000, from $6,000, in both Melbourne and Sydney. Interestingly enough, we never really hear a whimper from the opposition about stamp duties. A deafening silence comes from Labor protecting its mates in state government over the issue of stamp duty.

I am asked what other policies have been put forward in relation to housing affordability. I must say that one of the more interesting ones was one that was put forward by the member for Werriwa on 2 July. No doubt wanting to make a big splash on his first day out as shadow Treasurer, he went on the Lateline program and said that negative gearing was ‘part of Labor’s policy review’. He went on to say:

… any smart policy maker would be looking at it …

He said that any smart policymaker would be looking at abolishing negative gearing! His policies normally last for 24 hours; this was a policy that did not last from Lateline to lunchtime! Next morning, who was the first person off the blocks to say that the Labor Party was never going to look at abolishing negative gearing? It was the old member for Hotham himself. ‘We are not reviewing negative gearing,’ he said on 3 July. They were reviewing it on Lateline, but by breakfast time they were not reviewing it.

It has widely been assumed—I would like the roosters to stop smiling at this point—that this was a gaffe by the member for Werriwa. It was an enormous gaffe by the member for Werriwa. But his gaffe was not in saying that Labor was looking at reviewing negative gearing; his gaffe was in letting on that Labor had already commenced a review of negative gearing. On 5 July the Herald Sun reported that Labor has been looking at negative gearing changes as a way of paying for some of its ambitious programs. On 7 July the Australian reported:

But there was at least one meeting of Labor’s razor gang at which the proposed treatment of negative gearing was discussed.

Critically, that meeting was attended by a number of the Opposition Leader’s … staff …

Then on 8 July the Australian revealed:

Mr McMullan raised the issue in person rather than by written submission …

… Mr McMullan did commission the Parliamentary Library to prepare a paper on possible savings from changing the negative gearing regime. In the Australian Financial Review on 8 July Laura Tingle reported:

… Labor’s expenditure review committee did have proposals before it on negative gearing as recently as a few weeks ago.
There was a gaffe all right. He made a splash and it was a big bellyflop. There was a gaffe all right but the gaffe was not that he announced a review to abolish negative gearing but that he disclosed that the review had already commenced and was being actively considered in the forums of the Australian Labor Party. The Leader of the Opposition knows as well as I do that probably a majority of the Labor backbench, given their way, would want to abolish negative gearing in any event. We on this side of the House will not be abolishing negative gearing, because we believe that if you make a loss on an investment you should be able to set that loss against income, as you can under the normal principles of taxation law. We believe in a low interest regime. We introduced the First Home Owners Scheme. We will keep up the pressure on the states over stamp duties. We will make sure that those areas that can be improved will be improved with a thorough review by the Productivity Commission.

DISTINGUISHED VISITORS

The SPEAKER—I inform the House that we have present in the gallery this afternoon the Speaker of the Palestinian Legislative Council, the Hon. Ahmad Qurai’. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Education: Report

Ms MACKLIN (2.40 p.m.)—My question is again to the Minister for Education, Science and Training. Was Dr Shergold responsible for deleting the findings referred to in the department’s letter that the minister tabled yesterday?

Dr NELSON—My answer again to the member for Jagajaga is that, firstly, in terms of the references to editing in the secretary’s letter addressed to me, dated 8 August, it is a matter for the department as to who within the department actually did that. But I would remind the member for Jagajaga that, in terms of the substantive issue, Professor Bruce Chapman in 1988 found that only 18 per cent—

Ms MACKLIN—Mr Speaker, I rise on a point of order going to relevance. This was a very specific question: was it Dr Shergold who took the information out of the report?

The SPEAKER—The member for Jagajaga is well aware that the minister is responding to the question and that he cannot be ruled out of order on the ground of relevance.

Dr NELSON—The substantive issue is whether HECS changes have an impact on the participation of low-income students in Australian universities. The fact is that in 1989, 19 per cent of the poorest students at the age of 18 were in higher education. By 1998, it was—

Ms MACKLIN—Mr Speaker, I rise on a point of order. The point of order is again on relevance. This is a very specific question about a letter that was tabled—

Mr Sawford interjecting—

The SPEAKER—Order! The member for Port Adelaide! I deem the minister’s answer to be in order. I do not believe that the way in which he then responded to my ruling was in order. I invite him to come back to the question of the report.

Dr NELSON—All the issues in relation to this particular report have been adequately and well dealt with in the secretary’s letter to me. The last thing I say to the opposition is that, if the Labor Party really believes that, contrary to all research and evidence, the HECS changes have an adverse impact on participation in these courses, the Labor Party will now amend its policy to reduce HECS for lawyers, dentists and vets.
Aviation: Second Sydney Airport

Mr BARTLETT (2.43 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the minister provide the House with further information about the suitability of Darkes Forest as a site for a second Sydney airport? Is he aware of any alternative policies?

Mr Albanese interjecting—

The SPEAKER—I warn the member for Grayndler!

Mr ANDERSON—The member for Grayndler has a real interest in this one. I thank the honourable member for Macquarie for his question and at the outset acknowledge the fierce advocacy that he has displayed at all times in relation to airport issues in his electorate. Yesterday I informed the House that it was quite clear that no second airport would be needed in the Sydney basin or surrounding areas for a long time indeed. I cannot see much point in building white elephants that cost a lot of money and will not be used. Despite that, in the Labor Party the hunt is well and truly on for a second Sydney airport site.

Mr Kelvin Thomson interjecting—

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

Mr ANDERSON—I know quite a bit about some of these sites and I would be more than happy to provide some ongoing information, but I am asked specifically about a couple of them and, firstly, about Darkes Forest. Darkes Forest would not only create enormous noise problems for communities at Bulli, Thirroul and Coledale, but the Bureau of Meteorology has previously concluded that the Darkes Forest airport site is not a safe location for an airport. It said:

The major hazards associated with the site are stratus fog which in many rain situations associated with onshore flow will extend from ground level to cloud top, and turbulence and strong down drafts associated with gale force westerly winds. It is not difficult to envisage instances of aircraft undershooting the runway when approaching in gale force westerly wind situations.

So I do not think Darkes Forest sounds as though it has a lot going for it. Then there is Wilton. Wilton was looked at as part of the process very early on. It is about an hour and a half’s drive from Sydney city, which is hardly convenient. It is a major water catchment area of the Sydney region. An airport there would risk contaminating Sydney’s water supply—something that I think would not be very well appreciated by the residents of Sydney. A previous EIS—

Opposition members interjecting—

Mr ANDERSON—They are quite exhaustive; I would be only too happy to provide them if that facilitates consideration on the other side of this important issue. A previous EIS identified the environmental issues as very difficult indeed to overcome. It would also create enormous noise problems for communities like Picton, Wilton and Bargo. But the question is: why this panic and why this rush when there is no sound policy or political reason for it being on the agenda at the time? The answer of course lies in something that was said the other day by one of the opposition frontbenchers, and that is that the policy process has been such an utter mess that it has created a political crisis for them.

There is a very interesting transcript from 2GB’s Philip Clark of an interview with the member for Sydney which was conducted last night. It reveals why there is a panic and why the people of Sydney ought to be very concerned about the prospect of getting a resolution to this. Philip Clark asked the member for Sydney a few questions and, in part, the reply came:

I think that what my party—
That is, the ALP—
needs to do is to determine a second site that we are happy with as soon as possible so that people are able to get some certainty so that we are not out there in communities—
And Clark interrupts:
Oh, come on. Don’t you—your side of politics established Badgerys Creek. What do you mean you are looking for a second site? You’re going for another one?
The member for Sydney replies:
My view is that Badgerys Creek is the better site but, you know, wiser heads than me have decided that it’s not so.
I did not hear the interview but you can hear it in his voice; Clark says:
You don’t think they’re wiser?
And the member for Sydney replies:
Of course I do. Of course I do.
‘No, you don’t,’ says Clark. ‘You think from leader down all of them are terminably stupid on the issue.’ From the leader down! The transport adviser on that side comes from Sydney. We can excuse the leader for coming from Melbourne and perhaps not understanding Sydney policy and political issues quite so well, but not so the transport adviser. He comes from Sydney. He ought to understand them. He should have understood that there is no policy reason at all for reopening this debate—no sound reason at all—and he should have understood what political dynamite it was going to be.

Mr Ripoll interjecting—
The SPEAKER—The member for Oxley!

Mr ANDERSON—No wonder the member for Sydney cannot deny that she thinks they are all terminably stupid on the issue. When prompted, she was very polite. She said:
Well, I think it was the wrong decision to make. I have been open about the fact that I thought all along it’s the wrong decision to make but, you know, all I can deal with is what I’ve got in front of me and what I’ve got in front of me is half a dozen other sites which need examining.
I think I am pretty familiar with all of them. If you would like any more information on them tomorrow and the day after, we can keep it up. But of course those people, from the leader down, who should have been in a position to advise on this include the newly found fiscally responsible member for Werriwa because he too comes from Sydney and he too understands well and truly the policy and the political issues. We have been researching what he has had to say on this and it wasn’t so very long ago that he said:
Anyone with commonsense would know that the only available site acquired by the Commonwealth, cleared by two environmental impact statements and approved by umpteen economic studies is Badgerys Creek so Labor’s policy is to proceed at Badgerys Creek. That is crystal clear.
All I can say is that we wait with great interest to see what the next crystal clear decision from the Labor Party happens to be and how long it might last.

Mr Ripoll interjecting—
The SPEAKER—I warn the member for Oxley!

Education: Report
Ms MACKLIN (2.50 p.m.)—My question again is to the Minister for Education, Science and Training. Minister, did not a departmental officer tell a Senate estimates committee on 5 June this year that a version of the national report on Australia’s higher education sector 2001 was sent to the minister in the first quarter of 2003 and that the department would require the minister’s approval to release the report? How does this fit with what the minister told a press conference on 23 July this year when he said that he had only seen the national report on Australia’s higher education sector 2001 that
morning after it had appeared in the press? Is this ministerial incompetence or ministerial cover-up?

Dr NELSON—This report, which seems to be occupying the attention of the ALP whilst this government is actually thinking about building Australia’s future, was initiated by the Commonwealth Department of Education, Science and Training and was produced by the department. Any alterations, as the secretary’s letter said, were made before it was sent to my office. It is a 500-page report, and essentially the government has been working earnestly on building a foundation for Australia’s future. It was not, up until that point, a report which I had personally read. Can the Labor Party just get it into its mind that this is a report amongst many reports that the Commonwealth department is doing frequently on a whole variety of issues? As the secretary’s letter says, the report was sent to my office late last year. All I can say again to the member for Jagajaga is: read the secretary’s letter. It sets it all out.

But here we are; we have had three questions on this. What about all those kids out there that are desperately trying to get apprenticeships and get into training? What about all the issues that really worry Australians? The Labor Party is focused on process instead of what sort of country we ought to be building.

Education: Higher Education

Mr SOMLYAY (2.53 p.m.)—My question is also to the Minister for Education, Science and Training. Would the minister inform the House of government initiatives to strengthen Australian universities, including funding initiatives announced in the recent budget? Is the minister aware of other statements about or policies on this issue?

Dr NELSON—I thank the member for Fairfax for his question and for his very strong commitment to higher education and the University of the Sunshine Coast in particular. During the recess, the Australian Labor Party released its policy on higher education entitled Aim Higher. I might add that that is a title which has been lifted from the Blair government’s program for higher education. There were also 14 specific policy initiatives of this government which—to its credit, I suppose—have been adopted by the opposition. But on page 16, one of the policy announcements says:

Under Aim Higher, students of maths and science will pay nearly $5,000 less in fees for a three year university degree. Labor will place mathematics and science in Band 1 of HECS to reduce course fees by $1,600 per annum.

The Commonwealth Department of Education, Science and Training and also the Commonwealth Department of Finance and Administration did a very careful, detailed analysis of the Labor Party higher education policy at the highest level. Given the obvious commitment that the opposition has to departmental research, it makes very interesting reading.

Firstly, as the Minister for Small Business and Tourism, who is currently acting in the Industry portfolio, told us yesterday, the policy is funded in part with a $467 million tax impost on the mining industry. So apparently some of the 83,000 workers in the mining industry will have to lose their jobs in order to fund Labor’s higher education policy—a $40 billion dollar industry. Secondly, the Labor Party intends to continue a loan scheme it set up in 1993 for some of the poorest Australians in the country; $2½ billion has been lent and $1.4 billion is considered to be doubtful debt. So in Labor Party economics, apparently you save money by lending the poorest people money so they can trade in their pension cheques, and that is how that they, in part, fund their policy.

The Leader of the Opposition himself does not understand how they have funded their own policy. The Leader of the Opposi-
tion ought to have a look at the student financial support scheme. But it is interesting that the Commonwealth’s analysis finds that there is at least a $257 million black hole in the Labor Party’s higher education policy but, interestingly, it includes $6 million under budget for additional places in universities and at least $28 million underfunded for indexation of university funding. But the most important and the deepest black hole relates to reducing HECS charges for science and mathematics students. There are 57,000 places, or around 80,000 students, which comprise 14 per cent of all those in universities. The Labor Party has costed this at $43.6 million. The Commonwealth departments of education and finance have costed this at $262.5 million—a $218.9 million black hole.

It is interesting that the member for Jagajaga does not understand how universities are funded. I challenge the member for Jagajaga to explain—in the parliament or, better still, in a press conference—how universities are funded. I will walk her through it. Universities receive a total operating grant. Seventy-five per cent of that, which is from the taxpayer, is the operating grant. A quarter of it is HECS—that is, the students’ contribution, most of which is recovered through the tax system. The Labor Party has proposed to reduce HECS for science and maths students—$1,600 a year—and have undercosted it at $43.6 million. But in the *Australian* on 4 August the member for Jagajaga told Sid Marris:

> Dr Nelson’s costings use the accrual accounting method, but Labor uses the cash system, which only includes the cost when it occurs.

But the following day, in the *Courier Mail*, the higher education editor says:

> Macklin insists that under the accrual accounting system used in the Federal Budget, the $5,000 reduction to tens of thousands of students will have absolutely no impact on forward estimates ...
Universities do not receive more income because students pay HECS. Rather the government determines the total amount that universities should receive and balances its contribution against the student contribution to ensure universities receive the designated amount. This means that higher HECS rates do not lead to more income for universities.

If the people who live, breathe and run Australian universities know as a fact that there is no link, why did the minister put out nine misleading media statements asserting there was one? Doesn’t the minister’s inability to get it right on such a basic point as this cast doubt on the accuracy of all of his statements, especially the ones he has just made?

**Dr NELSON**—In 1999-2000, Commonwealth accounts went to accrual accounting. For five successive budgets this government has run its accounts in accrual accounting. In 1997, because this government came to office and found a $10.3 billion deficit, it was necessary to reduce the rate of growth in funding for many things, including Australian universities. In 1997, when the HECS changes were introduced, under the accounting system the operating grant was commensurately reduced for universities, so the total sum of money available—for example, in veterinary science, law or medicine—to the university remained the same.

The Labor Party is now arguing that it can magically either change the accounting system of the Commonwealth or reduce the HECS charges for 14 per cent of the students in the system, without at the same time having to budget for now in the forward estimates the increase in the operating grant. Under Labor’s policy, you have $42 million less for Queensland universities. Professor John Hay, who says that even a first-year economic student could work it out, will lose $13.7 million from the University of Queensland alone. For the University of Southern Queensland, $2½ million will go down the tube if Labor gets into government, and the University of the Sunshine Coast, $1.7 million.

**Ms Macklin**—Wrong, wrong, wrong.

**Dr NELSON**—The member for Jagajaga needs to carefully explain the costings of the Labor Party policy. It is interesting that the Commonwealth Department of Education, Science and Training has decided that some of the information that it was producing was not of the usual high quality, and the Labor Party is clinging to that and saying, ‘This is wonderful.’ Yet, at the very highest level, the department of education and the Department of Finance and Administration have found an almost $300 million black hole in Labor’s costings, and all the member for Jagajaga can assert is, ‘Wrong, wrong, wrong.’ I suggest that the member for Jagajaga actually go and have a look and educate herself about how universities are funded.

**Ms Macklin**—I seek leave to table the fact sheet from the Australian Vice-Chancellors Committee which points out that what you have just said is incorrect.

Leave not granted.

**Trade: Live Animal Exports**

**Mr SECKER** (3.04 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry. In light of recent concerns regarding animal welfare in the live export trade, would the minister outline to the House the measures that the government put in place last year to further improve animal welfare outcomes in the trade? What results have been achieved already through the implementation of these new measures?

**Mr TRUSS**—I thank the honourable member for Barker for his question. He represents many of those people who are dependent upon the live animal export trade, which is worth about $1 billion a year to Australia and employs about 9,000 people.
He, like the government, recognises that this trade, even though it is economically important to Australia, can only continue if it gives priority to the welfare and safety of animals that are involved in the trade.

Many members would, no doubt, have seen the story on 60 Minutes a couple of weeks ago which raised some serious allegations about the treatment of live animals for export, especially in the Middle East and North Africa. The disturbing vision that was provided for that program came from a European animal activist group known as Animals’ Angels and is obviously many years old. It suggested that the pictures were taken in Egypt, although I cannot confirm that. Some are even questioning whether the footage involved Australian animals. Nonetheless, the centrepiece of the story revolved around an incident of underreporting of mortalities on a voyage that occurred some two years ago on a vessel that, I might add, is no longer involved in the trade.

Nonetheless, the government does take these allegations regarding the welfare of animals very seriously indeed. There have been a number of incidents over recent years where there have been completely unacceptable outcomes, and we have acted sternly to implement new measures to ensure that the trade can occur in safety. There were suggestions on the program that the trade was deregulated in 1998—that is not true. There is a range of measures in place involving regulation in government agencies like AQIS and the Australian Maritime Safety Authority.

Last year, following a series of incidents involving unacceptable mortalities, I called in representatives of the industry, and we agreed that we should reactivate the independent reference group that has done a lot of work on developing standards and supervising elements of the code of conduct for the industry. The group is chaired by the federal government’s chief veterinarian officer, Dr Gardner Murray. It includes Professor Capel, from the veterinary school in Melbourne; Dr Hugh Wirth, the President of the RSPCA; and Malcolm Foster, representing the industry. It is very much an industry and animal welfare organisation based body that has the interests of the trade and particularly the welfare of the animals very much in mind.

This group developed an action plan for the livestock export industry. Key elements of that plan include animal welfare organisations, the Veterinary Association and livestock industry organisations being involved in the oversight of the plan and the development of computer models to help assess the risk of heat stress in consignments and other risk issues. AQIS inspects and certifies all the feedlots that are used for exports, including an assessment of the stock preparation and preshipment arrangements; vets or qualified stockman are placed on board all of the vessels involved in the trade to the Middle East and North Africa; there is a better selection process involved in choosing the animals; and there are daily reports submitted from on board the vessel about mortalities and other events associated with the voyage. All of those things will help to ensure that there are no repeats of some of the incidents that have occurred in the past.

In addition, the government is certainly prepared to take action against any exporters who do not meet satisfactory standards. We cancelled the licence of one exporter last year, and the biggest exporter from Western Australia, the biggest exporting state, has had its licence suspended since the beginning of this year and the licence has not been renewed. Many of the allegations involve the maltreatment of animals once they reach their overseas destination, and that is a more difficult issue for the government to deal with because there are obviously different
religious and cultural practices in some of those countries which are difficult for many Australians to appreciate.

We have also taken action to try and upgrade the appreciation of animal welfare issues in overseas countries. Last month we announced a further $150,000 project with industry to improve animal handling in the Middle East and North Africa. This is on top of an industry and government initiative to provide $3.3 million to improve animal welfare outcomes over recent years, and that has involved the installation of improved slaughter practices and equipment in some of the abattoirs overseas. We have permanently based an Arabic speaking vet in the Middle East and we have improved the unloading and handling facilities with the provision of better infrastructure.

In light of the allegations that there has been some underreporting of a number of fatalities on some of these voyages, I have referred those allegations to the AQIS compliance unit to test whether there have been any breaches of Australian law. If that is the case, obviously we will seek to prosecute any offenders. I am pleased to be able to report to the House that since these new measures were introduced there have been 35 voyages overseas, involving more than 2.3 million sheep, and there have been no incidents of excessive mortalities. Indeed, the levels of mortalities are way below anything that has ever been achieved in the past. The industry is anxious to work with governments and animal welfare organisations to achieve the sorts of standards that Australians expect. This is an important trade and we are determined to ensure that it occurs in ways in which the welfare and the safety of animals are appropriately respected.

Health and Ageing: Community Care Packages

Mr ANDREN (3.11 p.m.)—My question is to the Minister for Ageing. With at least 160 aged people on waiting lists for high- and low-care places and community care packages in the Calare electorate, and with the Central West region of New South Wales not being listed as a targeted region for the only available 20 community care packages for New South Wales, does not this waiting list and a list of 180 people in the Dubbo region suggest that the current operational ratio used to determine the number of places is flawed and in need of urgent review?

Mr ANDREWS—I thank the honourable member for Calare for his question. I indicate broadly, in terms of the allocation of places, that this year the government will be allocating some 8,500 aged care places right across Australia, according to the ratio, which the honourable member mentioned. That brings the number of places which we have allocated over the last four years to more than 52,700. Indeed, we are on target to reach the target which we set of 200,000 places by 2006. That is a target which, according to all indications at the present time, we intend to meet.

As the honourable member pointed out in his question, the basis upon which we seek to equitably distribute places throughout Australia, so that there is no allocation unfairly made to one planning region or another, is according to a ratio of 100 places per thousand people aged 70 years and over. That ratio was first established back in 1985-86, I think. When we came to government in 1996, according to an independent report undertaken by the Auditor-General there was a shortage of some 10,000 places left by the previous government. That is the shortage which we are endeavouring to overcome by meeting this target of 200,000 places. Specifically in relation to the question, one of the matters which my department is currently
looking at is the actual formula by which the distribution is made.

Mr Fitzgibbon—He’s going to answer the question!

Mr ANDREWS—I am answering the question, member for Hunter. I am sure all honourable members on both sides of the House who have an interest in aged care, as the honourable member for Calare has pointed out, will be interested in this. When the ratio was set, based on the age of 70, the threshold, if I can put it that way, of entering into old age was probably about 70. We know, because of the ageing of the population, that people are living longer. The average age of people, particularly in residential aged care in Australia, I think is about 84 now.

One of the things we are looking at is whether or not the planning ratio of 100 places per thousand people over the age of 70 is relevant or whether it should be raised to, say, 75 or 80. That investigation is under way at the present time. When we have worked out all the aspects of it, including the modelling of it, then if there is a need to make a change we will make a change. Could I say to the honourable member for Calare that at the end of the day there must be some ratio in place to ensure that there is an equitable distribution of aged care places throughout Australia. The government is committed not only to increasing the number of places, as I have indicated in my answer, but to ensuring that the distribution of those places is done in a way which is equitable and fair to all Australians.

Workplace Relations: Employee Share Ownership

Mrs BRONWYN BISHOP (3.15 p.m.)—My question without notice is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of recent government initiatives to expand employee share ownership in Australia? Is the minister aware of any alternative proposals?

Mr ABBOTT—The member for Mackellar has long wanted share ownership to be as much a part of the Australian way of life as home ownership, and I thank her very much for her question. This is a government which strongly believes in property-owning democracy. We believe in property-owning democracy. In 1986, just nine per cent of Australians owned shares. Thanks to the policies of this government—in particular the privatisation policies of this government—37 per cent of Australians now own shares. That means these people personally have a direct stake in ownership of the means of production, distribution and exchange. In 1984, just 2.4 per cent of Australian workers owned a share of their businesses. I am pleased to say that, thanks to this government’s doubling of the employee share ownership tax concession, there are now six per cent of Australians who are worker capitalists. This helps to explain why Australian workplaces are now more harmonious than ever before.

The government has just established an employee share ownership development unit. This unit will focus on shopfloor share ownership and it will also focus on trying to extend share ownership for non-listed businesses. But on this topic I completely agree with the member for Werriwa, who said: Extending employee share ownership is an important way of civilising capitalism. I agree with him but no-one on his side does, which is the problem. We have the member for Melbourne, the shadow minister for telecommunications, saying: … employee share ownership schemes were almost invariably driven by tax avoidance …

We had the ACTU president saying: People like Mark Latham must have lost the plot when he thinks that shares are the elixir of life.
The now shadow Treasurer has given a firm and repeated commitment that Labor will take to the next election an employee share ownership policy which is fully funded and fully costed. I would like to see that! I am looking forward to the fight. I am sure the Leader of the Opposition will handle it with the same kind of finesse which has characterised his handling of the Badgerys airport dispute.

Education: Report

Ms MACKLIN (3.18 p.m.)—My question again is to the Minister for Education, Science and Training. As the minister is aware of the Phillips Curran report prepared for the education ministerial council, why did he fail to mention in his earlier answer today that this report concludes that the government’s university changes mean there will be:

The potential to reduce or inhibit student access and participation, including:
- Fewer HECS liable places per head of population
- Increased levels of debt aversion among disadvantaged groups due to increased fees
- No changes to student income support schemes, despite evidence of their deficiencies …

When will the minister adopt Labor’s policy to create 20,000 extra new university places, additional financial support for students and no increase in HECS fees?

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. Mr Speaker, I draw your attention to standing order 144. The latter part of that question is clearly debate and it is argumentative, and I would ask you to rule it out of order.

The SPEAKER—There are, as all members of the House know, a number of questions that are asked.

Mr Murphy interjecting—

The SPEAKER—Does the member for Lowe have any interest in this comment or not? Let him note, in common with other members of the House, that there are frequently questions asked about standing order 144. There are a number of questions asked that include some degree of argument. In common with previous occupiers of the chair, that has been tolerated. Justice and latitude has been given on the matter of relevance.

Dr NELSON—In answer to the member for Jagajaga, the first thing that ought to be pointed out is that this government in its higher education policies is doing a number of things. Firstly, it is expanding the number of HECS places, including fully funding 25,000 marginally funded, overenrolled places, a policy now adopted by the Australian Labor Party. There are a further 6,500 to 7,000 additional places in the first five years.

Honourable members interjecting—

The SPEAKER—Tolerance has been given on standing orders 144 and 145, not on standing order 55—not by any occupier of the chair. The minister has the call.

Dr NELSON—In addition to that, unlike the Australian Labor Party, on this side of the parliament we believe that Australian citizens should at least have the same rights as foreign students who come to Australia. On this side of the parliament we actually believe that a student that gets 99.2 for year 12 is gifted and has done academically well, and if they do not get a HECS place then they ought to have the choice of taking up a fee-paying place, as does a student from Beijing or Jakarta. We strongly believe in that.

In addition to that, the government’s package includes $161 million for scholarships for 25,000 students, to support their education and their accommodation costs scholarships. The Labor Party celebrates its proposed changes to income support ar-
rangements: $125 million. In other words, students are $35 million worse off under Labor in terms of their support when they are at university.

The last thing that ought to be pointed out is that there has been no stronger advocate of deregulating universities than the shadow Treasurer, the member for Werriwa. For example, the member for Werriwa said in The Enabling State:

Our universities will never be able to realise their potential without greater freedom and diversity …

And in an address to the University of Western Sydney on 11 November 1999 he even named the universities that he thought ought to be fully deregulated with full fees.

An honourable member—Name them!

Dr NELSON—I suppose I could.

The SPEAKER—Order! The minister will address his remarks through the chair.

Dr NELSON—He actually went through and named them all, but he said:

Australia’s universities can never realise their potential as network organisations without greater freedom and diversity in the sector.

He said:

Policy makers need to recognise the diverse means by which Australia’s universities might be resourced. We need to move from a unified system to a mixed system.

Then he talked about different types of universities and he talked about ‘a group of internationally focused institutions’. He included Sydney University, Melbourne University, Adelaide University and the University of Western Australia, and—listen to this—he said:

Their fees would be deregulated, with the equity role of government pursued through publicly funded, means tested scholarships.

He mentioned Queensland, Macquarie, Monash, Adelaide, Western Australia. It is rampant hypocrisy and opportunism for the opposition now. Having had policy courage when he was on the back bench saying what he thought ought to really happen, the member for Werriwa, the shadow Treasurer, now comes onto the front bench and he is captive to the crippling ideologues of the left.

Ms Macklin—Mr Speaker, I seek leave to table the summary of the Philips Curran report that shows that the government’s package will reduce student access—

The SPEAKER—Order! The member for Jagajaga will resume her seat.

Leave not granted.

Health: Pharmaceutical Benefits Scheme

Mrs ELSON (3.24 p.m.)—My question is addressed to the Minister for Ageing. Would the minister inform the House of some of the new drugs listed on the Pharmaceutical Benefits Scheme? What action is the government taking to ensure that the Pharmaceutical Benefits Scheme continues to be affordable for all Australians? Are there any threats to the sustainability of the scheme?

Mr ANDREWS—I thank the honourable member for Forde for her question and her continuing interest in the health and well being of her constituents and people throughout Australia generally. As she indicated in her question, based on a recommendation from the Pharmaceutical Benefits Advisory Committee the government has accepted three new listings, from 1 July this year, for drugs or medications for the treatment of serious conditions. The first drug, rilutek, is for the treatment of a form of motor neurone disease. The second listing will extend the current PBS listing for mabthera to allow treatment in patients 60 years and over who have an aggressive form of non-Hodgkin’s lymphoma. The third drug, enbrel, is used for the treatment of children and adults with severe forms of rheumatoid arthritis.
These treatments will add, over the course of some four years, an additional $250 million to the cost of the Pharmaceutical Benefits Scheme in Australia. The cost of the Pharmaceutical Benefits Scheme has risen from about $1 billion in 1991 to some $4.5 billion currently. Indeed, over the past four years the cost of the Pharmaceutical Benefits Scheme in providing a range of medications and treatments to all Australians has increased by some 60 per cent.

The honourable member for Forde asked me what is being done to ensure that the scheme continues to be affordable to all Australians. In this regard, the government is seeking to do two things. Firstly, it has recently made changes to ensure that the real cost of the pharmaceuticals or the medications is available on the label to the users of these products. The reasons for this are: to indicate that overall it works out that, for every dollar we pay for PBS subsidised medicines, the Australian taxpayer pays on average some $5; to encourage in the prescription, taking and using of medications the most responsible use of these medications generally; and to let people understand what the real costs are so far as the taxpayer is concerned. Secondly, and importantly, this government has sought to ensure that the patient contribution to the cost of these medications is reasonable in the circumstances, particularly the circumstance of the increase from $1 billion to $4.5 billion in the cost of the Pharmaceutical Benefits Scheme.

As new and expensive drugs come online, there will be an increasing demand over the years from the community—appropriately—for the availability of these drugs. These three drugs which have just been listed, as I said, will cost some $250 million extra to the Pharmaceutical Benefits Scheme over the next four years. In that regard, this government has had legislation before the Senate for some time now to make a small increase in the patient contribution towards the Pharmaceutical Benefits Scheme. The reason that this stands in danger, and the reason that the continued sustainability and viability of reasonably priced medications being available to all Australians—not just the very wealthy, but all Australians—stands in danger, is that the Labor opposition in this place has got its head in the sand about these particular changes. It is not prepared to make changes which will make this scheme sustainable for the next 50 years and into the future.

This is a Labor Party that is only interested in those that can afford to pay. It is only interested in millionaires, rather than ordinary Australians, having the availability of medications. This is a party that is simply reactionary and opportunistic, a party which has no concern for ensuring that these medications and those which will come online in future will be available to all Australians.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS
Fuel: Ethanol

Mr Howard (Bennelong—Prime Minister) (3.29 p.m.)—Mr Speaker, I seek the indulgence of the chair to correct aspects of two answers I gave yesterday.

The Speaker—The Prime Minister may proceed to correct answers.

Honourable members interjecting—

The Speaker—That is entirely within the standing orders.

Mr Howard—Yesterday I was asked two questions by the Leader of the Opposition. I incorrectly said, when I was asked these questions, that I did not know of Trafigura’s importation. In fact—as I did, in other answers, make the point—when I had the meeting on 1 August, I did not know of the Trafigura shipment.
BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (3.30 p.m.)—by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent:

(a) the Prime Minister moving forthwith a motion relating to the Solomon Islands; and

(b) debate on the motion ensuing with speech time limits being as follows:

Prime Minister—not specified;

Leader of the Opposition—a period of time equal to that taken by the Prime Minister; and

Minister for Foreign Affairs and Member for Griffith—15 minutes each.

Mr Latham—I am trusting that that motion does not preclude questions to the Speaker.

The SPEAKER—I in fact determine this, not the Leader of the House, and all that we have done is follow the blue, as outlined. You will discover that, post this motion, there will be the opportunity—clearly, questions to the Speaker are not listed—for the normal procedures of presentation of papers, which would be preceded by questions to the Speaker, should there be any.

Question agreed to.

SOLOMON ISLANDS

Mr HOWARD (Bennelong—Prime Minister) (3.31 p.m.)—I move:

That this House:

(1) endorses the Government’s decision to deploy the Regional Assistance Mission to the Solomon Islands;

(2) expresses its support for the members of the Australian Federal Police, the Australian Defence Force, the Australian Protective Service, Australian Government officials, and personnel from Pacific Island nations who are deployed with the assistance mission; and

(3) expresses its full confidence in the members of the assistance mission, and its hope for a successful mission and their safe return home.

Mr Speaker, today I wish to report to the House on the Australian led Regional Assistance Mission to the Solomon Islands (RAMSI).

I am pleased to note at the outset that the mission has received overwhelming support from the people of the Solomon Islands and that cooperation among the various force elements from the Pacific Islands Forum nations has been close and effective.

It would, however, be premature to declare the problems solved. The work of the mission has only just begun. Risks remain and we know that the Solomon Islands will need the help and encouragement of its friends for some time to come.

Solomons sought Australia’s help.

The Solomon Islands faces many obstacles to its development. It is geographically isolated and its small population base is fractured.

Even beyond the damage caused by the ethnic tensions that erupted in 1998, corruption has strangled many of the institutions vital to good governance, and violence has become endemic.

The Solomon Islands Government has recognised that it is unable to address its problems or, indeed, govern effectively—they know that if they do not stop the slide into chaos their nation will collapse. The Prime Minister of the Solomon Islands, Sir Allan Kemakeza, wrote to me on 22 April providing a very frank assessment of the problems besetting the Solomon Islands and seeking our support. On 5 June, we met in Canberra to discuss the situation.

Given the longstanding strong ties between our nations and our peoples, it is no surprise the Solomon Islands should turn to Australia for assistance. Australia has pro-
vided support and aid to the Solomon Islands over many years. Many Australians have lived and worked there, building a reservoir of personal connections and engagement.

In response to earlier problems, we were instrumental in facilitating and supporting the conclusion and implementation by the Solomon Islanders of the Townsville Peace Agreement in 2000 and the subsequent International Peace Monitoring team, which helped to end inter-ethnic conflict.

But it is clear that despite these efforts, the problems facing the Solomon Islands have grown more serious. Criminal lawlessness has replaced ethnic tension. And most critically, some of the main culprits are in the police force. The country’s institutions have been greatly weakened and have, in some cases, turned against the people they are meant to serve. This has contributed to a severe economic decline, which in turn exacerbates the climate of political and social instability.

Over the last six years, per capita GDP has been halved, falling below US$500 in 2002. The Solomon Islands economy contracted by 14 per cent in 2000 and by another nine per cent in 2001.

Earlier this year, critical social welfare infrastructure had almost ceased to function. There were no funds for vital medicines and hospital supplies. Power generation was essentially crippled—unable to supply hospitals, schools or business. Lack of power has also affected the water supply, already seriously degraded by poor maintenance.

Those employed by the Solomon Islands Government to provide vital services have not been paid for months at a time. Many of them demonstrated great loyalty and compassion by continuing to work regardless of whether or not they were paid.

All the while a small group of criminals and militants have been looting the very future of the Solomons. They have terrorised the community—brought the nation to the very brink of collapse—and done a grave disservice to the reputation of the Solomon Islanders as a good and generous people.

Innocent villages have been brutalised as rival criminal gangs jostle for control. Over 1,000 people have had to flee the Weathercoast to seek refuge in Honiara. Sir Alfred Soaki, the former police commissioner and National Peace Councillor, was assassinated in February this year. Cabinet Minister Father Augustine Geve was killed in August last year.

Kidnapping, murder, rape and torture have gone unchecked. Police are unable or unwilling to investigate many of these crimes. There are too many examples of criminals evading arrest, charges or detention, protected by corrupt politicians, officials, police or prison guards.

In Our Interests to Help

It is vital that we do all that we can to arrest this downward spiral, which, if not addressed, could result in the total collapse of the Solomon Islands’ governance and sovereignty.

The international community understandably looks to Australia to play a leading role in the South Pacific. Our leadership of the regional assistance mission to the Solomon Islands reflects both a national interest and an international expectation.

A failed state would not only devastate the lives of the peoples of the Solomon Islands but could also pose a significant security risk for the whole region. Failed states can all too easily become safe havens for transnational criminals and even terrorists. Poor governance and endemic corruption provide the conditions that bring forth and support criminal activities.
If Australia wants security, we need to do all that we can to ensure that our region, our neighbourhood, is stable and that governance is strong and the rule of law is just.

That is why we have joined with the other nations of our region to lend a helping hand. Failure to act would have sent the wrong signal to those who are endeavouring to maintain stability in other parts of the Pacific.

On 25 June, the Australian government decided to undertake a regional assistance mission to the Solomon Islands provided that there was a formal request, that necessary legislation was enacted to authorise the presence of external personnel, and that the initiative was supported by the Pacific Islands Forum.

This last requirement was met when the initiative was unanimously endorsed at the meeting of the forum’s foreign ministers held in Sydney on 30 June.

At this point I would like to take this opportunity to acknowledge the very important role played by the Australian Minister for Foreign Affairs, Alexander Downer, and his department throughout all of these consultations.

On 4 July, the Solomon Islands Governor-General, Sir John Lapli, acting on the advice of his prime minister’s cabinet, wrote to me formally requesting the assistance package.

On 11 July, the parliament of the Solomon Islands supported a motion endorsing the programme of strengthened assistance. On 17 July, it unanimously passed the enabling legislation giving powers and immunities to those police and military personnel engaged in the operation.

With all our conditions met, the Australian government agreed to deploy the regional assistance mission to the Solomon Islands on 22 July. The code name for the operation captures our aims and our intentions—the meaning is as clear in English as it is in Pidgin—Helpem Fren. The nations of the Pacific are coming together to reach out to a neighbour and a friend in need.

In addition to the Australian component, New Zealand, Fiji, Papua New Guinea and Tonga have contributed police and/or military personnel to the initiative. And it is possible that other forum members will also contribute personnel to the Australian-led mission.

I was delighted that the Prime Ministers of New Zealand, Papua New Guinea and Tonga were able to join the forum chairman, Prime Minister Qarase of Fiji, myself and the Leader of the Opposition in Townsville on 24 July to farewell the police and troops leaving for Honiara.

**Assistance Mission**

The assistance mission is at this stage essentially a police-led operation designed to reintroduce law and order, and get guns and other weapons out of communities. Once the situation has stabilised, we can begin to implement the necessary governance and economic reforms and ensure that the Solomons has a firm foundation on which to build its future security and prosperity.

Of primary importance will be the work we undertake with the people of the Solomons to rebuild the police force, judicial institutions, correctional services and the other essential machinery of government.

Together we will work to stabilise the Solomons’ finances and ensure the delivery of basic government services.

The government has appointed Mr Nick Warner, a senior official from the Department of Foreign Affairs and Trade, a former Australian High Commissioner to Papua New Guinea and also a former ambassador on terrorism matters, as special coordinator.
to oversee and direct the assistance mission. At this point I want to pay tribute to the effective work that Mr Warner has already undertaken as leader of the mission.

The policing component, some of whom have been sworn in as members of the local police force, are ably led by Assistant Commissioner Ben McDevitt from the Australian Federal Police, now Deputy Commissioner of the Solomon Islands police force. We expect the policing and guarding element to total some 325 officers, once the Pacific Island nations have confirmed their contribution. Colonel John Frewen, from the ADF’s second battalion, is leading a military component of some 1,800 personnel who are providing valuable support to the police.

The Australian contribution comprises approximately 1,500 defence personnel, 155 Federal Police and 80 members of the Australian Protective Service, as well as a small number of officials drawn from relevant government departments, including the Treasury, the Department of Foreign Affairs and Trade, the Australian Agency for International Development, the Attorney-General’s Department and the Department of Finance and Administration.

Mr Speaker, I want, on behalf of the Australian government and the Australian people, to record our respect and admiration for those currently serving with the mission in the Solomon Islands. I wish to assure them that they carry the very strong support and the good wishes of the Australian community.

Our military and police forces are held in high esteem internationally for their courage and for their professionalism—our nation is rightly proud of them. I have absolute confidence that they will behave with the appropriate restraint and proper respect for the attitudes and culture of the people of the Solomon Islands.

But we are also mindful that any mission involves an element of danger. We take comfort from the knowledge that they are superbly trained, well led and have thus far been welcomed by the people of the Solomon Islands. Our thoughts will be with them until they return to Australia, safe and sound.

I wish also to thank the families of those deployed. We know that the greatest burden of anxiety and loneliness is carried by those who wait at home. We will endeavour to provide them with support and encouragement while their loved ones are away.

As I have said, the mission is essentially a police operation. The bulk of the military personnel are providing them with important logistical support. There is an active force protection element. I do not expect that the combat element will need to remain in the Solomon Islands very long, although it is too early to put a precise time frame on their departure.

The government hopes that there will be no need to resort to the use of force. But we need to be confident that our police contingent is adequately protected and that our military personnel could protect themselves and innocent civilians should it be necessary to do so. Recognising this, the parliament of the Solomon Islands has passed legislation to allow members of the assistance mission to use such force as is necessary to protect themselves, to protect other persons or property and to achieve the purposes of the mission.

Our immediate goal is to stop the violence so that the people of the Solomons can rebuild their lives and their institutions. The message is clear and I believe it has been heard—the time for guns is over. The people of the Solomons want the threat of illegal firearms permanently and unambiguously removed from their community.
Mr Speaker, I am pleased to report to the House that since 24 July around 1,000 weapons have been handed in to, or secured by, the assistance force.

The Minister for Foreign Affairs, with his New Zealand counterpart, the Hon. Phil Goff, visited the Solomons at the end of July to gauge the progress of the assistance operation and discuss the next stages with Solomon Islands leaders. He advises me that the mission has got off to a very good start. Impressive progress has been made.

Ordinary people are feeling more confident about their future and that of their nation. But there are still some major challenges ahead. Beyond retrieving the large number of illegal weapons still outstanding, there is the enormous challenge of rebuilding the economy and healing the ethnic divisions which have fractured the nation.

**Long term Commitment—to the Solomons**

Our commitment in the Solomon Islands signals a very important change to Australia’s policy.

Australia respects the sovereignty of its neighbours. Direct intervention, even by a friendly multilateral force, should always be a last resort.

Over the past years, we have made every effort to assist the people of the Solomons to manage their own affairs. The descent into lawlessness over recent months finally became acute. The Solomon Islanders and ourselves both recognised that criminal gangs and corrupt individuals had taken control of their future. Their very existence as a community, as a nation, had been placed in peril.

In these circumstances we jointly concluded that intervention was not only appropriate but necessary. Regardless of the means, the objective has remained consistent—to return control of their own affairs to the people of the Solomon Islands.

And it is indicative of the Pacific way that so many countries have joined together to help the Solomons. The multinational force is not only symbolic of that special spirit of cooperation but also a demonstration of what is achievable when there is unity of purpose.

We need to work with other nations to ensure collective stability, and sometimes we will need to join or form coalitions that are able to respond to requests for direct assistance. Common goals, shared information, mutual support and collective approaches are the most practical ways of securing our region. It is the only way to counter the activities of organised criminal networks.

Mr Speaker, I believe that the Solomons mission is important, not just for the future of the Solomon Islands but because it is sending a strong signal throughout our region that the island nations are not alone. If it is required, help is at hand.

Australia, for one, has clearly expressed a willingness to help all nations of the Pacific so that their people can experience the benefits which a properly functioning system of law and order provides—so that they too can enjoy peace and stability and be able to look to the future with confidence.

The government envisages that Australia’s contribution to the Solomon Islands assistance mission—Helpem Fren—will cost over $200 million this financial year. The final cost will, of course, depend on the length and nature of the operation. While we envisage that the military component will draw down as soon as a secure environment is established, the Australian Federal Police, aid officials and economic advisers may be engaged for several years. This will be costly, but it is a cost which I believe Australians would wish our country to bear. It is also a burden which we will be looking to bear side
by side with others in the international community.

**Long-term commitment—to the region**

The situation in the Solomon Islands is unique, but a number of our friends in the Pacific are experiencing economic decline, growing corruption and lawlessness. Development assistance has an important role to play in restoring stability to the Pacific. But we now understand that aid can only ever be a part of the solution. We must use our aid program to encourage and strengthen good governance. The future stability and prosperity of the South Pacific depends on achieving higher standards of governance.

We want our neighbours to know that Australia is willing to help—to do our fair share in a careful, deliberate, cooperative and neighbourly way. But they must also understand that this assistance cannot be a substitute for proper governance and careful stewardship of their own nations.

Mr Speaker, we have made it plain: nations who look for our assistance, who receive our financial aid, must understand that support is now conditional on those nations working to overcome corruption. Because, unless corruption is rooted out and the institutions of good governance strengthened, aid will make little difference.

The government recognises the special challenges confronting the island states of the Pacific. Through the framework of the Pacific Islands Forum we have begun to discuss innovative and creative ways to respond to these challenges. Increasingly, we are discussing the possibility of dealing with governance issues and institutional capacity building on a regional basis.

The Australian government strongly believes there may be some scope for pooling aspects of regional governance. Obviously this would have the greatest application where there are common needs, common interests and common benefits, and where pooling can provide the necessary critical mass or economies of scale.

I look forward to exploring these possibilities during the Pacific Islands Forum meeting in Auckland at the end of this week.

With the Regional Assistance Mission to the Solomon Islands, Australia has signalled it is willing, in a cooperative and collegiate way, to play a supportive, stabilising and, if it is required, more interventionist role in the region. We will not let our friends down. We are committed to working with our fellow members of the Pacific Islands Forum to address the challenges of the region and to demonstrate what it means to be a good neighbour. I thank the House.

**Mr CREAN** (Hotham—Leader of the Opposition) (3.56 p.m.)—It gives me pleasure to support the motion moved by the Prime Minister and, in doing so, to record again Labor’s strong bipartisan support for the regional intervention force led by the Australian police, the Australian military and Public Service personnel. The action of the intervention force meets all the criteria that Labor believes are necessary for the effective and legitimate commitment of Australians to a peacekeeping effort in the Solomon Islands: it has unanimous regional support; it followed a formal request by the Solomon Islands government and the parliament; and it included an appropriate mix of police and military forces and aid agencies.

Under very difficult circumstances the Solomon Islands government and parliament debated this proposal at great length. It came to an overwhelming majority in support of the intervention force. It reflected the genuine will of the Solomon Islands people. The process was right, so the outcome was successful. This was best summed up by the New Zealand Prime Minister in addressing the troops at their farewell in Townsville re-
ferred to by Prime Minister Howard when she said, ‘It is a Pacific solution to a Pacific problem.’

The fact of the matter is that we simply cannot stand by and watch as lawlessness takes a stranglehold on a neighbouring country and terrorises its people. This process should be a model for future regional engagements. It is multilateral in composition and multifunctional in its delivery, covering the full range of social, economic and security concerns. Although future circumstances may differ, it is a model that works. It shows that Australia can be a good regional partner and a good international citizen, giving a helping hand to our Pacific friends, consulting with them and showing real regional leadership. It is being done squarely in the interests of the Solomon Islanders themselves.

For the small island states of the Pacific, law and order is the necessary precondition for successful economic and social development. All members of this House hope that as a result of this action the people of the Solomon Islands will be able to create political and social stability—the first steps towards restoring national development and economic growth. The people of the Solomon Islands, who stood by us during the Second World War, deserve our support. This is the very least we can do to repay that historical debt.

Since gaining independence in 1978, Solomon Islanders have faced numerous political and economic challenges. Despite some impressive leaders who have done their best to build a responsible and effective government in Honiara, the Solomon Islands have been inflicted with endemic corruption, resource exploitation and, as a result, economic stagnation. These pressures came to the surface in 1998 and 1999 in the form of ethnic disputes over land and jobs between the Malaitans and the Guadalcanalese. Violent clashes between the two groups resulted in many casualties on both sides without any clear political resolution to the underlying problems of land ownership and lack of economic opportunity. Added to this volatile mix was the number of illegal guns circulating in the Solomon Islands, some of which had come across the border from the decade-long conflict in Bougainville.

This latest intervention is not the first time that Australia has involved itself in attempting to find a solution to violence and instability in the Solomon Islands. In October 2000, Australia brokered the Townsville Peace Agreement, again with strong bipartisan support from Labor. It included an Australian led international peace monitoring team to oversee the decommissioning of weapons and the restoration of law and order. Labor also supported the government’s provision of additional aid assistance to the Solomon Islands to begin the process of rebuilding the democratic institutions. Regrettably, the international peace monitoring team was withdrawn early.

Labor did not agree at the time with Foreign Minister Downer’s assessment in June 2001 that in future the only worthwhile solutions to the problems in the Solomon Islands would be ‘home-grown’. While recognising the sensitivities over external intervention in a former colonial state, the Labor Party argued that, unless the law and order situation were addressed immediately, there would be no secure future for the people of the Solomon Islands. At around the same time, a cross-party delegation led by the President of the Senate, and with the member for Denison as deputy leader, came to a similar conclusion from their visit to the Solomon Islands. Indeed the member for Denison wrote to the foreign minister urging Australian intervention to arrest the decline in law and order in the Solomons.
We also disagreed at the time with the foreign minister’s assessment that an intervention force in the Solomon Islands would not work. We are pleased to see that they have changed that policy.

In May of last year the Labor Party argued that the growing problem of lawlessness in the Solomon Islands was of direct relevance to Australia’s long-term foreign policy interests. Widespread lawlessness in the South Pacific had the potential to create an environment where drug running, people-smuggling, money laundering and other transnational crimes would flourish.

Again in June, through its foreign affairs spokesman, Labor encouraged the Howard government to reconsider Prime Minister Kemakeza’s request for external help. This also coincided with a delegation to the Solomon Islands of the Senate Standing Committee on Foreign Affairs, Defence and Trade, led by Senator Peter Cook, in June of this year. This was another occasion on which Prime Minister Kemakeza sought the assistance of Australia in dealing with the law and order problem in the Solomons.

What this demonstrates is that there were four attempts, prior to this last one, at Australian involvement and assistance in bringing law and order to the Solomons. There was one that resulted in the Townsville agreement and then its withdrawal; there were subsequent requests, one of which I have outlined, from Prime Minister Kemakeza; and, ultimately, there was the meeting that Prime Minister Kemakeza had with Prime Minister Howard here in Canberra that led to the decision of the government to support the intervention force.

I also want to acknowledge the way in which the Prime Minister engaged the opposition on the government’s plans to lead the intervention force. The Prime Minister briefed me on this proposal before announcing it to the parliament. This enabled me to have discussions with my colleagues and to give an early indication of Labor’s in-principle support for the initiative—support which was subject to conditions that there be a formal request, regional support and appropriate force composition.

I was also able as a result of those discussions to talk with regional leaders, including Helen Clark, Sir Michael Somare and Prime Minister Qarase, to gauge their support. In my discussions with those regional leaders I was impressed by the unanimity and commitment given by them to helping a neighbouring state in need. They in turn appreciated Australia’s willingness to lead the intervention force, and they did at the time share some of Labor’s initial reservations. But following consultations and dialogue, including at the ministerial meeting that the Prime Minister has referred to, those concerns were addressed and the region has given the intervention its unanimous endorsement.

The Solomon Islanders themselves have recognised that the state was failing to protect its people. Australia will never stand by—or should it—and watch a neighbouring country and its people suffer in this way. Such a situation is untenable both for the people of the Solomon Islands and for neighbouring states. Having a failed state in our region is not in Australia’s interests or in the interests of the Solomon Islands people or the region. This fact has been acknowledged across the entire South Pacific region.

The intervention also meets all the benchmarks that Labor has consistently argued must be in place to give maximum legitimacy to the deployment. It has the unanimous regional endorsement of the 16 members of the South Pacific Forum. It was done at the formal invitation of the Solomon Islands government. I commend the speed and efficiency with which the Solomon Islands
parliament was able to pass crucial legislation to allow the intervention to proceed. There were reports at the time that not all members of parliament would be able to or would want to attend the session. I would like to particularly acknowledge the constructive role played by Joses Tuhanuku, the leader of the Labour opposition in the Solomon Islands. Joses provided much needed support for Prime Minister Kemakeza and was instrumental in the passage of the necessary legislation through the parliament.

The intervention has the overwhelming support of the people of the Solomon Islands, who want to return to peace and stability so that they can get on with their lives free from intimidation and corruption. Further, the size of the force is appropriately cast, with a balance of personnel between police, military support and aid agencies. It also is fully consistent with the aims and objectives of the United Nations Charter. Article 52 of that charter explicitly endorses and encourages regional arrangements for the maintenance of international peace.

I welcome the fact that Kofi Annan has given this intervention his strong support. I note also that the Secretary-General of the Commonwealth has endorsed this action. There can be no suggestion that this mission is anything but the clearest demonstration of how collective security and multilateralism can work in practice.

Like so many of the security challenges we face, not least the threat of terrorism, Australia will need to work closely and cooperatively with other regional countries. Regional security problems require a regional response. I think this latest episode in the Solomon Islands shows that no country can stand alone.

I also would like to acknowledge the crucial role played by New Zealand in this endeavour. Prime Minister Helen Clark and Foreign Minister Phil Goff have been instrumental in getting broad based regional support for this initiative. I commend their efforts. The commitments made by many other Pacific island states, including Fiji, Samoa, Tonga and Papua New Guinea, are a sign of genuine regional support for the Solomon Islands. In particular, as the Foreign Minister of Tonga said to me, this action in the Solomon Islands has the support of many regional church groups because it is as much about long-term support for nation building as it is about the immediate security problems.

The principal aim of this intervention is to restore peace and stability in our region. As such it is fully consistent with Labor’s foreign policy, which focuses particularly on the region. The action forms part of a consistent pattern of Australian intervention in regional conflicts, from Cambodia in the early 1990s to East Timor and Bougainville in the past few years. The action has already met with some early success and is so far fulfilling its promise. The multinational force arrived in the Solomons only three weeks ago. Since then a thousand weapons have been decommissioned and the Australian head of the intervention force, Nick Warner, has begun the process of identifying the needs of the Solomon Islanders and the tasks which will be required to provide long-term security and stability.

It seems that there is a possibility that even the infamous Harold Keke will now submit himself to the police. I hope he does. However, the situation—we should not kid ourselves—still remains dangerous and the difficulty of the task ahead should not be underestimated. The amnesty for the return of weapons finishes at the end of this month. I encourage all those in the Solomon Islands who still have illegal weapons to hand them in. It is possible that this intervention force will need to be in the Solomon Islands for
some time to come. But we all hope that the majority of the Australian personnel can be returned home as soon as possible.

Labor also acknowledges the outstanding effort of the men and women of the Australian Federal Police, the Australian Protective Service and the Australian defence forces. I had the pleasure, together with the Prime Minister, of meeting with and speaking to some of the many participants and their families at their farewell in Townsville. I am constantly struck by both the youthfulness and the maturity of the young soldiers and police officers that serve our community. Many of them had young families of their own. Like all Australians, I am immensely proud of the work that our service men and women are doing. The intervention force comes at a time of high operation tempo, following on the deployments to Afghanistan, to Iraq and to other peacekeeping missions around the world. But all these agencies have conducted themselves with the highest level of professionalism and dedication.

I would particularly like to thank and acknowledge the role of the Australian Federal Police, the Australian Protective Service and the men and women of the various state police forces that have contributed their services to the previous peace monitoring team and now to the intervention force in the Solomon Islands. Although a show of force from the military was considered necessary in this case, the real burden of disarming the rebels and restoring law and order in the Solomon Islands will fall on the shoulders of our police.

Throughout numerous deployments in our region and around the world, our police forces have demonstrated a level of professionalism and dedication that is second to none. As the fight against terrorism in Indonesia after the Bali bombing has shown, it is the police on the ground doing the hard investigative work that will bring these criminals to justice.

I join with the government in supporting this initiative. We will do everything to ensure that law and order are returned to the Solomons as quickly as possible and that, in particular, our men and women can return home safely and as quickly as possible.

Mr DOWNER (Mayo—Minister for Foreign Affairs) (4.14 p.m.)—In rising to support this motion I want to take the opportunity to say that I am very pleased that the whole of the parliament—to the best of my knowledge—strongly supports it. We in the government appreciate the support of the Leader of the Opposition and the opposition in this difficult matter.

Ever since its independence the Solomon Islands has gone through a fair amount of difficulty, which is partly a legacy of the colonial period. During that period, for example, there was a real lack of investment, both in infrastructure and in education, in the Solomon Islands. It is quite noteworthy that by the time the Solomon Islands gained independence in the late 1970s there were said to be only five Solomon Islanders who were university graduates. That illustrates the point that the Solomon Islands had not been given very much priority in the galaxy of the British Empire. That obviously meant that from its birth the Solomon Islands was going to have a difficult time.

The second thing is that the Solomon Islands has been plagued, particularly in recent years, by ethnic conflict between the people of Malaita, which is the island where the capital originally was, and the people of Guadalcanal—known as the Guale people—where Honiara is based. When the capital was moved during the 1940s from Malaita to Guadalcanal a lot of the Malaitans who had been working in public administration in
Malaita moved to Guadalcanal. As a result of that, as time went on tensions gradually rose between the Malaitan people and the Guale people and there were many problems over the years.

This in effect came to a head with what is often described as the coup—it is not quite an accurate description—in June 2000, in which the Malaita Eagle Force effectively took over the government. The parliament still remained in existence and subsequently the parliament, through a vote which was very contentious, elected a different Prime Minister. It elected Prime Minister Sogavare in place of Prime Minister Bart Ulafa’alu. But it was a change of government, it has to be said, that did not meet the norms of democratic and parliamentary procedure—let us face it. This was, though, a function—not to justify it; what happened was completely unjustified and totally wrong—of the ethnic conflict and a manifestation of that ethnic conflict.

The response of the Australian government at the time was indeed to be very active. As time went on, we set up the Townsville peace process. We flew delegates to Townsville from the different parts of the Solomon Islands.

Mr Kerr interjecting—

Mr DOWNER—We have had a very good bipartisan debate here. I think it might do the House respect to continue in that tone. The member for Denison might note that. I went to Townsville and presided for a period over the Townsville peace negotiations.

Mr Kerr—Why didn’t you respond to my letter?

The SPEAKER—The member for Denison! The whole spirit of this debate is being eroded by the member for Denison.

Mr DOWNER—The public, including the people of Denison, would expect a sensible debate on this issue. I participated in the Townsville peace talks which led to the Townsville Peace Agreement, which was an agreement with a number of terms between the Guale and Malaitan people. The Townsville Peace Agreement has been quite effective.

We supported the Townsville Peace Agreement not through a policy of non-intervention but through the deployment of the International Peace Monitoring Team and we left that there for some time. A number of arms were collected by the International Peace Monitoring Team. I visited the Solomon Islands, visited the team and went and saw the containers with the arms in them. The team seemed to have made some quite good progress. We also substantially increased our aid program to the Solomon Islands.

It is a matter of some debate whether it would have been better to have sent in a more robust intervention force—and I am making the point we did actually send in an intervention force straight after the coup, or particularly after the Townsville Peace Agreement was reached—or whether we should not have. That will be a subject that people can debate.

It is probably true, as we argued at the time, that it would have been inappropriate to have inserted ourselves between two ethnic groups. It was enormously important that the ethnic groups themselves did reach some accommodation. We could not have forced an accommodation on them and, if we had endeavoured to do so, it would not have been sustainable. We certainly made the judgment that it would be appropriate that they themselves should get together and reach some agreement. I have always taken the view that when you make these interventions you have to do your best to try to encourage in the first place an internally brokered agreement rather
than to try and impose an external agreement on people. It is very difficult to do that.

My additional concerns with the Solomon Islands, though, have been much more recent. When I visited the Solomon Islands in December of last year I was disturbed at how the early progress that had been made, in particular while the International Peace Monitoring Team was in the Solomon Islands, had started to dissipate. The extortion that took place of the Solomon Islands’ treasury just before I went there in December—it must have been in late November—was a case in point. Law and order was really breaking down there. I must admit that I was concerned that the Solomon Islands was heading towards becoming a failed state. When we got the invitation this year—some months later—the Prime Minister and I obviously talked about it and came to the view that it was an opportunity for us to change policy. But in changing policy we did lay down in our talks with the Solomon Islands’ leadership some quite strict conditions on which we would intervene.

The first of those conditions was that there should be wholehearted support in the Solomon Islands for an intervention. Let me make the point that, if we had sent in a more robust intervention than the International Peace Monitoring Group which we sent in back in 2000-01, I do not believe for a minute that we would have got that widespread support. In diplomacy, as it is often said—as is true in all facets of life—timing is enormously important.

There was some debate, believe me, but in the end the parliament of the Solomon Islands unanimously passed a resolution supporting the intervention. It also, very importantly, passed legislation, again unanimously, to provide the appropriate legal protections for the international team in the Solomon Islands. The second thing we said to Prime Minister Kemakeza, his ministers and officials was that we did not want to do this alone, we wanted to do this as a regional intervention. I think members of the House would agree that this was a wise course. Not only did we want to include New Zealand—and the Leader of the Opposition has referred to New Zealand’s role, and I will say something about that later—but we wanted to include the Pacific Islands Forum. Some time ago, but also in the year 2000, the New Zealand foreign minister and I effectively wrote what is now called the Biketawa Declaration. I mean, let us get this clear, it was written by the ministers and signed off by the heads of government, but it was written by the ministers. In any case, what became the Biketawa Declaration came out of the first ever Pacific foreign ministers meeting in Apia in Samoa in 2000 in response to the events in Fiji and the Solomon Islands. The Biketawa Declaration provides for—nothing very dramatic, I suppose—regional assistance, mutual assistance, in times of difficulty and it has some procedures laid out for how that should be done. So we made it clear to the Solomon Islanders that this should be done under the Biketawa Declaration.

The third thing is that we made it clear that we wanted a secure mission. If the Australian government deploy the military, civilian personnel or police then I think we have an obligation to provide them with all the security they need, and we should act on the advice of our military and our police in terms of how much security they need. The Prime Minister and I, or the national security cabinet, or the Prime Minister and his office do not just dream up a paradigm for how much security should be required; this is done on the advice of the military and on the advice of the police. I think all members of the House would agree that that is the appropriate way to do it. The judgment of the Federal Police and the military was that we should
have the type of intervention that we have had, with the appropriate ratios that we have of military support for what is, essentially, a police operation. There have been some who have said that the military footprint is too great and so on but our response to that is that the military and the police have had to make a judgment about what they think will keep the Australians, particularly, secure. So this has to be a secure mission, or as secure as you could ever make a mission.

The fourth condition was that this had to be comprehensive support. Yes, we could restore law and order, but what happens if, having restored law and order, we then leave? Will the situation just revert to what it was? So what we have said is that there needs to be very substantially increased support for the treasury, the finance department, the customs department and, in the area of law and justice, for the magistracy and the rebuilding of the Rove prison—and the list goes on. All of these conditions have been met by the Solomon Islanders and by countries in the region. The Pacific Islands Forum foreign ministers meeting held in Sydney, which was chaired by the Fijian foreign minister as Fiji has the chair of the Pacific Islands Forum until next weekend, unanimously endorsed this intervention. I would like to say how much we appreciate the support of those countries which have made a practical contribution. One of those, of course, is New Zealand—and I would like to pay particular tribute in this parliament to Phil Goff, the foreign minister of New Zealand, who has been particularly robust in his support for this intervention. I would also like to express real gratitude to the Fijians, who are sending a very good military contingent—they are actually sending the second-largest military contingent after Australia and that is a very strong contribution from a good people. Also Tonga, Samoa and Papua New Guinea have some military personnel there now. Other countries, such as Vanuatu, are indicating that they may make a contribution. So this is a genuine Pacific intervention, but obviously it is dominated by Australia.

As the Prime Minister and the Leader of the Opposition have said, the intervention is going exceptionally well. I think the fact that they have collected 966 weapons—that is the latest figure I have—is an extraordinary achievement. I would never have expected that in such a short period of time. I think that the job that Nick Warner, Special Coordinator of the Regional Assistance Mission to the Solomon Islands, and Ben McDevitt, from the Australian Federal Police, have done has been an extraordinarily capable, competent and, by the way, very diplomatic one in the way they have implemented the tasks of the intervention. I pay great tribute to them; they are extraordinarily professional Australians. I do think it is important though, as I said in question time yesterday and on a number of other occasions, that everybody realises that, as successful as the mission has been so far—and the Leader of the Opposition made this point—after 21 August, when the guns amnesty comes to an end, we get to the most difficult part of the mission. I think that whilst tracking down people might not be impossible with new technology, disarming those who still have weapons illegally after that date will be much more hazardous than the current period. So we must keep our eyes open to the difficulties that might lie ahead.

I hope that the military component will not have to stay very long, and so far I think the signs are propitious that that may be the case. I very much accept, though, that the police will be there for quite some period of time, and of course our aid program there will be ongoing. A number of Australian advisers have been sent in to help in different departments and different areas of government and they or their successors will have
to stay for quite a long time. This is a very important policy change. This is a change to what we call cooperative intervention. We have set aside the bipartisan policy that has existed towards the Pacific since 1975. We have now made this type of intervention. I hope we will not have to do it again anywhere else in the Pacific, but it makes the point that we do not want countries in our part of the world to become unstable and we will do all we reasonably can—in an appropriate way and within the confines of international law—to uphold and maintain the stability of the region.

Mr Rudd (Griffith) (4.29 p.m.)—As the Leader of the Opposition has already stated clearly to the parliament, we support this current regional assistance mission to the Solomons. We do so for a number of reasons. We do so, because of the wellbeing of 465,000 citizens of the Solomons and their welfare depends on this. We do so because, if we fail to act there is a risk the Solomons will become a comprehensively failed state, and, in the event of that occurring, it could become the home for transnational crime or even terrorism that could impact on the rest of the region. We do so because, if we fail to act, others in time will act, because in international relations there is no such thing as a strategic vacuum. We do so because, if we fail to act, it would be a demonstration of a lack of Australian security policy resolve in our own region, neighbourhood and backyard, and possibly create a precedent and, in the event of any continued Australian inertia, an incentive for others, particularly elsewhere in Melanesia.

Finally, we support this mission because it accords with international law. We have had a major debate in this parliament and in this country in recent times over the international legal grounds which exist for military intervention in another sovereign state. The UN Charter is clear on this. There are three provisions in international law which govern appropriate forms of military intervention. The first is article 42 of the UN Charter, whereby the UN Security Council resolves to intervene; the second ground exists in article 51 of the UN Charter, which is the right to self-defence; and the third under the UN Charter is the emerging doctrine of international humanitarian law, under which the continued commission of gross crimes against humanity and war crimes can only be alleviated and prevented in the event of the intervention of other states—the so-called Bosnian or Kosovo principle.

The Australian government’s decision in Iraq in our argument did not conform with these three grounds, although the government sought to argue the grounds of article 42 in advancing its argument for a military intervention in that country. The Solomon Islands represents an entirely different case, because the sovereign government and parliament of the Solomons has requested this intervention and, therefore, the doctrine of state sovereignty which forms the core of the UN charter is preserved. The fact that the proposed mission to the Solomon Islands has been endorsed further by the Pacific Islands Forum reinforces this point and, further, it is important because of the terms of article 52 of the UN Charter on regional arrangements on security. That is why the foreign minister has quite properly described this action as ‘cooperative intervention’. In this context, it contrasts with the foreign minister’s more recent statement when he addressed the National Press Club where he effectively repudiated the doctrine of state sovereignty. He said that ‘state sovereignty is not absolute’. The replacement doctrine for that of state sovereignty is of course pre-emption, be it global or regional, as the Prime Minister articulated in his own remarks on the region last December.
The problem however is that, if you are in the process of demolishing the existing international system which rests on a principle of state sovereignty, it is then incumbent on you to articulate what the replacement international system is and the rules and principles under which this new international system is going to operate. So far on this important question we have nothing but a vacant space.

We have indicated our bipartisan support for this Solomon Islands mission. The only criticism we make is that it has been a mission much delayed. The foreign minister’s year 2000 Townsville Peace Agreement had well and truly failed by last year, and probably the year before. After $150 million of Australian aid, the country was still awash with guns, law and order was still out of control and the civilian population of the Solomons lived in fear of their lives. But still the foreign minister refused to consider a change in policy and embrace a more active intervention, despite the evidence that the Townsville Peace Agreement was failing and the much earlier warnings by a number of individuals, but I would particularly refer to the considered warnings back in the year 2000 by the member for Denison.

The member for Denison visited the Solomons in the first half of the year 2000, before the coup of late that year. It is important that these matters be recorded clearly in the parliamentary record. At that time, he met with the Prime Minister and Bartholomew Ulufa’alu, the then Leader of the Opposition and Chief Justice. It was at that time that the Prime Minister of the Solomons, reinforced by his parliamentary opponent and further by the Chief Justice, requested of the member for Denison that the Australian government provide police assistance to the Solomons, and, furthermore, the Solomon Islands made that request to Canberra. This was a modest request. It was for 50 police officers back in the year 2000, prior to the coup of later that year. It was a request made at the time when the essential institutions of the Solomon Islands were still properly functioning, although under impending threat. At that time, the member for Denison was informed by Australia’s diplomatic representatives in the Solomons that the Australian government at that time had already decided to decline this modest request from the Solomons.

The rest, as they say, is history. But, had there been a more activist, interventionist or engaged Australian foreign policy at the time, focused on this emerging problem in the Solomons, mindful of the considered remarks and observations made by the member for Denison, we may be in an entirely different situation today where we would not be looking at the expenditure of several hundreds of millions of dollars of Australian taxpayer’s money supporting this large scale intervention, which is currently on its way or there, largely in situ.

The member for Denison, however, did not stop there. Upon his return to Australia, on 5 May 2000 he corresponded with the foreign minister and formally again reinforced the requirement for an early considered and focused intervention. And, as the member for Denison has already interjected in the debate today, regrettably his correspondence with the minister was not responded to.

The minister was not predisposed to changing policy direction on the Solomons as late as January this year. In fact, in an opinion piece—I think written in the minister’s own hand on 8 January this year—Mr Downer writes:

Sending in Australian troops to occupy the Solomon Islands would be folly in the extreme. It would be widely resented in the Pacific region. It would be very difficult to justify to Australian taxpayers. And for how many years would such
an occupation have to continue, and what would be the exit strategy?
That was as of January this year; so we legitimately ask the question: what changed the minister’s mind? How did he move from this position of disbelief to belief, having ignored the earlier injunctions of the member for Denison and others? It is at this point that we must draw into focus a report prepared by the Australian Strategic Policy Institute, ASPI, under the capable directorship of Hugh White. It is entitled *Our failing neighbour: Australia and the future of the Solomon Islands*, and it was prepared by Dr Elsinor Wainswright with contributions by Quinton Clements, Mary-Louise O’Callaghan and Greg Urwin. The thrust of the report, when you read it, is very cogent. It says that, given the collapse of law and order in the Solomons, in the absence of an external police intervention, all the institutions of state within the Solomons would become comprehensively dysfunctional and, as a result, it would be impossible to reconstitute either the polity or the economy within any reasonable time frame. The report recommended the dispatch of 150 police. When that report was produced—I forgot to bring it with me to the dispatch box—lo and behold, on the road to Damascus, we see unfold a change in Australian government policy.

I think it is a good thing that we have think tanks like ASPI who are capable of prodding the Australian public policy debate and the foreign policy debate and nudging a change in policy when it needs to occur. This report was produced only a few months ago; but, had earlier warnings been listened to by others who had visited the Solomons over the preceding two years, we may have seen a much earlier change in the course of policy action.

As the Leader of the Opposition has already indicated, we on our side of politics have been quick to provide bipartisan support. Minister Downer quite rightly referred to the cooperative spirit which he has encountered across the Tasman. Mr Speaker, when you were last across the Tasman—and when I was last across the Tasman, which was at the same time—you were meeting the Speaker of the New Zealand parliament and I was meeting with the New Zealand foreign minister. What we spent most of the time doing was working our way through this document and working our way through precisely what operational constraints would present themselves to an Australian and New Zealand force giving effect to the course of action outlined here. As Minister Downer has quite rightly pointed out, Phil Goff has been an activist on this question and his contribution is to be applauded by this parliament. Upon my return from New Zealand, I wrote in the *Financial Review* on 13 June, when speaking about the possibility of cooperative intervention in the Solomons:

The principle is right and the Labor Party is prepared to support it, depending, of course, on the detail of the terms and content of the proposed engagement.

I went on to observe:

But it should never have taken this long for Downer to realise that his first responsibility is here in the region, not in more exotic locations beyond.

That was written on 13 June. The final decision on the part of the Howard cabinet to commission a force for deployment to the Solomons was taken, as I recall, on 25 June. The reason I emphasise that is simply to underline that the opposition have been engaged in this question right from the time of the visit of the member for Denison and the engagement of my predecessor—the member for Kingsford-Smith—in South Pacific matters, through to the present. Prior to the government’s announcement of a policy direction, we foreshadowed that if the government were to bite the bullet on this we would be
with them and we would support them, because we believe it is in the national interest that we do so.

What this whole question of the Solomons does is to reinforce, for all of us in this parliament, the paramount importance of this region to this nation’s security. Australia’s national security, as we discovered through the dark events of World War II, lies in having a secure and stable south-west Pacific and a secure and stable South-East Asia. These are two elements which have often escaped the conceptual framework of the foreign policy of the government we have in office at present. If ever there were a telling reminder of the importance of acting early on these questions, it is the example of the Solomons. We see evidence of the same difficulty emerging in South-East Asia, with the proliferation of radical Islamic terrorism—not just in Indonesia but elsewhere in South-East Asia, both in the Philippines and in Malaysia—and evidence of terrorist attacks in Singapore. These two subregions form the heartland of Australia’s strategic geography, and the enduring lesson from Curtin to the present is that unless we fix these two subregions then we as a country can never be properly secure. And that, might I add in a partly partisan spirit, is the enduring theme of Australian Labor foreign policy. From Evatt through Evans to the present, those are the two principles which underpin our view of national security policy for Australia.

I conclude by wishing all those currently committed to this mission godspeed and a safe return. We salute the members of the ADF, as the Leader of the Opposition has rightly done, the members of the AFP, and the other Australian public servants and representatives of DFAT and other government departments. We wish them success in their mission. Their nation is behind them and the parliament is behind them. Their mission is critical to us all, because nothing happens in this country unless, first and foremost, our national security has been secured.

Question agreed to.

MESSAGES FROM THE QUEEN
50th Anniversary of the Coronation

The SPEAKER (4.44 p.m.)—I inform the House that, in reply to the resolution of congratulations of this House on the occasion of the 50th anniversary of the coronation of Her Majesty The Queen, the following message has been received from Buckingham Palace:

The Queen has asked me to thank you and the Members of the House of Representatives of the Commonwealth of Australia for your kind message of loyal greetings sent on the occasion of the fiftieth Anniversary of Her Majesty’s Coronation.

The Queen much appreciated the terms of your message and sends her best wishes to you all.

Signed Stuart Shilson, Assistant Private Secretary to The Queen.

QUESTIONS TO THE SPEAKER

Questions on Notice

Mr MURPHY (4.45 p.m.)—Mr Speaker, you will doubtless recall me ploughing through the Notice Paper yesterday when I asked you a question in relation to standing order 150. I want to do it again today because it has been pointed out to me by James Rees of the Table Office, who does a great job, that in the excitement I missed two questions.

Mr Hardgrave—Oh, come on!

Mr MURPHY—It came as a shock to me and I know it comes as a shock to the minister at the table, the Minister for Citizenship and Multicultural Affairs. Mr Speaker, under standing order 150, I draw to your attention the fact that questions on notice No. 1415 to the Treasurer on 6 February this year and No. 2013 to the Minister for Transport and Regional Services, which first appeared on 5 June, have been on the Notice Paper for over
60 days. I seek your help once again, Mr Speaker. I have a further question—

The SPEAKER—Let me first deal with that by indicating that I will follow up those two questions as standing order 150 provides.

Questions on Notice

Mr MURPHY (4.46 p.m.)—Mr Speaker, you will doubtless recall that after I sought your assistance yesterday to follow up questions on notice under standing order 150 the member for Werriwa, Mark Latham, stood up and asked you a question with regard to whether you ever got any responses to the requests from members like me under standing order 150 to have ministers facilitate a reply.

The SPEAKER—The member for Lowe and members of the House may be relieved to know that I do, in fact, recall both instances.

Mr MURPHY—As I said, you doubtless would recall that. Mr Speaker, you indicated that, yes, some ministers respond and some ministers do not respond. I am wondering whether you would be prepared to indicate to the House—

Mr Crean interjecting—

Mr MURPHY—Yes—whether you would, firstly, make available the responses that you receive from those ministers who do take some notice of you—because we do appreciate that—and, secondly, and importantly, whether you would be prepared to name those recalcitrant and indolent ones who do not respond. I am sure we in this House would all be interested because there are still—a lot of questions outstanding on the Notice Paper. The members who ask them, in the interests of their constituents, need answers.

The SPEAKER—Let me correct a small misunderstanding on the part of the member for Lowe. The obligation under standing order 150 is for me to alert ministers to outstanding questions, questions that have not been answered. There is no obligation on ministers to respond to that letter. The obligation on them is to actually respond to the question. If they fail to respond to the question, the facilities of the House exist to allow the member for Lowe, or any other member, to once again alert the House to the fact that there has not been a response. Of course, in most instances the minister is named when that matter is raised by the member. There is no facility for me to expect or demand that ministers respond to my letters to them. Some do; some do not. The whole purpose of standing order 150 is to elicit an answer to questions, and a failure to answer is covered by standing order 150.

Mr Latham—Mr Speaker, I rise on a point of order. I would have thought it was a common courtesy for ministers to respond to the Speaker of the House of Representatives. I raise this issue because of the incredible workload and diligence of the member for Lowe. My predecessor and friend, the master of the Notice Paper, the great man himself, Gough Whitlam, is overwhelmed by the number of questions that the member for Lowe places on the Notice Paper. He is an incredibly diligent, hardworking and effective local member, and he is finding it very hard—indeed, he is frustrated in the discharge of his constituency work and policy interests—with the vast number of questions that are not answered within the time specified in standing order 150. I would have thought that in politics a bit of naming and shaming would be a legitimate tactic in these extraordinary circumstances. I ask you, Mr Speaker, to reflect on the matter raised by the member for Lowe, reflect on his special circumstances, take him under your wing as the
hardest working, most diligent member on the Notice Paper in the House and see if we can give him a bit of special consideration to get some of his very good questions answered.

The SPEAKER—I thank the member for Werriwa and I point out to him that naming and shaming is something with which the chair is relatively familiar, but only as the standing orders provide. I discharge the member for Lowe’s request to me as the standing orders provide. That I treat him charitably goes without saying.

PRIVILEGE

Mr Latham (Werriwa) (4.50 p.m.)—Mr Speaker, I rise on a matter of privilege. But in a related matter I understand that comments of mine made at a doorstop interview this morning have been drawn to your attention, Mr Speaker, where I said that, on this particular matter of privilege, we needed to get past the Liberal Party Speaker who sits in the chair. I want to assure you, Mr Speaker, I said this as a matter of fact; I would not ever reflect on the chair. If these comments were interpreted in any such way, I am very happy to withdraw them and offer to you any apology that is needed.

The SPEAKER—I thank the member for Werriwa. He will understand how they could have been interpreted and I am anxious, in common with my predecessors, not to be seen to have any party loyalty in this position.

Mr Latham—Mr Speaker, I draw your attention to page 708 of House of Representatives Practice, 4th edition, which makes clear the facility of the House to treat the making of a deliberately misleading statement as a contempt. It also outlines, at page 709, a precedent in 1986 where the House considered a motion to refer a member who had misled the House to the Privileges Committee on the matter of contempt. I would ask you accordingly to consider the misleading of the House that has been clearly demonstrated in recent days—during the last two question times—and specifically the Prime Minister’s answers on 17, 18 and 19 September. In particular, I refer to the answer on 19 September where he volunteered to the House—this was not in the context of any other matter—the following information:

The member asked me what communication my office had with Manildra relating to the decision to change excise arrangements for the ethanol industry. As I stated earlier, I had not spoken to Dick Honan on that issue.

Of course you would be aware, Mr Speaker, as are other members, that very clearly he had spoken to Mr Honan on that very issue at a meeting documented by his own department on 1 August 2002. I will not draw any great debate, in fact any debate, into this because you know, as the occupier of the chair, the sanctity of truth in the House of Representatives, the importance of this principle. It is a very, very serious matter—so serious that the opposition yesterday was forced to move a censure motion against the Prime Minister. It has been recognised—

Mr Lloyd interjecting—

Mr Latham—The Chief Government Whip interjects that we lost. We did not lose in the media; every single commentator is recognising the seriousness of the matter and the misleading of the parliament by the Prime Minister. Mr Speaker, I ask you to consider my request for precedence to a motion to refer this to the Privileges Committee. Under the provisions of House of Representatives Practice the House may treat the making of a deliberately misleading statement as a contempt. I regard it as such and I ask you to grant the motion some precedence.

The SPEAKER—The member for Werriwa and, to be fair, the member for Lalor, as
I would have expected, extended the courtesy to the chair of notifying me that they wanted to raise a matter of privilege, although they did not specifically notify me of what the matter of privilege would be. However, anyone who had read the newspapers might reasonably have deduced what it would be.

As a result, I have looked at the matter, anticipating that it would be this question of the Prime Minister’s response to questions yesterday. I point out to the House that there are few things as serious as a matter of privilege. House privilege protects the immunities that we enjoy as representatives, and reference of a matter of privilege to the Privileges Committee is a very serious matter indeed. Consistent with the action taken by previous occupiers of the chair, I am not prepared to accept this as a matter of privilege. If it were a matter of privilege, it would have needed to have been raised at the earliest available opportunity. The delay this afternoon in no way reflects on that and, in fact, I indicate to the member for Lalor that I would not hesitate because of today’s delay. This matter was aired for much of the parliamentary sitting yesterday and there was no suggestion following the motion to censure the Prime Minister that a matter of privilege would be raised at any time before the House rose at 9.30 p.m. Therefore, consistent with decisions taken by previous speakers on at least four occasions in relatively recent times, I do not believe that this matter ought to be referred to the Privileges Committee.

Mr LATHAM (Werriwa) (4.54 p.m.)—I move:

That so much of the standing and sessional orders be suspended as would preclude the Member for Werriwa moving forthwith: That this House gives precedence to a motion to refer to the Privileges Committee the misleading of the House by the Prime Minister on 17, 18 and 19 September 2002.

It is the usual practice in this House for the occupier of the chair to reflect on a privilege matter, give it a considered assessment and report back to the House. I have listened carefully to your words, Mr Speaker, and I believe that your main objection is that it was not raised at the first available opportunity. That gives me encouragement—that is, that you believe this to be a matter of substance and something that, in normal circumstances, would be the subject of considered assessment and reflection by your good self.

With regard to the timing issue, I remind you and the House that this matter was raised in two questions at the beginning of question time by the Leader of the Opposition. The opposition’s view was that the privilege matter should not be raised until all the other forums of the House were exhausted. It is true that it was raised extensively in question time yesterday and was the subject of a censure motion. But the opposition were relying on a smidgin of good faith and common sense from the Prime Minister that he might overnight have been convinced by the strength of our arguments and the strength of media and public opinion against him—that he might have been convinced of the need for fair play and honesty in the House of Representatives and might have come in here today to question time with a different attitude. Perhaps we erred in giving him a smidgin of tolerance in the hope that he might fess up today in answer to the two questions that were asked by the Leader of the Opposition.

That did not happen. We now feel as an opposition that all our forums and opportunities for honesty in the House have been exhausted, and that is why we now move to the question of privilege. We certainly urge the House to support this suspension, which would facilitate a motion of precedence for the reference to the Privileges Committee. It is a very important matter. As you have stated, Mr Speaker, privilege is important,
but so too is honesty—so too is truth in politics and truth in the House of Representatives. This is a matter of the highest importance that concerns a debasing of the most important resource of a parliamentary democracy: the truth. The most important resource we are entrusted with by the Australian people is the truth. Do not just believe me on that—believe the Prime Minister. In August 1995 he said:

We want to assert the very simple principle that truth is absolute, truth is supreme, truth is never disposable in national political life.

I would argue that if truth is absolute, truth is supreme and truth is never disposable then surely the actions of the Prime Minister in not telling the truth in the last two question times must be judged as a contempt of the parliament. This is a Prime Minister who is avoiding the truth, denying the truth and failing to acknowledge the truth.

The SPEAKER—The member for Werriwa is aware that he is moving a suspension, not a censure. Even censures do not allow so wide a range as to suggest that the Prime Minister has evaded telling the truth—it is an inappropriate comment.

Mr LATHAM—I am just trying to demonstrate the seriousness of the matter. I accept your ruling, but it is a serious matter and I am trying to convince the House that the seriousness is such that my motion to suspend should be carried and the House should then give precedence to this reference to the Privileges Committee.

I note the commentary in the media today. I note the public opinion that I have been made aware of. I believe that the vast majority of Australians regard this as a serious matter. It is an open-and-shut case of misleading the House of Representatives. I suppose one of the turning points for me in my assessment was seeing Andrew Bolt, the neoconservative commentator, paying out on the Prime Minister and saying that the Prime Minister in this instance has betrayed himself and betrayed the parliament. Andrew Bolt saying those things is a bit like ACOSs calling for the abolition of the welfare state—it does not happen very often, and it gives weight to the seriousness of this matter and weight to the way in which commentators and the public are judging the question of honesty in the House of Representatives. I note that people on the government side are taking it seriously; I just saw the Minister for Education, Science and Training nodding in agreement.

Dr Nelson—that’s about ACOSs, Mark.

Mr LATHAM—he agrees about ACOSs; he might agree about the other matter as well. I debated the Leader of the House on Lateline last night. On Lateline last night the best defence of the Minister for Employment and Workplace Relations, the Leader of the House, was to say that the Prime Minister was answering in the totality of the context. So this was just pollywaffle with the government trying to defend the indefensible. That does not stand up any more and that is why the House of Representatives should be referring this to the Privileges Committee to look at the matter of contempt. Privilege is important, but so too are honesty and truth in Australian politics, and that is the assertion the opposition is making with this motion.

I also noticed the Treasurer’s so-called defence of the Prime Minister yesterday. He spoke for 15 minutes and barely mentioned the Prime Minister. It was hardly the vigorous defence of a loyal deputy. Mr Speaker, you and other members might wonder how many times the Treasurer mentioned the Prime Minister in his 15-minute speech. He mentioned him just a handful of times. How many times did he mention him in a positive sense? You might have expected 30, 20 or
maybe 10 positive references or good things that the Treasurer said about the Prime Minister’s honesty, integrity and truthfulness in public life. The best he came up with in a 15-minute speech was the absolute bare minimum. The most positive reference he gave the Prime Minister was, ‘The Prime Minister did not mislead the House.’ He took two seconds out of a 15-minute speech to give the bare minimum defence of the Prime Minister. I rather suspect that the Treasurer knows the Prime Minister’s pattern on these matters. The Treasurer was strung out for two years in the belief that the Prime Minister would be retiring from public office on his 64th birthday last month, but now ‘Prince Charles’ himself has been misled. He has been left there, waiting, waiting—a bit like a shag on a rock, as useful as pockets in your underpants—waiting for the Prime Minister to live up to his promise of retiring from office on his 64th birthday. So the Treasurer obviously knows the pattern of misleading the parliament and his own colleagues that is on display from the Prime Minister, Mr Howard.

The Prime Minister is the man who gave us a ministerial code of conduct that was junked and abandoned while it was still hot off the presses. This is the man who gave us the notion of core and non-core promises in Australian politics. This is the man who gave us the promise of never, ever introducing a goods and services tax, the man who gave us the kids overboard and all the truth overboard that went with that, the man who gave us the false notion that Iraq was seeking uranium out of Africa. And now he has given us the ethanol mislead and has brought this motion upon himself in the House of Representatives. My mind goes back to the comment of Shane Stone—‘mean and tricky’. At that time Shane Stone was thought to be a commentator. In fact, he turned out to be a prophet of his times because the parliament is now dealing with a tricky Prime Minister who misleads time after time. There are several misleads, but the worst of them was on 19 September—

The SPEAKER—The member for Werriwa will resume his seat!

Mr Latham—I know the government doesn’t like hearing this. I know the government doesn’t like the truth.

Mr Lloyd—I rise on a point of order, Mr Speaker. I ask you to remind the member for Werriwa that standing order 76 states:

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

This is not a censure motion.

The SPEAKER—The Chief Government Whip will resume his seat. The member for Werriwa has the call. I will alert the member for Werriwa if I believe he is going beyond the bounds of parliamentary practice.

Mr Latham—As I was saying, there were several misleads by the Prime Minister but the worst was on 19 September; this is the one that is truly indefensible. On 19 September, the Prime Minister volunteered this information to the House; he was not saying it in the context of a boat from Brazil. He was not asked a question about a boat from Brazil. He volunteered this particular information to the House:

The member asked me what communication my office had with Manildra relating to the decision to change excise arrangements for the ethanol industry. As I stated earlier, I had not spoken to Dick Honan on this issue.

We all know, and it has been stated here several times, that that was false. That was misleading the House of Representatives, because a meeting with Dick Honan had been held in the Prime Minister’s office on 1 August which dealt with that selfsame issue of excise arrangements for the ethanol industry. It is an open-and-shut case of misleading the
Again I quote the Prime Minister’s own words, not from September last year, but from 1993, when he said:

The simple principle involved here boils down to whether the man holding the supreme office in this country tells the truth to this Parliament or not … if the Prime Minister really were the national leader that he aspires to be … he would be big enough to come into this Parliament and say, ‘Look, I am sorry. I got it wrong.’

Unfortunately, the Prime Minister is not big enough to do those things on this occasion. It is a red-hot, open-and-shut case of misleading the House on 19 September and unhappily the Prime Minister has not been big enough to come into the parliament and say, ‘Look, I am sorry. I got it wrong. Truth is absolute, truth is supreme and truth is never disposable in public life. Here is my correction to the House of Representatives. Here is my apology to the people’s house.’

The opposition have exhausted all the avenues. We have asked questions but have not received answers. We have moved censure motions that have proven the case but have not been supported, on political grounds, by the members opposite. We have asked the questions again today. We believe that this is a contempt of the House of Representatives, and that is why, if anyone in this place truly respects the people’s democracy and the people’s house, it must be referred to the Privileges Committee. It must be dealt with there. We must uphold the standards of this great institution. (Time expired)

The SPEAKER—Is the motion seconded?

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

Mr Abbott (Warringah—Leader of the House) (5.05 p.m.)—Obviously the government does not agree to the suspension of standing orders. The government is happy enough to let the member for Werriwa and his allies speak on this topic because plainly the more they say, the more they reveal that they have nothing to say. Plainly the more they say, the more shallow, empty and hollow their words become.

Yet again on this issue the opposition have allowed their hatred of the Prime Minister to cloud their political judgment. They showed bad political judgment yesterday when they moved a censure motion which obviously was not sustainable and they have shown even worse political judgment today by only choosing to bring up a matter of privilege today when a matter of privilege obviously ought to have been raised before this parliament yesterday if it was to have any hope of substantiation or further progress.

Perhaps the most foolish thing that the member for Werriwa just said was his allegation that ‘members opposite’ voted against yesterday’s censure motion for political reasons. Why were the opposition’s normal numbers in this parliament down by about 10 when the vote was taken on the censure motion? That can be nothing other than an implicit vote of no confidence in opposition tactics. Such absenteeism was clearly deliberate and was designed to show the watching world just how little members opposite thought of the politics of what the opposition were trying to do.

Mr Latham—Mr Speaker, I rise on a point of order. The point of order really goes to orderly statements in the House. I think the Leader of the House should be aware that one of the members he is talking about is attending a funeral.

The SPEAKER—The member for Werriwa will resume his seat. There are other forms of the House. He does not have a point of order.
Mr ABBOTT—If the member for Werriwa were more interested in getting things right than he was in promoting himself he would have moved today’s motion yesterday. In fact, it was no secret that this was a tactic open to the opposition because I read in the Courier-Mail last Friday that they were going to refer this matter to the Privileges Committee. Obviously the Courier-Mail was briefed by the member for Lilley, who does understand parliamentary tactics, but the member for Lilley wrongly assumed that the member for Werriwa had actually read his standing orders and would know what to do under the circumstances. The problem is that the member for Werriwa is more interested in grandstanding than he is in getting it right, and he has been caught out yet again.

Let us look at the substantive issue which the opposition is constantly raising. On 17 September the Prime Minister was asked a question by the member for Chisholm:

Was the government contacted … before its decision to impose fuel excise on ethanol? … Was the government urged to take action to prevent Trafigura Fuels Australia from importing a shipment of ethanol from Brazil at a commercially competitive price.

The decision to impose fuel excise on ethanol was taken precisely in response to the Brazilian Trafigura shipment. The Prime Minister was perfectly correct in his answer for the simple reason, which by now ought to be abundantly clear, that there was no meeting on 1 August—no meeting prior to this decision being taken—of the type suggested by the opposition. Neither the Prime Minister nor Dick Honan had the slightest inkling of the Trafigura Brazilian ethanol shipment on 1 August when this meeting took place. The fact is that everything the Prime Minister has said in response to questions on 17, 18 and 19 September has been perfectly correct. On 19 September he was asked a question by the Leader of the Opposition. The Prime Minister in response said:

The member asked me what communication my office had with Manildra relating—

And this is the guts of it—

to the decision to change excise arrangements for the ethanol industry.

That is the whole point. The decision to change excise arrangements for the ethanol industry was precisely prompted by the Brazilian Trafigura ethanol shipment, which no one knew about on 1 August when the meeting with Dick Honan took place.

This is a very weak smear by the opposition and it is essentially designed to demonstrate that this government can be bought and that the Prime Minister has in some way been bought by the Manildra Group. Let me just make it clear to this House. Certainly the Manildra Group has made a number of donations to the coalition parties. That is no secret. It has been declared—as it should be declared—under the AEC rules. The Manildra Group has made a number of large donations to the Australian Labor Party—some of them very recent donations—but there is nothing wrong with that. Donations can be made to political parties. When it receives donations this coalition makes it very clear that those donations do not buy decisions. They do not buy anything. They are just an indication of support for the political process. That is all they are. We do exactly the same with our donations—in this respect at least—as the Labor Party do with theirs. As I said, I would be quite confident that if we sat down and counted the donations which the Manildra Group has made over the last 10 years to Australian political parties at least as much would have gone to the Labor Party as has gone to the coalition party.

It was a pretty ordinary investment, if that is what members opposite are persisting in alleging, for the simple reason that the deci-
sion that this government made was to reject the fundamental requests that the Manildra Group made. First of all, this government imposed a 10 per cent cap on ethanol in petrol against the lobbying and the wishes of the Manildra Group. Then this government refused to mandate an ethanol content in fuel. On both counts, this government made decisions that were right in principle. On both counts, this government made decisions that were justifiable. Sure, we gave the Manildra Group a fair hearing. That is what you do in a democracy; you give citizens a fair hearing. Having given them a fair hearing, we then made the appropriate decision in the national interest.

This motion demonstrates yet again a Labor Party which is absolutely bankrupt of policy and absolutely bankrupt of any ideas about how this country might be run better and which can resort to nothing but the politics of the gutter, nothing but the tactics of smear. There is not a friend that members opposite would not betray. There is not a principle that they would not abandon if they thought it would bring them closer to power, which is all they are interested in. We already have a situation where employment in the ethanol industry is threatened because of the campaign which is being run by members opposite. Members opposite do not care how many jobs they threaten; they do not care how many Australians’ livelihoods they sacrifice. All they are interested in is doing something that brings the Leader of the Opposition closer to the only job he covets—the prime ministership. I make this prediction: the Leader of the Opposition will never be Prime Minister. The prediction that is running around the lobbies of this building is that the member for Werriwa is going to be the Leader of the Opposition by February.

Mr Edwards—The next Leader of the Opposition will be Costello.

The SPEAKER—The member for Cowan might at least exercise the courtesy of not interrupting the Speaker.

Mr Edwards—I did not realise, Mr Speaker.

The SPEAKER—I thank the member for Cowan.

Ms GILLARD (Lalor) (5.15 p.m.)—Mr Speaker, you and other members of the House might now be thinking that this matter is a complex one: two question times, a censure motion and now having to deal with a suspension of standing orders. But it is not a complex one; it is about something very simple—it is about the truth. Apparently, the Leader of the House does not get that, and maybe we should not be surprised that the Leader of the House does not get that—that it is about something as simple as the truth. But that is what it is about, although I would say that the Leader of the House has managed to engage in a more robust defence of the Prime Minister than the Treasurer managed to stutter out yesterday. There is some significance in that, I suspect. The obligation on members of this House is a very simple one—there is nothing complicated about it. You are supposed to come in here and tell the truth. It is not hard, it is not difficult and it is not complex. You have to come in here and tell the truth. Why is that an important standard? It is because people are entitled to believe what is said in this House. If we cannot trust what the Prime Minister says on matters like the ethanol industry and with whom he met then how can people trust what he says about Medicare, about kids’ future education, about national security or about the question of children being thrown overboard? If you cannot trust that the statements in this House are the truth, what level of trust can the Aus-
Australian people have in anything that is said about any matter of government policy?

The obligation on the Prime Minister was quite clear: come in here and tell the truth. If you make a slip—we are all human—the rules actually give you a way of dealing with that. The rules say, ‘Tell the truth, but as soon as you realise you have made a slip, come into the House and correct it.’ There might be a moment of embarrassment, but nothing more. That is the standard. What we know from yesterday’s question time and from today’s, which I am going to raise with you, Mr Speaker, is that the Prime Minister did not acquit that standard. The statement he made in this House on 19 September simply was not the truth. He said:

The member asked me what communication my office had with Manildra relating to the decision to change excise arrangements for the ethanol industry. As I stated earlier, I had not spoken to Dick Honan on this issue. He had spoken to Mr Honan about arrangements relating to the ethanol industry and he ought to have disclosed that. The Leader of the House in a desperate defence says—like the Prime Minister did yesterday—‘It’s all about context.’ It is not me who is summarising the context; it is the Prime Minister in his own statement who is summarising the context. He is referring broadly to the ethanol industry and he is saying he did not meet with Mr Honan in relation to that. He clearly misled this parliament. Did he come in at any point and correct that misleading? No. The matter is only on the public record because of an opposition FOI request, not because the Prime Minister decided that he would fess up and tell the truth at any point. This matter would never have been on the public record if it had not been for investigative work by the opposition. Our first opportunity, because of the winter recess, to raise these matters was yesterday. The Prime Minister could have come into the House yesterday and corrected the record. He chose not do so, and we questioned him about that yesterday. Mr Speaker, as you are aware, we also raised the matter in a censure motion. We further pursued the issue today, including calling on the Prime Minister to table a number of relevant documents. He failed to do so. He could have done that today. So we have the issue being dealt with not only in yesterday’s question time but also in today’s question time. The opposition have taken the first available opportunity on the parliamentary program to now raise this issue by referring it to the Privileges Committee. Mr Speaker, as you know, I raised it with you prior to parliament commencing today.

Opposition members interjecting—

The SPEAKER—The member for Lalor may not be aware that the time for the debate has expired. I will allow her to wind up her comments but in fact the time for the debate has expired.

Ms GILLARD—If the only objection, based on parliamentary procedure, to referring this matter to the Privileges Committee is that we did not raise it at the first opportunity then I ask you, Mr Speaker, to consider that matter again. I also ask that the government deal properly with this motion by supporting the motion for suspension of standing orders and allowing this very serious issue to have precedence over other business.

The SPEAKER—Can I remind members on my left that in fact 20 minutes is set aside for this debate, and I did not need advice about the amount of time left on the clock. Furthermore, I have endeavoured to be accommodating to the member for Lalor.

Question put:

That the motion (Mr Latham’s) be agreed to.

The House divided. [5.25 p.m.]

(The Speaker—Mr Neil Andrew)
Tuesday, 12 August 2003

<table>
<thead>
<tr>
<th>Ayes</th>
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<td>Noes</td>
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**AYES**

- Adams, D.G.H.
- Albanese, A.N.
- Andrej, P.J.
- Beazley, K.C.
- Bevis, A.R.
- Brereton, L.J.
- Burke, A.E.
- Byrne, A.M.
- Corcoran, A.K.
- Cox, D.A.
- Crean, S.F.
- Crosio, J.A.
- Danby, M. *
- Edwards, G.J.
- Ellis, A.L.
- Emerson, C.A.
- Evans, M.J.
- Ferguson, L.D.T.
- Ferguson, M.J.
- Gibbons, S.W.
- George, J.
- Gribson, S.J.
- Gillard, J.E.
- Hall, J.G.
- Hatton, M.J.
- Hoare, K.J.
- Irwin, J.
- Jackson, S.M.
- Jenkins, H.A.
- Kerr, D.J.C.
- King, C.F.
- Latham, M.W.
- Lawrence, C.M.
- Livermore, K.F.
- Macklin, J.L.
- McClelland, R.B.
- McFarlane, J.S.
- McLeay, L.B.
- Melham, D.
- Mossfield, F.W.
- Murphy, J. P.
- O'Byrne, M.A.
- O'Byrne, G.M.
- O'Connor, B.P.
- Phelps, T.
- Price, L.R.S.
- Quick, H.V. *
- Ripoll, B.F.
- Roxon, N.L.
- Rudd, K.M.
- Sawford, R.W.
- Sciaccio, C.A.
- Sercombe, R.C.G.
- Sidebottom, P.S.
- Smith, S.F.
- Snowdon, W.E.
- Swan, W.M.
- Tanner, L.
- Thomson, K.J.
- Vamvakianou, M.
- Wilkie, K.
- Windsor, A.H.C.
- Zahra, C.J.

**NOES**

- Abbott, A.J.
- Anderson, J.D.
- Andrews, K.J.
- Anthony, L.J.
- Baird, B.G.
- Baldwin, R.C.
- Barresi, P.A.
- Bartlett, K.J.
- Billson, B.F.
- Bishop, B.K.
- Bishop, J.I.
- Brough, M.T.
- Camber, R.A.
- Charles, R.E.
- Coiobo, S.M.
- Cobb, J.K.
- Costello, P.H.
- Dower, A.J.G.
- Draper, P.
- Dutton, P.C.
- Elson, K.S.
- Entsch, W.G.
- Farmer, P.F.
- Gallagher, C.A.
- Gash, J.
- Georgiou, P.
- Haase, B.W.
- Hardgrave, G.D.
- Hauser, L.
- Hawker, D.P.M.
- Hull, K.E.
- Hunt, G.A.
- Johnson, M.A.
- Jull, D.F.
- Katter, R.C.
- Kelly, D.M.
- Kelly, J.M.
- Kemp, D.A.
- Ley, S.P.
- Lindsay, P.J.
- Lloyd, J.E.
- May, M.A.
- McArthur, S. *
- McGauran, P.J.
- Moylan, J. E.
- Nairn, G. R.
- Nolan, B.J.
- Neville, P.C. *
- Panopoulos, S.
- Pearce, C.J.
- Prosser, G.D.
- Pyne, C.
- Randall, D.J.
- Ruddock, P.M.
- Schultz, A.
- Scott, B.C.
- Secker, P.D.
- Slipper, P.N.
- Smith, A.D.H.
- Somlyay, A.M.
- Southcott, A.J.
- Stone, S.N.
- Thompson, C.P.
- Ticehurst, K.V.
- Tollner, D.W.
- Truss, W.E.
- Tuckey, C.W.
- Vaile, M.A.J.
- Vale, D.S.
- Wakelin, B.H.
- Washer, M.J.
- Williams, D.R.
- Worth, P.M.

* denotes teller

Question negatived.

**AUDITOR-GENERAL’S REPORTS**

**Report Nos 59 to 63 of 2002-03**

**Report No. 1 of 2003-04**

**The SPEAKER**—I present the Auditor-General’s audit reports for 2002-03 entitled Audit Report No. 59, **Performance audit: administration of Australian business number registrations: Australian Taxation Office**; No. 60, **Business support process audit: closing the books**; No. 61, **Financial statement audit: control structures as part of the audit of financial statements of major Commonwealth entities for the year ending 30 June 2003**; No. 62, **Performance audit: management of selected aspects of the family migration program: Department of Immigration and Multicultural and Indigenous Affairs**; No. 63, **Performance audit: administration**
Ordered that the reports be printed.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (5.32 p.m.)—by leave—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings, and I move:

That the House take note of the following papers:

Debate (on motion by Mr Martin Ferguson) adjourned.

SOLOMON ISLANDS

Mr ABBOTT (Warringah—Leader of the House) (5.33 p.m.)—by leave—I present a copy of the Prime Minister’s motion on the Solomon Islands agreed to by the House earlier today and move:

That the House take note of the paper.

Debate (on motion by Mr Martin Ferguson) adjourned.

BILLS REFERRED TO MAIN COMMITTEE

Mr LLOYD (Robertson) (5.33 p.m.)—by leave—I move:

That the following bills be referred to the Main Committee for further consideration:
Family Law Amendment Bill 2003
National Transport Commission Bill 2003

Question agreed to.

MAIN COMMITTEE

Solomon Islands
Reference

Mr LLOYD (Robertson) (5.34 p.m.)—by leave—I move:

That the following order of the day be referred to the Main Committee for debate:
Solomon Islands—Motion by Prime Minister—Motion to take note of paper: Resumption of debate.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Education: University Funding

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

The need for more university HECS places and more funding for universities that does not rely on students going into deeper and deeper debt.

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

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

Ms MACKLIN (Jagajaga) (5.35 p.m.)—We know that $5 billion of budget cuts after seven long years have left our universities and TAFEs struggling. Too many qualified people are being turned away from both universities and TAFEs. The Australian vice-chancellors tell us that about 20,000 qualified Australian students miss out on a university place every year. About 15,000 young
people miss out on a place at TAFE because this government will not fund enough places. Public confidence in our universities is continuing to drop. Student fees just go up and up. In fact, under this government they have gone up already by 85 per cent—and that was before the government decided to let universities put them up by another 30 per cent. We know this government’s whole approach to getting into university is that, if you have the money, you will get a place—even if it is as much as $150,000. We know that staff morale is at an all-time low. This is all the direct result of the Howard government’s budget cuts of $5 billion.

By contrast, Labor now have put out our higher education policy. It confronts each and every one of these issues. We will provide $2.34 billion extra in public investment for our universities and TAFEs. It is time for Australia to put in place a massive increase in the number of university and TAFE places so that people who are qualified, who want to go to university, can in fact get that opportunity. Labor in government will provide 20,000 additional full- and part-time university places and 20,000 additional full- and part-time TAFE places so that people who want to go to university or TAFE can do so. Labor’s policy will also restore merit as the criterion for getting a university place, not money. We will make sure that getting into university remains affordable. We will oppose the government’s plan to increase HECS and to deregulate university fees and we will abolish full fees for all new Australian undergraduate students so that merit replaces money as the criterion for getting into university.

Our package also includes significant measures to address the growing skills shortages, whether they be for nurses and teachers or in the area of maths and science. We will take off the financial burden that students are facing by making sure that those on Austudy finally get access to rent assistance. We will lower the age of independence so that more students are able to get access to the youth allowance, and we will increase the level at which students have to start repaying their HECS debt to $35,000. We have got a range of additional equity measures to boost Indigenous participation, to support people with a disability and—most importantly, I think—to encourage people from disadvantaged backgrounds to have the aspiration to go to university or TAFE. Labor will make sure there is a place for them.

We of course also want to make sure that our universities are world-class centres of excellence. We have a $450 million fund called the Universities of the 21st Century Fund, $150 million for community engagement, $150 million for teaching and learning, and a new indexation measure—which the universities have welcomed—to make sure that we deliver quality education and that the funding from the Commonwealth actually keeps up with the costs of delivering outstanding education in our universities.

This package was very well received. The Australian Vice-Chancellors Committee said that they are particularly reassured by Labor’s commitment to increase university places. They said that Labor have indicated that they have listened to the AVCC’s higher education policy concerns, especially in regard to effects on students, and that this is reflected in the changes to Austudy and youth allowance, in the raising of the HECS threshold and in the rejection of any real rate of interest on student loans, as proposed by the government. And so the positive comments went on. From a range of individual vice-chancellors, from student organisations, from bodies representing teachers and nurses and from bodies representing scientists, the policies received an outstanding response.
But one area where I was not really expecting the reception that we got was from the minister himself. On the day that the full policy was announced, the Minister for Education and Training called a press conference to discuss the Labor Party’s policy. He seemed to be so impressed by the number of new student places in our package that he immediately did a bit of creative accounting and tried to bump up the numbers in his own package. When asked how the government planned to address unmet demand, the minister went into a very convoluted discussion of private universities, government loan schemes and five-year learning limits. It was amazing—with some very effective smoke and mirrors, the minister somehow just did away with this unmet demand for university places. Those 20,000 students were just going to somehow go off to private universities, get a loan, pay $150,000 or do whatever it might be. But the real magic in the minister’s response was that he claimed in his press conference that he would be creating ‘some 8,000 new student places’. This is just codswallop, I have to say. It is nothing more than a figment of the minister’s rather overactive imagination.

An opposition member—He is the Rain Man.

Ms MACKLIN—As my colleague says, he is often known as the Rain Man. He is also occasionally known as the Human Abacus or Captain Calculator.

An opposition member—Will he go feral?

The DEPUTY SPEAKER (Hon. I.R. Causley)—I am sure the member for Jagajaga does not need any help.

Ms MACKLIN—They’re doing all right! This is the minister who, as we all know, just loves to let fly with a whole string of numbers, beautiful sets of numbers. Unfortunately this time the Rain Man got it wrong. There are not some 8,000 places in the government’s package, as he well knows. So, when the minister’s transcript finally hit the street, a few changes had been made. Each time in the transcript that the minister claimed some 8,000 new places, the word ‘misspeak’ now suddenly appears in brackets.

According to the transcript, our Captain Calculator has a terrible case of the ‘misspeakables’. Apparently, being ‘misspeakable’ magically makes someone unimpeachable. This is a very instructive approach. It obviously could have been very useful for the Prime Minister if he had known about this notion of misspeaking a little earlier. The Prime Minister told the House in 1999 that there would be no $100,000 degrees under this government. That was obviously a mispeak. Then he committed his government to ‘a clear rejection of deregulation of university fees’. That was another misspeak. And what about his declaring, ‘We have no intention of altering the current HECS arrangements’? You guessed—it was another mispeak!

It is bad luck that the Prime Minister did not have this device at his fingertips at certain other crucial moments. There is one that we know very well: ‘There will never, ever be a GST.’ Children, of course, were never thrown overboard—that was yet another misspeak. And of course there is the one that we were debating in the parliament yesterday and today: ‘I had not spoken to Dick Honan on this issue.’ What else was that but a mispeak? Obviously the Prime Minister should be heavily indebted to this minister for his political version of a ‘get out of jail free’ card. We have seen in question time just how useful it could be.

Is it any wonder that the minister has had to introduce the word ‘misspeak’? We have seen in today’s question time that this is a
minister that actually likes to censure his own work. He took his own censorship to dizzying heights in his press conference on the day that we released our policy. He actually used the word ‘inaudible’ to edit his own transcript and get rid of questions and little bits of his answers that he did not much like. This edited transcript has got 39 ‘inaudible’s to clean up the minister’s and the journalists’ words. So, for example, there is the question from the journalist:

... and if we are playing the politics of envy, aren’t you playing the race card when you start talking about foreign students?

But in the edited transcript the minister’s office has simply deleted the words ‘race card’ because it does not seem that he wants the truth about his political tactics seen for what they are. However, the journalist was persistent and asked him the question again.

The DEPUTY SPEAKER—Order! This is parliament, not vaudeville. Would the member for Jagajaga address her comments through the chair, please, and not play to the audience.

Ms MACKLIN—Mr Deputy Speaker, I quote the minister’s own transcript:

But when you start talking about Jakarta and Beijing, you’ve been a critic of—

and the word left out—it says ‘inaudible’ in the transcript—was ‘Hansonism’. And so it goes on: the word ‘inaudible’ gets used so many times that you cannot help wondering if the term ‘free speech’ is in fact a foreign language for this minister.

Mr Sidebottom—It’s inaudible.

Ms MACKLIN—Yes. The censorship does not stop there. As we have seen in recent weeks in report after report in the media, this minister has been caught out fiddling with a report from his own department that shows, not surprisingly, that high fees certainly discourage people from going to university. Let us go back—because the minister actually referred to this report on 23 July, when we released our policy. He was asked in his press conference about the report that we now know was doctored. He said:

Firstly, Fran, I haven’t been sitting on the report. I haven’t even seen the report. In fact when I first heard of the report, I said “what’s this report”?

Crystal clear—the minister has no idea that the report even exists. But then straightaway he is asked again, and the journalists certainly were persistent: ‘You still haven’t seen it?’ This time—not even a minute later—Dr Nelson, the minister, said:

Well, I’ve seen a copy of the report this morning. So it is one thing one minute and another thing another minute—the exact opposite, a direct contradiction. This has been a very serious case of the misspeaks. Unfortunately, for this minister just getting away with misspeak is not going to cut the mustard. All the reports that have been doctored, which he has been finally embarrassed into releasing, are way too damaging because they really show the impact of the HECS rises in 1996 on those students who were leaving school and on the students who were mature age and wanted to go to university. We know how detrimental these increased fees have been for prospective students, and of course the government has completely ignored that research in deciding to allow universities to put up their fees by up to another 30 per cent. It turns out that not only did the government withhold the release of the reports but also the reports have been seriously doctored to remove sections that in fact show that 9,000 students leaving school each year are discouraged from going to university because of the 1996 HECS increases and so are 17,000 mature age students. That is the real impact of what they did back in 1996, and we know that increasing the level of debt that students
will face under this government’s new policies will only make these things worse.

We read in today’s paper that the current Secretary of the Department of Prime Minister and Cabinet—he was previously the minister’s secretary—was apparently the one that moved in to delete the sensitive parts of the report. Of course, we could not get to the bottom of this in question time. We tried again and again to get the minister to come clean and tell us whether it was Dr Shergold. Time and time again the minister just refused to answer. Dr Shergold says he does not remember. The minister refuses to answer—he has obviously gone off misspeaking. This is a very rotten state of affairs: a minister who misspeaks the facts to suit his purposes, censors his own transcripts, tries to hide behind the department and then of course tries to make public servants in his department take the blame for all of these problems. It is hardly a tribute to each and every one of those heroes that you have, Minister. You know who they are, and none of those heroes would be proud of what you have been doing. (Time expired)

The DEPUTY SPEAKER—I call the Minister for Education, Science and Training.

Dr Emerson interjecting—

The DEPUTY SPEAKER—The member for Rankin will be sorry in a minute.

Dr Nelson (Bradfield—Minister for Education, Science and Training) (5.50 p.m.)—Australia is a relatively small country. We are 0.3 per cent of world population. We are currently 1.2 per cent of global GDP. We are still only about six per cent of APEC. It is obvious that our future as a country will rely entirely on our ability to learn how to learn, to develop ideas and, from them, new technologies that we will apply not only to new and emerging industries but also to traditional industries and commodities in land and labour intensive industries. The case for reform in Australian universities rests not on any argument of crisis. If people wish to see a crisis in education, they should look at Aboriginal literacy in many parts of the country. They should look at children who have spent five years in the public education system in some parts of large cities and who simply cannot read a word. Moreover, they should speak to some Australians two generations above the age of 45, many of whom still struggle to turn on a computer, being displaced from low-skilled occupations in industries that are undergoing major transformation. But the case for reform rests on two inescapable but perhaps unpleasant truths. The first is that universities need access to a lot of money, and a lot more of it in the long term. The second is that money is only half the problem: the way in which we administer, regulate and fund our universities is as much a problem as is the level of re-sourcing.

We and our children face the 21st century with a higher education sector that has gone from a so-called elite system to a mass system—more than 750,000 people are in Australian universities, for example—and we do so in the context of globalisation, which we do not always understand or want; a revolution in telecommunications; and, increasingly, the move toward lifelong learning. It is in that environment that the government has taken on the difficult but necessary process of reform of Australian universities.

Increasingly, the only benchmarks that are going to count are international ones. Whilst we are proud of what we do in Australia and within one jurisdiction, increasingly we will be asking ourselves—and we do now—where we rate internationally. The University of Melbourne, Monash University, the University of New South Wales, the University of Sydney and the University of Queensland are competing not so much with one another
but with the rest of the world. They do so within a funding and regulatory framework which treats the University of the Sunshine Coast, Charles Sturt University, Edith Cowan University and the University of Western Sydney in precisely the same way. It needs to change, and that is the basis of the government’s reforms. These reforms are not intended to pander to populism. They are being developed and implemented very much with an eye to Australia’s future.

Apart from amusing us at my personal expense, the member for Jagajaga, the Deputy Leader of the Opposition, spent much of her time speaking about Labor’s higher education policy. According to the Australian Labor Party, their policy is costed at $2.34 billion over the first four years. I should point out that $467 million of that funding is derived from reducing by 10 per cent the diesel fuel rebate for the mining industry. That is a $467 million tax on an industry that employs 83,000 Australians, many of them in low-skilled and sometimes low-paid occupations. The price that will be paid for this will be jobs. It puts lead in the saddlebags of the mining industry as it seeks to export its products into international markets and create wealth for this country.

The second way that the Labor Party intends to fund its policy, in the amount of $159 million—I suppose it is understandable, but the Leader of the Opposition obviously does not understand this part of the policy—is by continuing the student financial support scheme. This scheme, introduced in 1993, is one where low-income people in vocational education and training, many of them Abstudy or mature age students, can trade in their social security or Abstudy payment and for every dollar they trade in they can take a $2 loan.

We have had 10 years’ experience with this loan. We have lent $2.3 billion to these students and $1.4 billion is now considered to be doubtful debt. The default rate or doubtful debt rate amongst Aboriginal Abstudy students is 84 per cent. The doubtful debt rate for non-Abstudy welfare recipients is 54 per cent. The Labor Party is seeking to find $159 million to fund its higher education policy by continuing the loan scheme. Eight thousand people in this loan scheme owe more than $20,000. One person owes $64,000. The repayment threshold is $35,000 a year, so they start paying the loan back when they are earning $35,000 a year. If, for example, you had a $28,000 debt and you were earning $35,000 a year, it would take 40 years to pay back the debt.

I invite people to consider the hypocrisy of the Labor Party being opposed to the government offering loans to students who choose to take up the same opportunities in Australian universities that are offered to foreign students. The Labor Party is opposed to those loans as well as to loans to support Australian undergraduates spending some of their time being educated overseas. But it is prepared, for an accounting reason—for $159 million in so-called savings—to run a loan scheme for some of the poorest people in the country, most of whom have very little prospect, if any, of paying it back. I do not often agree with the National Union of Students, but I think they were right when they described it as a disgrace.

The Australian Labor Party’s policy proposes to do a number of things. The Commonwealth Department of Education, Science and Training and the Commonwealth Department of Finance and Administration have fully costed the Labor Party policy. The Labor Party has proposed, at a cost of $43.6 million, to reduce by $1,600 a year the HECS charge on 57,000 places for about 80,000 students who study science and mathematics in Australian universities. These students comprise about 14 per cent of the
sector. Universities receive their money in terms of a total operating grant. That operating grant includes the net operating grant, which is the specific sum of money that the government provides to the university itself. The other 25 per cent comes from students—or, at least, the Commonwealth pays it on behalf of the students, through HECS. If the Labor Party does what it proposes to do—that is, reduce the HECS contribution by $1,600 a year—there will obviously be an adverse impact on universities unless the operating grant is increased by an equal amount to offset the reduction in HECS.

The Higher Education Contribution Scheme has been carried by Australian students since 1989, when the Australian Labor Party introduced it. Students deal with it in one of two ways. One-quarter of them pay their HECS up front and they receive a 25 per cent discount for doing so. Three-quarters of the students, however, take their HECS contribution as a loan, indexed according to the CPI and recovered through the Australian taxation system for the Commonwealth. They will be paying it off, under the government’s proposals, through the tax system when they are earning $30,000 a year. The impact on the budget of reducing HECS, as proposed by the Labor Party, is twofold: firstly, there is the HECS impact, and, secondly, there is the operating grant impact.

The HECS impact occurs in three ways. Firstly, under the Labor plan, because students will have a lower HECS contribution to make in science and mathematics, the level of the discount that the Commonwealth will have to pay will be lower. If the student pays three-quarters of his or her HECS charge up front then the Commonwealth pays the 25 per cent discount directly to the university. So there is a positive impact on the fiscal balance and the cash balance of the Commonwealth in having a lower 25 per cent discount to pay. Secondly, there is an impact on the indexation of the HECS debt. HECS is treated for accounting purposes as an asset of the Commonwealth. Each year when HECS is indexed it amounts to about a 17 per cent positive impact on the fiscal balance. So if the HECS contribution from these students is reduced, it has a positive impact on the fiscal balance because a lower debt is carried and indexed. Thirdly, because the total level of the HECS contribution from students is reduced, the remissions and write-downs that the Commonwealth deals with each year from students who cannot pay their HECS contribution are obviously reduced.

I am sure the Labor Party has given a lot of thought to all of those things. It is obvious that the member for Jagajaga sincerely believes that she is right. I am sorry to say that unfortunately she is wrong. The Labor Party has not taken into account the impact of these changes on the operating grant, nor has it adequately costed them. By way of explaining, when I say that the member for Jagajaga believes she is right, today she quoted from the Australian Vice-Chancellors Committee document *The Higher Education Scheme (HECS) and the Postgraduate Loans Scheme (PELS): the facts*. She read this to the House in question time:

Universities do not receive more income because students pay HECS. Rather the government determines the total amount that universities should receive and balances its contribution against the student contribution to ensure universities receive the designated amount.

What they are saying is that if HECS goes up or down, then the operating grant is adjusted so that the total amount of the Commonwealth contribution is unchanged. The AVCC document then says:

This means that higher HECS rates do not lead to more income for universities.

Yes, that is true. When HECS was increased in 1997 there was a commensurate reduction
in the operating grant so that the universities’ total sum of money or quantum being delivered was unchanged. The AVCC document then says:

With increases in HECS revenue not flowing directly to universities, the increasing level of HECS revenue has been used as a substitute for government funding, allowing the government to reduce its investment in university operating grants.

The Labor Party seems not to appreciate that HECS is now uncoupled from the operating grant. As Professor John Hay said to the higher education editor of the Courier-Mail:

… the Opposition is trying to have its cake and eat it by claiming it can reduce HECS charges in some areas, fail to make good the $220 million cost of doing so and still have the same amount of money available for university grants.

Professor Hay said it is nonsense and that a first-year economics student could work it out.

To be fair, I do not think that the member for Jagajaga really understands the difference between accrual and cash accounting. In the Australian, to Sid Marris, who is one of the most highly regarded economic journalists in the press gallery, on 4 August 2003, the member for Jagajaga said:

Dr Nelson’s costings use the accrual accounting method, but Labor uses the cash system, which only includes the cost when it occurs.

The following day, to the higher education editor of the Courier-Mail, she insisted:

… under the accrual accounting system used in the Federal Budget, the $5,000 reduction to tens of thousands of students will have absolutely no impact on forward estimates for the years 2005 to 2007 covered in Labor’s costings.

In the past that would have been the case. Then she goes on to say:

Sometime in the future there will be smaller cash transactions, which is what HECS repayments are, but this does not affect the Budget surplus or the deficit.

I am sorry to have to explain this to the opposition but, as the Department of Finance and Administration and the Department of Education, Science and Training have said, if the Labor Party chooses to reduce HECS for about 80,000 students in higher education, the increases in the net operating grant to the universities to offset the lower HECS contribution have to be accounted for now. In accrual accounting, which has been run over five successive budgets, the liability carried by the Commonwealth has to be accounted for.

There are two fundamental errors. Firstly, the Labor Party has not accounted for the cost to the Commonwealth and the liability of the Commonwealth in carrying that lower HECS liability—which, by definition, increases the operating grant—unless it does intend to reduce funding to universities by $220 million. Secondly, what the member for Jagajaga has done is to confuse cash accounting with accrual accounting. Further to that, she even said in her own media statement that students do not pay HECS directly to universities. In fact, the Leader of the Opposition himself has done just that—and he should not be criticised for it—on behalf of one of his own children.

Mr PRICE (Chifley) (6.05 p.m.)—I would really like to ask the minister for education whether I understood correctly when he said—and is he suggesting this?—that the AVCC has got it wrong and that he has got it right. Is that what he is really saying in terms of the link?

Dr Nelson—The AVCC is right.

Mr PRICE—Okay. They do not have it wrong; they are right. In talking about higher education, I want to start off with a couple of facts. Before we look at the way this government is going to distort university education, let us consider that sandstone universities, from all sources of funding, whether it
is Commonwealth, fees, donations or investments, get $25,000 per student. The new generation universities, such as the University of Western Sydney that I am so proud of, get $10,000. So before we start there is a huge distortion in the marketplace. The minister talks about globalisation and competition. I understand that. But that is distortion. In addition to that, you want to change it by allowing up to 50 per cent of all places to go to full fee paying Australian students. We are not going to look at the potential of students, at what they can aspire to; we are going to look at what their parents’ bank balance is. If their parents have that money in the bank, they can get into university irrespective of the fact that they could not get in by merit. We believe in getting in by merit. I am very pleased that the University of Western Sydney has already ruled out having 50 per cent of its places reserved for those with appropriate bank balances. I would hope that other universities would do the same, but we know they will not.

The minister did not say it in his speech, but he wants to allow universities to increase their HECS fees by some 30 per cent. That means for a course per year the HECS debt is going to rise on average by $1,650, from $4,600 to $6,250. For a three-year degree course the HECS debt under this minister will be $18,750. For a four-year course the HECS debt will be $25,000. I note the member for Prospect and other members from Western Sydney are present in the chamber. They know that people in Western Sydney are debt averse. That is why the University of Western Sydney has one of the highest rates of people paying up-front fees: they are debt averse. We know that students are going to be deterred from undertaking a university course for that reason: they do not want to get into extra debt.

It is all very well for the minister. He comes from a region where there are plenty of students going on to university. If you look at the number of people in Western Sydney—that is, I might say, 1½ million people, and by the year 2016 more than 50 per cent of Sydney’s people will live in Western Sydney—the proportion of people with degrees is 10.5 per cent; that is, 10 in 100 people have a university qualification. But for the rest of Sydney it is double that! In fact, the participation rate under John Howard and the minister is starting to come down in Western Sydney. More and more students are going to universities from Western Sydney, but the rate of increase in other parts of Sydney is climbing even faster, so our participation rate is coming down in comparison. And that is a tragedy.

The difference between the minister and his party and the Labor Party is this: when we see a young person, we think of their potential and what might be needed to have that potential realised—we like to give them a helping hand—but, as far as the minister is concerned, he wants to entrench privilege. ‘If you have got the money, you can get the profession; if you have got the money, you can get the degree.’ We want to see more and more young people going on to university and going on to TAFE. We on this side of politics understand that the more learning you undertake and the more qualifications you have, the better chances you have of success in life. We want our fair share for the people that we represent.

What is happening to the University of Western Sydney? What a tragedy! The Labor Party, some 14 years ago, fought to have the university established. It is now the seventh largest university in Australia. It has 25,000 effective full-time students. It has six campuses: Bankstown, Blacktown, Campbelltown, Hawkesbury, Parramatta and Penrith. The Labor Party members that represent the areas that include those campuses such as the members for Blaxland and Prospect are inor-
pletely proud of the university. We want to see it grow and develop, because we understand what opportunity it represents for the young people in our electorates. But, equally so, the members for Fowler, Werriwa, Greenway, Banks and Reid are all very proud and all very prepared to stand up for our university.

What a shock it is! When the Canberra Times lists the winners and losers, have a guess who the No. 1 loser is: the University of Western Sydney. And of course there is a yike. The university is saying, ‘In 2005 we will miss out. We will be $7 million worse off.’ And the minister says, ‘No, you won’t. It’s only $4 million.’ The university says that, in total, it will be $30 million. What I want to know is: what is the member for Parramatta doing about it? What is the member for Macquarie doing about it? What is the member for Macarthur doing about it? What is the member for Lindsay doing about it? Aren’t they proud of that institution? Don’t they want to see that institution grow? Don’t they want more of their constituents to be afforded the opportunity to go there? I certainly do. I do not want the University of Western Sydney to be the loser; I want it to be the winner. As one of the papers pointed out, in the next 10 to 15 years we are going to see a growth in Western Sydney equivalent to that of Canberra. And what does Canberra have? The ANU and the University of Canberra—two universities.

Ms Ellis—Canberra has four universities.

Mr PRICE—Four universities! Is the minister proposing that in Western Sydney we should have four new universities? What we know is that the changes he is bringing about are going to deter people from going to university. Two-thirds of those going to the University of Western Sydney are the first people in a family to go to a university. The newly preselected Labor candidate for the seat of Greenway is a graduate of the University of Western Sydney—the first, I believe, to have been selected by a political party. We want to see this university grow and develop, not be constrained.

Interestingly, 55 per cent of all applicants to the university are mature age students. These are often people with commitments. Whether they are women coming back to further their education or are people in a job and wanting to enhance their career prospects, mature age students often have existing financial commitments. If we increase the burden, we are saying to those mature age students in Western Sydney: ‘Don’t go. You won’t be able to make it. You will fall at the financial hurdle.’ I am pleased to say that under the Deputy Leader of the Opposition, the honourable member for Jagajaga, and the Labor Party we will provide opportunities. We will increase the number of places. We will not agree that places should go to full fee paying Australian students. They can put their chequebooks back in their pocket, as far as we are concerned, when we are the next government of this country.

Mrs HULL (Riverina) (6.15 p.m.)—It staggers me that the member for Chifley can stand there and indicate that the love of his life is the University of Western Sydney when we know quite well that a detailed analysis by the Commonwealth Department of Education, Science and Training—which has been verified by the department of finance—has revealed that there is a massive black hole in the costing of Labor’s higher education budget. We have estimated that the University of Western Sydney—the member for Chifley’s absolute love—over three years would be around $7 million worse off under Labor’s policy.

I am a proud owner of—and absolute advocate for—Charles Sturt University, because it is in my electorate. Later on, in the
debate on the Higher Education Legislation Amendment Bill 2003, I will be speaking about just how proud I am of this university. Under Labor policy, Charles Sturt University is almost $6 million worse off. I admire the patience and tenacity of the Minister for Education, Science and Training in trying to explain this issue to the member for Jagajaga but I really do not think you will achieve a breakthrough either with her or with the member for Chifley.

I would like to quote an article from The Daily Advertiser, a newspaper in my electorate, written by Paul Enever—he will like this. The article says:

Charles Sturt University has denied claims it could lose up to 2633 university places under the Federal Government’s higher education package.

In a press statement released yesterday, the Labor Party spokeswoman for education, Jenny Macklin, said CSU would be hit hard by education reforms, with up to 2633 Higher Education Contribution Scheme places at risk.

CSU’s acting Vice-Chancellor Professor David Battersby said Ms Macklin’s statement referred to places in the university’s policing course, which are under a separate category.

“Ms Macklin seems to misunderstand what is happening between CSU and the police service,” Prof. Battersby said.

“These places are predominantly associated with policing initiatives in Goulburn.

“CSU has received assurances from the Federal Government that these places will be protected under its reform package,” he said.

The places referred to by Ms Macklin and Prof. Battersby are classified under an industry category, taking account of the number of police positions.

Minister, you cannot win. The member for Jagajaga honestly and obviously does not understand what it is all about and how the process works. I say to you, Minister, and to the member for Chifley, that I would much prefer to be looking at the figures for Charles Sturt University—this great university we have in the Riverina electorate and in other electorates.

Mr John Cobb—And Dubbo.

Mrs HULL—And Dubbo—absolutely. I would prefer to be taking my luck with the minister’s package because, in my own electorate of Riverina, the government’s reform package will substantially strengthen the position of Charles Sturt University. The government’s estimated projections of the impact of the new Commonwealth grants scheme, to be introduced as part of Backing Australia’s Future, show that Charles Sturt University will be more than $11.3 million better off in 2005, $13.5 million better off in 2006 and $14.7 million better off in 2007. Over three years this government will deliver $39.5 million in additional funding to Charles Sturt University as against a projected and estimated loss, under a Labor package, of almost $6 million. Is it any wonder that I am here to support the minister for education today on behalf of my university—Charles Sturt University—in my electorate? It does not take a rocket scientist to understand why I would be standing here in support of him today.

The member for Jagajaga said that, because people have to pay, the Higher Education Contribution Scheme is preventing enrolments in universities. What she does not say is that there are many young people, who do not wish to enter university, who have been given great opportunities to take up New Apprenticeships. What do we have? We have some fantastic initiatives. In New Apprenticeships, this government has put forward the greatest initiatives in the following areas: the commencement incentive; women employed in non-traditional areas; the rural and regional skills shortage; declared drought area apprenticeships; mature age workers; the innovation incentive; and school
based New Apprenticeships. In fact, it is so good that I have just put it out in my regular business newsletter.

This is what you get from the Howard-Anderson government. But what do we see happening? Generally these apprenticeships take place in TAFE colleges—across New South Wales in particular. What do we see from Labor? We see a 300 per cent increase in TAFE fees. A 300 per cent increase in TAFE fees! Do not worry about the battlers just wanting an apprenticeship. Do not worry about helping others who cannot achieve university entrance. Do not worry about all of that. Just whack them on the head! Just smack them in the mouth! Increase their percentages by 300 per cent. Do not worry about these guys out here, because they are not worth anything; they are not valued. Because they do not belong in a university, they have no value. Let me remind the people of New South Wales in particular that if they want to go to a TAFE college and not to a university they have no value—the Labor Party has no consideration for where they might want to take their careers.

This government is providing opportunity for everybody—not just opportunity for a select few, as has been indicated by members on the other side of the House, who say that we are providing opportunity for a select few. We are not. We are providing opportunity for everybody—opportunity for people who cannot, will not and do not want to enter university. We are providing them with other opportunities that the Labor Party are consistently taking away from them.

We should not forget that as at December 2002 the accumulated HECS debt was $8.9 billion. The average HECS debt is around $8,000, with 90 per cent of people owing less than $16,000 and 80 per cent owing less than $12,000. Currently, students contribute on average just 26 per cent of the total cost of their education. Under the new arrangements in the minister’s reform package those same students will contribute on average 26.8 per cent in 2005. Look at that against New Apprenticeships, TAFE fees, opportunities in the work force and the ability of employers to provide employment opportunities in those young people’s lives. They are always being sluggd.

The Commonwealth is contributing more than 70 per cent of university students’ education fees. In fact, the taxes of the mums and dads and the young workers subsidise that education. Yet when young people want to get a new apprenticeship they have to compete against the New South Wales government. Shame on the New South Wales government for creating the inability to take up apprenticeships. Not only that but the New South Wales government now want to go forward and make super regions so that TAFEs will find it even harder to attain value and equity. The New South Wales government want about eight super regions—’We have about 40 independent areas but now we want eight super regions, with the quality of control and the chain of command taken to the Wollongongs and the Sydneys and away from regional people.’

This debate is not about equity. This minister is about equity. This minister is about ensuring that all Australian people have the opportunity to get employment. Let us not forget that HECS recipients do not have to begin to repay their debt until their wages are above $30,000. For some of these young women and men who are looking at TAFE New Apprenticeships it will take many years before they reach an income of $30,000 per annum, but they will pay up-front for their opportunity to get a job. That is the difference. This government and this minister are about providing equity of education. I am surprised to hear the member for Jagajaga in her speech in the House—(Time expired)
Mr WINDSOR (New England) (6.25 p.m.)—There must be something about the Minister for Education, Science and Training, because the last time I spoke about this issue was in the Main Committee and my glasses broke. They have just gone again. Maybe I will send him an account. I was hoping to read a letter from the Vice-Chancellor of the University of New England; I will attempt to do so with one eye. I appreciate the opportunity to say a few words in the university debate, particularly in relation to the University of New England. I know that the minister is aware of the concerns of the vice-chancellor, university council and others in relation to the funding implications for the University of New England.

I listened intently to the member for Riverina and I agree with some of the things she said about the state government and the TAFE course funding rearrangements. I do not want to get into the Labor Party’s policy document, because it is the current government’s policy document that I am most concerned about. In relation to funding, I would be most concerned if I were the member for Riverina and the university were in a worse situation than under a previous arrangement. Therein lies the problem that the University of New England has, particularly in light of the fact that, before the reform was introduced into the public arena, the minister and the government said that the University of New England would be a winner. The minister said in the chamber that the University of New England would be better off under the reform process. I will try to paraphrase the letter from the vice-chancellor—I think I would be a bit blind with one eye—

Mr Sidebottom—Do you want my glasses? We’re cobbers in this place.

Mr WINDSOR—I thank all those who are concerned about my welfare and vision.

I now refer to an analysis of the reform process and its impact on the University of New England. I will read a portion of a letter from the vice-chancellor, Ingrid Moses. I know that the minister is on friendly terms with the vice-chancellor. She stated:

Now that we have done our analysis of the proposed Commonwealth Course Contribution scheme we find that in 2005 we—meaning the University of New England—will lose about $1.8 million on the new discipline profile funding and another $2 million on the loss of differential for coursework postgraduate enrolments.

That puts into context the unique position of the University of New England in relation to external enrolments and the implications of the formula that the government is using, particularly in relation to the regional loading. Professor Moses continued:

The regional loading of 7.5% on fulltime internal students helps to plug that hole by approximately $1.41 million and the enhanced nursing and education funding adds about $950,000. But we will be still short in 2005 close to $1.5 million.

They have refined that process and it is now about $1.8 million. Professor Moses continued:

We also realize that the regional loading is only ‘indicative’ and therefore we worry greatly that the lobbying of other universities might change the parameters of the proposed scheme leaving the real regional and rural universities with even less help.

Since this letter was written there has been some adjustment, probably quite legitimately, in relation to some of the other regional campuses—but not to ‘real’ regional universities as referred to in the letter. Professor Moses continued:

The rationale for only including internal students in the calculation for the regional loading was the regional loading is directed to meeting the costs of the regional campus and not the institutional
cost of serving external students, even though they may be counted against a regional campus.

That is a very important point. She continued:

This rationale may hold with regard to a regional campus. However, we are not a regional campus but a regional university and all of our infrastructure and all our infrastructure costs are here in the region—

the region of New England. She goes on:

We would strongly argue that regional universities should be treated differently from regional campuses.

And the reform process as I understand it, and I think as the vice-chancellor understands it, does not adequately do that.

As a minimum we—

the University of New England—

would argue that external units with compulsory residential school requirements should be included in the calculation.

That is the underlying problem, particularly with the funding shortfall that the vice-chancellor recognises. I ask the minister to take that issue on board and do what he can to overcome that process.

According to a report in the Northern Daily Leader yesterday, there was a meeting of the University of New England council in Tamworth. Even though I am a councillor, I was unable to attend because of parliamentary duties. If the vice-chancellor is reported correctly, she reiterated the shortfall in funds and made this point about students studying law:

It really is not fair that a student studying law at the University of New England should have to find 80 per cent of the cost of their course. Other UNE students, let’s say teaching, nursing and agricultural students, are only required to pay for 20 per cent of the course costs.

That is another issue that I believe they are going to take up in the Senate inquiry on 24 September when the committee meets in Armidale. I ask the minister to also take that issue on board.

There are many other concerns. I know that the minister said in another place that the shortfall that the University of New England is experiencing may be able to be taken into account in the $12½ million transitional fund, and that may be a short-term way out of the process. However, it underlines the longer term significance that the real regional universities, as opposed to the major metropolitan universities that have regional campuses, have different infrastructure and overhead costs. They should be addressed in any reform process or it will mean a diminution in the importance of the real regional universities—namely, those regional universities all of whose infrastructure and overhead costs are borne by the community in the region as opposed to their having the capacity to be subsidised, in some cases by the University of Sydney, by other communities. That has obvious impacts on the economic circumstances of regional campuses as opposed to regional universities.

Finally, there has been a lot of debate about what the Labor Party would do. I would not suggest that I am by any means on top of that issue; however, there has been a lot of debate about the shortfall and the black hole that would need to be plugged in relation to the Labor Party’s policy position. I suggest, and I think the Labor Party is on the right track in relation to this, that if there is concern about a black hole then Telstra should not be sold. The difference between the current dividend gained by government and the interest that can be saved by the removal of debt would plug that black hole. If the Labor Party is going along with its policy position on education, I suggest that it continue its support for the non-sale of Telstra. The sale of Telstra would mean a negative cash flow for the government coffers. We would be better off not selling it and being
able to plug some black holes in the recurrent budget. I thank you, Mr Deputy Speaker Hawker, for the opportunity to make a contribution in this debate and I ask the minister to take on board the concerns raised by Ingrid Moses, the Vice-Chancellor of the University of New England.

The DEPUTY SPEAKER (Mr Hawker)—Order! The discussion is now concluded.

COMMITTEES
Selection Committee
Report
Mr CAUSLEY (Page) (6.35 p.m.)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 18 August 2003. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 18 August 2003

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 18 August 2003. The order of precedence and the allotments of time determined by the Committee are as follows:

COMMITTEE AND DELEGATION REPORTS
Presentation and statements
1 FAMILY AND COMMUNITY AFFAIRS—STANDING COMMITTEE: Report on the inquiry into Substance Abuse in Australian Communities.

The Committee determined that statements on the report may be made—all statements to conclude by 1 p.m.

Speech time limits—
First 2 Members speaking—10 minutes each.
Other Members—5 minutes each.

2 PROCEDURE—STANDING COMMITTEE: Review of the conduct of divisions.
The Committee determined that statements on the report may be made—all statements to conclude by 1.10 p.m.

Speech time limits—
Each Member—5 minutes.

PRIVATE MEMBERS’ BUSINESS
Order of precedence
Notices
1 Ms Draper to present a Bill for an Act to amend the Flags Act 1953. (Protection of Australian Flags (Desecration of the Flag) Bill 2003—Notice given 25 June 2003.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

2 Mr Organ to present a Bill for an Act to provide for comprehensive reduction of travel entitlements for former Members of the Parliament, and for related purposes. (Abolition of the Gold Travel Pass for Former Politicians (Reflecting Community Standards) Bill 2003—Notice given 11 August 2003.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

3 Ms Plibersek to present a Bill for an Act to amend the Australian Citizenship Act 1948. (Australian Citizenship for Eligible De Facto Spouses Bill 2003—Notice given 11 August 2003.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

4 Mr Crean to present a Bill for an Act to amend the Corporations Act 2001 and the Workplace Relations Act 1996, and for re-

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

5 Mr Crean to present a Bill for an Act to amend the Workplace Relations Act 1996 and for related purposes. (Workplace Relations Amendment (Unfair Dismissal—Lower Costs, Simpler Procedures) Bill 2003—Notice given 11 August 2003.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

6 Mr Griffin to present a Bill for an Act to amend the Trade Practices Act 1974 to give the Australian Competition and Consumer Commission power to deal with any price exploitation arising from changes to the law in relation to public liability, and for related purposes. (Trade Practices Amendment (Public Liability Insurance) Bill 2003—Notice given 11 August 2003.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

7 Mr Latham to present a Bill for an Act to provide small businesses with a simpler method of calculating Goods and Services Tax payments. (Taxation Laws Amendment (A Simpler Business Activity Statement) Bill 2003—Notice given 11 August 2003.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 104A.

8 Mr C. P. Thompson to move:

That this House notes:

(1) the number of children in Australia who have insulin dependent diabetes;

(2) the devastating long-term health consequences and medical complications for children with insulin dependent diabetes, including:

(a) hypoglycemia;

(b) heart disease;

(c) microvascular disease;

(d) limb amputation;

(e) kidney failure; and

(f) retinopathy or diabetic eye disease;

(3) the outstanding work by Australian researchers to find a cure through pancreatic islet cell transplantation;

(4) that research is the key to finding a transplant procedure that is safe and available to children; and

(5) the need for support from the Federal Government to establish:

(a) a national clinical islet cell transplant centre to advance islet cell transplantation; and

(b) a research grant to attract the world’s best scientists and ensure Australia’s position at the forefront of global research. (Notice given 11 August 2003.)

Time allotted—30 minutes.

Speech time limits —

Mover of motion—5 minutes.

First Opposition Member speaking—5 minutes.

Other Members—5 minutes each.

[Proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

9 Mr Murphy to move:

That this House:

(1) declares that Badgerys Creek is no longer a viable site for the location of a second airport for the people of Sydney; and

(2) recommends that a Joint Select Committee be established to identify a site suitable for the location of Sydney’s second airport, having regard to (a) aircraft noise; (b) air pollution and (c) other risks associated with aircraft movements. (Notice given 11 August 2003.)

Time allotted—remaining private Members’ business time.

Speech time limits —

Mover of motion—5 minutes.
First Government Member speaking—5 minutes.

Other Members—5 minutes each.

[Proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

Corporations and Financial Services Committee

Report

Mr HUNT (Flinders) (6.36 p.m.)—On behalf of the Parliamentary Joint Committee on Corporations and Financial Services I present the committee’s report, incorporating dissenting reports, entitled Disclosure of commissions on risk products.

Ordered that the report be printed.

Mr GRIFFIN (Bruce) (6.36 p.m.)—by leave—I would just like to make a couple of brief comments on this particular report. It was one of the most different and strange inquiries that I have been involved with in some 10 years in this place. With respect to the ALP’s position, I would refer members to the minority report, which outlines quite clearly why we have disagreed with the majority of the committee. In the context of that I would like to read onto the record an article which I think sums up aspects of this particular inquiry. It was by Robin Bowerman in the Age and was titled ‘Let the life insurance sales folk entertain you’. It said:

Life insurance is a risky business and, from next year, it is going to get a lot tougher for the traditional sales agents. The high commissions they are paid will, at last, have to be fully disclosed to consumers.

We all need life insurance to various levels. Some people in certain occupations or with particular health risks may need specialist advice on what products and features to include in their insurance cover.

If it was known how much the insurance salesman was making out of an insurance policy, what would change?

Plenty is the answer, according to some of the leading practitioners in the industry.

If the buyers of life insurance products ever got to know how much the salespeople made out of selling a policy, then they would simply stop buying them.

The result, according to the life agents, would be little short of catastrophic: people would be even more under-insured, leaving taxpayers to foot an ever-increasing social security bill; the small businesses (of the life agents) would collapse; country towns that have already waved farewell to their banks would also lose their local life agents; and life, as we know it, would change forever. If you think that sounds like a load of melodramatic rubbish, you are right.

When people are looking for cheap laughs, Hansard records of joint parliamentary committee sittings are not normally the place to turn.

But the Hansard record of the Joint Committee on Corporations and Financial Services’ sitting on March 5 is a racy little read.

The committee’s terms of reference are to look at the requirements under the Financial Services Reform Act to disclose commissions on risk insurance.

Appearing before it were a veritable who’s who of the financial planning and life insurance agents representative groups.

The submissions split into two opposing camps: in favour of full disclosure were the Financial Planning Association, the Investment and Financial Services Association and the Australian Consumers Association; in the “too much disclosure just confuses consumers” corner were the National Insurance Brokers Association of Australia, Insurance Advisers Association of Australia, Association of Financial Advisers and the Life Advisers Action Group.

A more audacious set of self-interested submissions from the life agents it would be hard to imagine. Some argued that their small businesses would be wiped out or “thrown to the dogs” as the big end of town consolidated the industry. The insurance industry is already consolidating and commission disclosure is not the main cause of that.
Other submissions argued that, with full disclosure, no longer would they be able to drive 300 kilometres to help a little old lady fill out the claim forms in exchange for nothing more than a cup of tea and a scone or two.

That sounds quite noble, but it is really papering over inefficiencies and it highlights that the cost and method of distributing and servicing these products have to come down. The committee heard that commissions are already coming down and that, in the past 10 years, have fallen from 100 to 120 per cent to between 30 and 50 per cent.

Perhaps the most revealing argument against commission disclosure is that insurance is "sold, not bought". People, apparently, do not really think they need an insurance product, so have to be talked into it. The argument goes that if you tell people what it really costs they will not want to buy it.

The same arguments were used when disclosure was strengthened in the 1980s for investment products.

The result is by no means perfect but has led to unbundling of complex products. It also has made professional financial advisers to better explain to customers what it is that they do to earn their money.

Then the joint parliamentary committee had to digest the baked-beans argument. A Brisbane life agent had three cans of baked beans, bought from different shops at different prices, to present to the politicians. He argued that all customers need to know are the price and the contents - the commission or profit margin does not need to be disclosed.

Customers, he argued, will just think that is money in the agent’s pocket. That bit he got right.

I will refer to the Hansard from that particular night. A comment from the aforementioned life agent, Mr Ross, read:

The advertisement in the paper, which I have a copy of here, just invited interested persons to make a submission. What I think the public is interested in is this: if you buy a can of a certain kind of beans, what information do you need to know? You are going to tell me the contents of that can of beans and the price; isn’t that so? So you know the contents of that can of beans. If you are going to buy that can from a different store, you do not need to ask about the contents because the contents are the same. So what do you need to know? The price. That can was $1.99 and the other can was $1.67. So which can would you buy? You would buy the second one. But what if you went to Coles and you could get that can for $1.17? Why would somebody pay $1.99 for a can of beans when they can get it for $1.17? The answer is that Coles open at 8 a.m. and close at 6 p.m. This guy is open seven days a week for 24 hours a day. We could ask: is it a level playing field?

But people come to us for advice. In Coles they could have bought that can of beans. This can is not one of those they could have bought in Coles. People need to know the difference between what is in one can and another; they need to know what is good value. But none of those stores, incidentally, even though I asked them, told me what their mark-up was—and I did ask. I could see the price and, strictly speaking, I did not need to ask; I know what I am paying for.

I do not know if anyone in the House understood that. I was there and I have since read the Hansard. I am still having trouble dealing with it. Some of the arguments presented at that committee meeting had more to do with the baked beans sequence out of Blazing Saddles than anything in relation to the question of cans of beans and how they may affect risk products for insurance. These particular individuals did not help their case either by their attitude. Another witness, Mr Murphy, said:

I find it very disappointing—and I must vent this—that we sit here as self-employed advisers at our expense and speak to empty chairs. We find that quite offensive. At the break a number of people said, ‘Who are we speaking to?’ We do these submissions in our own time, we represent in our own time, we come up here at our own expense and, quite sadly, we do not have a lot of people listen to us. Sure, they read reports, but how well do they read them? Do they get the em-
pathy of what we are saying? It is disappointing. However, we come back again.
I guess the point I would make to Mr Murphy and others is that, most clearly, the committee—at least, a minority of the committee—got a clear view about the empathy, given some of the behaviour at that committee hearing. Be assured: that is why we have the Hansard. If we are involved in other things and are unable to attend or have to leave, we can read it subsequently. I most certainly did read it subsequently, and that is one of the reasons I was very pleased to sign on to the minority report on this particular occasion.

HIGHER EDUCATION LEGISLATION
AMENDMENT BILL 2003
Second Reading
Debate resumed from 11 August, on motion by Dr Nelson:
That this bill be now read a second time.
upon which Ms Macklin 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
(1) condemns the Government for:
(a) the failure of its policies to tackle the real issues facing higher education in Australia, including in the following areas:
(i) the increasing financial burden its policies are placing on students and their families, and the related growth of student debt;
(ii) the continuing inability of universities to enrol qualified students who wish to take up a publicly-funded place;
(iii) the inadequate provision for growth in higher education, especially in the period 2004-2007;
(iv) the inadequate planning for meeting key areas of skill shortage through higher education, including teaching and nursing;
(v) inadequate indexation of university funding;
(vi) inattention to the links between higher education and TAFE;
(vii) a lack of focus on quality, innovation and global changes in higher education.
(b) Underfunding the rebuilding of the Mt Stromlo observatory, and
(2) calls on the Government to amend the bill so as to limit the degree of Ministerial discretion over the division of funding between different categories of research programs”.

Ms GILLARD (Lalor) (6.43 p.m.)—The Higher Education Legislation Amendment Bill 2003 deals with the indexation of Commonwealth grants in the higher education sector and a number of technical changes that are required to funding arrangements. It also deals with funding for the Mount Stromlo Observatory, which was damaged in the Canberra bushfires. The honourable member for Jagajaga, the Deputy Leader of the Opposition, has moved a second reading amendment to this bill which deals with a number of the real issues facing the higher education sector in Australia. It is my intention to direct my remarks to that second reading amendment, most particularly the part of the second reading amendment dealing with the inadequate planning by the Howard government to meet key areas of skill shortage in Australia. I intend to deal particularly with skill shortages in the medical work force.

As members of the House would be aware, I was recently appointed as the opposition’s shadow minister for health. In that capacity, I am still doing a lot of learning about the health system in Australia. I think if you asked any Australian what you needed
to run a health system, amongst the most obvious answers would be doctors and nurses. You cannot run a health system without doctors and without nurses, but when you look at where the Howard government has got us to in terms of planning for the medical work force—for doctors and nurses—you are inexorably drawn to the conclusion that that is precisely what the Howard government is trying to do. It ultimately will be trying to run a health system without doctors and without nurses.

The shortage of general practitioners in the Australian community is acute. The Howard government, for most of its period in office, has been moseying around, like Daisy the brown cow, basically denying that there is an issue with GP shortages. What we do know is that Australia has a shortage overall of general practitioners and that there is a maldistribution of general practitioners, so that we see acute shortages in outer suburban areas and in rural and regional Australia. The Howard government—with its Daisy moo cow, wandering around, not knowing what is happening next attitude to the health system, and most particularly this question of GP shortages—took forever to get to the stage where it acknowledged that there was a maldistribution of general practitioners. Now it has finally acknowledged what everybody else could have told it: there is an acute shortage overall of doctors. That is an issue that needs to be addressed through our higher education sector.

The acute shortage of GPs in the outer urban areas and in rural and regional Australia obviously compounds the problems that people have accessing a bulk-billing GP. If there is an acute shortage of doctors then there are no competitive pressures to bulk-bill, and it is no mystery that the general plummeting of bulk-billing rates has been most particularly severe in outer urban areas and in rural and regional Australia. In those areas there are doctor shortages and, where there are doctor shortages, there is going to be an absence of bulk-billing. Indeed, for many members of the community in outer suburban areas and in rural and regional Australia, the question facing them is not: ‘How can I find a bulk-billing GP?’ It is often an even earlier question: ‘How can I get to see a GP?’ From the perspective of my own electorate, we have families who move to the area because it is a growth corridor and then they have to ring five, six or seven GPs before they can get on their list or even be entitled to make an appointment with them, let alone choose a bulk-billing GP.

It is a fact that the Howard government’s actions have exacerbated this GP shortage. The Howard government is not only in denial about this problem. It is most particularly in denial about the fact that it exacerbated the problem. It exacerbated the problem by changing training requirements. The first actions of the incoming Howard government in 1996 were to introduce mandatory postgraduate training requirements for GPs and introduce a limited number of training places—in fact, 400 training places each year. They were the first actions of the Howard government, and they limited our ability to get new GPs into our medical workforce. Is it any wonder that the best advice available from the experts in the health sector was that Australia was already facing a medical workforce shortage issue, particularly a shortage of GPs? I think that advice would have been available in 1996, but along came the Howard government, in denial about the problem, taking a policy measure which of course exacerbated the difficulty by cutting the number of GPs that could be trained each year.

We finally have a number of measures in the recent budget to start addressing the damage that has been done to our general practitioner workforce. In particular, I would
like to acknowledge that Labor supports the introduction of 234 more medical school places, bonded to areas of work force shortage, to address shortages in the medical work force, particularly in outer metropolitan and rural areas. That was an initiative that the Howard government, after being in denial about this problem and exacerbating the problem, finally took in the last budget, and we support that. Labor also supports the 150 more GP training places that are being made available to try and increase the number of GPs who are coming on stream and who are going to work in our medical work force. Finally, we have had some recognition of the training issues associated with having sufficient general practitioners. Whilst the Howard government has taken some measures to address the training issues for GPs and to create a sufficient medical work force with a sufficient number of general practitioners, we still see a range of inadequate measures to try and attract GPs to areas where they are needed. We know that the first cut at this to try and get GPs where they were needed was the ill-fated and ill-designed outer metropolitan doctors initiative, which was announced in 2001.

The DEPUTY SPEAKER (Mr Hawker)—Order! I am reluctant to interrupt the member for Lalor, but this is the debate on the Higher Education Legislation Amendment Bill. I ask the member to bring her remarks within the bill.

Ms GILLARD—Certainly, Mr Deputy Speaker. My remarks are most particularly directed to that section of the second reading amendment which deals with the Howard government’s failure to plan adequately to meet key areas of skill shortage through higher education. I am directing my remarks to that. I am indicating that the Howard government has exacerbated a skill shortage of GPs in our community by changing training arrangements when it came into office in 1996. It is now involved in a series of catch-up measures, including the changes to the training arrangements made in the recent budget. Whilst Labor supports some of those measures, clearly there is a range of things which remain undone to try and get doctors into the areas where we need them.

I was commenting that one of those initiatives was the outer metropolitan doctors initiative, which did not have the effect intended. In fact, it was a spectacular failure in getting doctors to go where they were needed. We have seen the government try to quickly recut that measure into a new measure to get doctors to relocate to outer urban, rural and regional areas, but we are very concerned that that quickly recut scheme also has program flaws in it and will not be sufficient to meet the problem.

I will move on to the section of the second reading amendment which deals with the question of the skill shortage in nursing. I reiterate the comments I started with by saying that you do not really need to know too much about the health system to know that you cannot run it unless you have doctors and nurses. We have a problem with the supply of doctors and, as many members of the House would be aware—because either their constituents raise it with them or, as I suspect, many members of the House actually have nurses in their immediate family or in their extended family—there is clearly a major nursing shortage. The government has done next to nothing to look at the issue of how we are going to get enough nurses in training so that we end up with enough nurses in our medical work force.

I think many of us here in the House would be prepared to say that we understand that nurses are a crucial component of the Australian health work force—indeed, they are the single biggest component of the Australian health work force—and that histori-
cally the work of nurses has been undervalued in our society. It is estimated that Australia desperately needs at least another 800 university nursing places to meet basic work force requirements, and yet over the last five years universities have turned away nearly 9,000 prospective nurses. So in the higher education system we have a clear problem where 9,000 people who wanted to train to be nurses—who wanted to staff all of the sections of the health system, such as the hospitals and clinics, which desperately need nurses—were turned away.

Labor’s solution, as announced by the Deputy Leader of the Opposition, the member for Jagajaga, is to put much needed funds into nursing education. Labor has committed to making an additional 3,125 new full-time and part-time undergraduate nursing places by 2008. Labor’s commitment extends to starting this program in 2004, with 550 new full- and part-time commencing nursing places. From 2005 this will increase to 1,100 new full- and part-time commencing nursing places each year. Labor has also committed to addressing this critical area of skill shortage in the work force by enabling more nurses to study in high-demand, specialist areas of skill shortage, including emergency and intensive care, cardiothoracic health, neonatal intensive care, midwifery, aged care and mental health. Labor has committed to creating 500 full-time HECS funded postgraduate nursing places from 2005 and has also committed to providing additional monies for the clinical training of undergraduate nurses so they have a smooth transition from studying at our universities to working in a modern hospital.

What is the government’s alternative to that? We know what the government’s alternative is, because the minister for education likes to tell us about it in question time. It is full of statistics, but he does not tell us about the outcomes and, most particularly, does not release the reports that deal with these outcomes. The Howard government’s alternative is to change our higher education sector to put private money—and in particular the capacity of individuals to pay—at the centre of our higher education system. Instead, they should give people an opportunity and ensure that Australia has the right mix of skills to deal with the whole range of issues that our economy and our society need to deal with—not the least of which, of course, is having a functioning health care system with the appropriate number of trained general practitioners and trained nurses.

Labor is opposed to making it harder for prospective doctors, nurses, dentists, physiotherapists and other health professionals to obtain their qualifications, and that is at the heart of the government’s higher education plan. Labor is opposed to the Howard government’s plans to deregulate university fees by allowing universities to increase fees under the Higher Education Contribution Scheme by up to 30 per cent. Labor is opposed to the government’s loans scheme, with a six per cent interest rate, which we all know will impose crippling debts upon students. If I could take an example from the medical work force, a student who wants to study to become a midwife could face a student debt of $37,800, including $4,300 in interest, and that is over and above the actual cost of living.

We have a system being proposed which will not only create major problems in terms of opportunities for people but also, as we know from the reports that have finally been released—and we know that the government has been aware all along of the effect this package would have—deter students from proceeding further in school and deter mature age students from accessing universities. So there is a major opportunity issue for the individuals involved and a major equity issue. But apart from the opportunity and eq-
uity issues, there is obviously a major work force issue in making sure that Australia has the right mix of people in training so that they are available to fill the skilled jobs that our economy and our society require to be filled, and of course our health care system is at the core of that.

Labor has committed to not allowing universities to charge full fees to students. To give once again an example from the health system: what is being proposed under the Howard government’s regime is that you could have a full fee paying Australian medical student who would be in one of the 10 per cent of all the places in medicine which would be reserved for such students and who would need to be able to pay fees of up to $150,000. Clearly there are equity and access issues that will deter our best and brightest from being able to get funded places. Instead we will have a reserve system, a special system, where people who have the money get differential access. I think we are all aware from our own experience that there is keen competition amongst students to get into medicine. It is one of the hardest courses to get into. Many of our young people do aspire to become doctors. Labor is simply opposed to creating a system where people who have the money are able to buy a place. That is at the core of what the government is proposing.

I conclude by saying that this is a bill that Labor supports, but I urge the House to consider supporting the second reading amendment moved by the member for Jagajaga in her capacity as Labor’s shadow minister for education. That second reading amendment deals with a number of very important issues facing our higher education system—there is a series of those issues—but it also deals with the critical issue of inadequate work force planning from this government. We know that that inadequacy is already costing our health system dearly.

Mrs HULL (Riverina) (7.01 p.m.)—I rise to speak in support of the Higher Education Legislation Amendment Bill 2003. As the member for Riverina I am extremely proud of a Wagga Wagga campus in my electorate and all that it has contributed and continues to contribute to the region. The campus that I speak of is that of Charles Sturt University. Charles Sturt is one of Australia’s largest non-metropolitan higher education institutions and it boasts campuses in a number of other regional cities, including Albury and Bathurst. CSU is Australia’s largest distance education provider, and it delivers more than 300 courses to more than 38,000 people on campus and via distance education in Australia and overseas.

CSU has received $1.2 million in funding from the Australian Research Council for 2003. The bulk of the CSU research projects are working towards securing sustainable futures for the regions that CSU is located within. These involve research in environmental, agricultural and wine sciences and cultural studies, which include the development of new natural herbicides, an examination of how colonisation has impacted on natural ecosystems and research into the role of weed mistletoe as an indicator of the health of our Australian bush. The collaborative industry partnerships with the New South Wales National Parks and Wildlife Service will look at the damage caused to rice crops by waterfowl, and in partnership with New South Wales Agriculture they will look at soil health. Of the seven research projects funded, two receive industry partnership grants.

CSU will host the Fourth World Congress on Allelopathy in Wagga in September 2005. The one-week conference is expected to attract 200 delegates from across 50 countries. The university’s research focuses on finding alternative non-chemical solutions for weed management in crops, including wheat and
rice. CSU’s researchers are among the few leading scientists in the world to use these advanced techniques to identify natural compound implants for potential use as natural herbicides. A senior lecturer in the School of Agriculture on the Wagga campus, Dr Gavin Ash, is leading innovative Australian research into the biological control of weeds and plant diseases, concentrating on crops that are important to our region. Vice-Chancellor Professor Goulter said the research being carried out by Dr Ash was making:

… a direct contribution to farmers in the region and to the agricultural industry throughout Australia.

The CSU Winery is a $2.5 million state-of-the-art facility located in Wagga and was officially opened by the Minister for Education, Science and Training in April 2002. Charles Sturt’s wine science and viticulture courses have developed into some of the most significant wine education courses in the world, with graduates in demand right across Europe and North America and in emerging wine export countries such as South America and New Zealand. One such example is Ron Brown. Mr Brown is a wine importer in Tokyo. One of our local papers, the Daily Advertiser, recently featured a story on Mr Brown, who is an off-campus student studying through Charles Sturt University in Wagga Wagga. He is currently completing his six-year Bachelor of Applied Science in wine science. He told the newspaper that his reason for selecting Charles Sturt University was that he ‘needed an English-speaking course that would allow him to study off campus and this was by far the best one’.

Mr Brown is just one of thousands of both on-campus and off-campus students who have chosen Charles Sturt University as the best university to meet their needs. Charles Sturt University’s results in the 2003 Good Universities Guide have continued to be consistent with those of 2002, with the university achieving the highest rating—five stars—for entry flexibility and attraction of international students, four stars for graduate employment and three stars for non-government earning capacity. It scored two stars for graduate satisfaction and one for research.

The university supports two major research centres that focus on the socio-economic viability and biophysical sustainability of rural landscapes. The Farrer Centre for Sustainable Food and Fibre Production in Wagga Wagga examines issues of relevance to rural communities with a concentration on production systems which minimise environmental impact. The second research centre is located in Albury. Charles Sturt University has a number of international partners in a range of countries, including Canada, China, India, Malaysia, Singapore, Hong Kong, Cambodia and the United Kingdom.

Another good news story to come from Charles Sturt University, Wagga, courtesy of the Daily Advertiser, is that of a group of Malaysian food science and biotechnology students. The students came from one of CSU’s international partner institutions and will be studying and living in Wagga Wagga for the next year. Charles Sturt was chosen because it offered a degree in food science, whereas the college these people had come from, in Sedaya, offered diplomas in food science.

Mr Deputy Speaker, one might ask if I am merely doing a commercial for Charles Sturt University or if I am in fact speaking to the Higher Education Legislation Amendment Bill 2003. I had to go and clarify whether I was speaking on the higher education bill or on a different bill in case I had brought the wrong speech into the House, so I appreciate the slight indulgence you have given me to
set the scene for why I believe that we should be supporting this bill with great gusto in the House.

The recent figures released by this government show that Charles Sturt University will be more than $11 million better off in 2005 under the reforms to higher education. These figures indicate that Charles Sturt University’s estimated operating grant in 2005 would be $112.675 million. The rise in funding continues to improve in the following years, with an increase of $13.595 million expected in 2006 and $14.715 million in 2007. Is it any wonder that I support this education package and reform?

These figures exclude additional money that has been generated through other initiatives in the reform package, such as fee-paying students or research grants and consultancies. Under the model that we have in front of us, Charles Sturt University will become the second highest funded regional university in New South Wales, behind Newcastle University—and I am all for that. For too long Charles Sturt University has languished with funding that was perhaps not quite what it required in order to deliver the best courses for rural and regional Australians—and of course for city Australians. Having said that, I note that we now have a minister and a government who are keen to take into consideration the injustice faced by our newer universities and to move forward positively.

Charles Sturt University has an enormous educational, social and economic influence on Wagga Wagga and the entire Riverina. It is serving the higher education needs of western and south-western New South Wales, and I intend to do all that I can to ensure that Charles Sturt University serves even more of rural Australia. There are plans under way to look at introducing revolutionary and innovative ways of providing doctors, including in obstetrics, for the future.

Whilst Charles Sturt University attracts and services students throughout western and south-western New South Wales, as I have said, many students from metropolitan areas and interstate choose to study there, as do many overseas students. In 1995 there were 438,000 domestic undergraduate students in universities throughout Australia. In 2001 that number had increased to 485,500, representing an increase of 11 per cent. International education—including higher education, both onshore and offshore, vocational education and school education—has been one of the major export growth earners over the past six years. In the 2000-01 financial year international students contributed more than $4 billion to the Australian economy. Education exports are now the third largest export sector.

New Commonwealth scholarships will be offered to expand educational opportunities and choices for students from educationally disadvantaged backgrounds. Students from regional areas studying away from home will benefit from the new Commonwealth learning scholarships. Five thousand of these new scholarships per year, commencing with 2,500 in the year 2004, will be provided, at $2,000 each, to help students cover their educational costs. Another 2,030 new scholarships a year, valued at $4,000 each, will be offered to assist rural and regional students who move away from home with their accommodation costs. These will start in the year 2004, with an initial 1,500 scholarships awarded.

From 2005 the Commonwealth will no longer set standard student contributions through the Higher Education Contributions Scheme. Instead, institutions will be responsible for determining student contributions within ranges set by the Commonwealth.
Most undergraduate students will be Commonwealth supported students, and for these students the Commonwealth will continue to contribute towards the cost of the course for each student each year, depending on the discipline studied.

Students currently contribute, on average, 26 per cent towards the cost of their education. Under the new arrangements, the average student contribution is expected to be 26.8 per cent in 2005. The Commonwealth will continue—as I indicated in the MPI earlier—to be the major investor in higher education, contributing more than 70 per cent towards students’ education. However, if you listened to the opposition speak on this reform and on these bills in the House, you would think that the Commonwealth contributes not a cent. In fact, it is the main contributor towards higher education fees and, in particular, the costs of university students’ education.

A learning entitlement will be provided to allow access to a Commonwealth supported place for five years of equivalent full-time study. The five-year entitlement will be extended where a student is undertaking an undergraduate course where the normal enrolment time frame is longer than five years—for example, medicine or double degrees with honours. Provisions will be made for individual institutions to grant extensions for genuine reasons, such as ill health. The learning entitlement will provide opportunities for more Australian students to gain access to a Commonwealth supported higher education place as new entrants occupy places freed up by those students who have used their entitlement. The learning entitlement will focus students on what they want to study and encourage them to do their best to pass.

From 2005 there will be a range of loans that currently do not exist—and this is pretty extraordinary; as I said, if you listened to the opposition having discussions and speaking on these bills in the House, you would think that the government had provided no other opportunity for the Australian people—for Australian citizens and holders of Australian permanent humanitarian visas to assist them with the payment of their tuition fees. These include HECS-HELP for eligible students enrolled in Commonwealth supported places to help them cover their contribution to tuition, and FEE-HELP for eligible fee-paying students enrolled at eligible higher education institutions. FEE-HELP loans will cover the full amount of tuition fees, with the opportunity to borrow up to $50,000. There will also be OS-HELP, for eligible full-time Commonwealth supported students who wish to study overseas for one or two semesters. Loans will be up to $10,000. We have to remember that currently there is no such provision available for students. So, if you want to go and get a loan now to further your education, you have to go to a commercial lender—and we all know the cost of the interest rate in a loan in the commercial lending area. So I congratulate the minister for putting this process into place because I believe that it is innovative and will provide much needed assistance and be welcomed by the Australian public.

The minimum HECS repayment threshold, which we are hearing about so readily this afternoon, particularly during the MPI, will increase from $24,365, as it currently stands. You have to earn over and above $24,365 before you start paying back your HECS fees. The minister, in his package, has increased that to $30,000 from 2005, so this does provide relief for lower income graduates. Not only that, what it does is this: if you decide, after the course you took and the degree that you have achieved, that you do not really want to work in that area and you just want to go out and be a tremendously great
little tourism officer or someone in a coffee shop—providing the benefits of your work attitude to other than the area that you studied—while it will obviously take a long time to reach a $30,000 income per annum, then you will not have to pay back your HECS fee. I think that is not clearly understood. It may seem that $30,000 is a small amount and that of course everybody will have to pay back their HECS fee because everybody earns $30,000. Well, I can tell you that not everybody earns over $30,000. In fact I know of employment histories where people do four-year apprenticeships, come out as skilled tradesmen and their award wage is still $398 per week. They will never get to $30,000 per annum under that award wage. To me the $30,000 is a very generous amount. I believe that moving the amount from $24,000 up to $30,000 is quite generous in that it means you do not have to start paying back your HECS fees until over and above that amount is earned, and then of course it is on a sliding scale. I again applaud the minister.

At the end of December 2002, the accumulated HECS debt, which we have heard so much about today, stood at $8.9 billion, as I indicated in the MPI. The average HECS debt is around $8,000—you would think it was $800,000 given the discussion that we have had at the dispatch box this afternoon—with 90 per cent of people owing less than $16,000 and 80 per cent owing less than $12,000. So in the debate this afternoon we had a distortion of the actual reality of the facts and the numbers as to how much money people are going to have to pay for an education. The evidence put in front of us quite clearly indicates the average HECS debt and the average repayments, and I think it is really quite wrong to distort the picture to get a political point across.

Current HECS students starting higher education studies in 2004, both full time and part time, will be able to study under current HECS contribution levels until the end of 2008, unless they discontinue their enrolments. So they will be able to study under the current HECS arrangements until we bring in these arrangements, when they will get the benefit of the increase to $30,000 before they have to start paying the loan back. It is quite a windfall and it should be recognised that the students currently studying will be able to take advantage of that $30,000 repayment loan, even though they are studying under the HECS regime that we have in place at the moment, so I think that they will be well looked after.

No student, including those who take up a full fee paying position, will be required under this legislation to pay fees up-front. I would like to quote a number of figures from Charles Sturt University’s submission to the Higher education at the crossroads review of higher education. The following figures speak for themselves, indicating the importance of regional universities, such as Charles Sturt University, to the communities that they are a part of:

In 2001, CSU—Charles Sturt University—enrolled over 38,000 students, 24% from CSU’s designated regions, 13% from other non-metropolitan regions, 43% from metropolitan Australia and 20% from overseas.

Its programs currently enable over 14,000 regional students to participate in higher education without having to relocate to metropolitan areas.

Further, CSU research indicates that on average 64% of regional students who study at CSU remain to work in regional Australia.

This will be even better fulfilled when they get the funding injection that they have been given in this higher education reform. This will be even better when they are significantly better off—about $39 million better off—under this government, as opposed to
the projected figures of the possible loss of income to them under a Labor plan. So I say that for all intents and purposes I support this bill. *(Time expired)*

**Mr BRENDA O’CONNOR** (Burke) *(7.21 p.m.)*—The Higher Education Legislation Amendment Bill 2003 provides for indexation of Commonwealth grants to cost changes. Although there would appear to be deficiencies in the current indexation arrangements, which fall short of Labor’s proposals that seek to protect the real value of the Commonwealth funding, that is not the reason I wish to rise tonight and make comments.

Before I go to the issues that concern me in the government’s education policies, I would like to make particular mention of Labor support for the reconstruction of the Mount Stromlo Observatory. This is an important step in rebuilding this historic national icon, which has been a tragic loss to this region and, in particular, to the Australian National University. I am sure that everyone in this House would agree that a $50 million contribution to have it restored is worth every penny. When the fires broke out earlier this year, I sought to find out a bit more about the Mount Stromlo Observatory. As I said, it is an icon for Australian science. It was the first Commonwealth building constructed after Canberra became the capital. Observations have been made from that site since 1911. It was established formally in 1924 and it has only recently had its 75th formal anniversary. Apart from the fact that many people’s jobs have been adversely affected as a result of that tragic loss in the fire, valuable national and international work has been put on hold. Therefore, I think it is important for the local community, the science community and this nation as well as internationally that it be restored. I am very happy to support that provision in this bill.

In speaking on this bill, I am reminded of what I consider deficiencies in Backing Australia’s Future, which was announced by the Minister for Education, Science and Training this year. There are many problems confronting our education system and they are not being addressed. These include the inability to meet the unmet demand for university places; the imposition of ever-burgeoning debt onto our students and, consequently, in many cases, their families; the failure to properly audit the nation’s skill shortages, particularly in areas such as teaching and nursing; and the absolute neglect of and disregard for the links between higher education and TAFE. In fact, TAFE has not really been mentioned at all in the government’s policy in a tangible sense. No vision or innovation can be found in the policies of the government in this area.

Further, the intrusion of ideological pursuits—in particular, the tying of funding to the industrial relations agendas of the government—has been criticised by people both outside and inside this place. It is criticised quite rightly, because there is no room for the ideological obsessions of the Minister for Employment and Workplace Relations. But they have been happily embraced by the Minister for Education, Science and Training in pursuit of a package that is supposed to be acceptable to the education community of Australia.

In short, this policy has major flaws. In all dealings, the government’s intention is to develop an education system which has the propensity to concern itself with the elite of our society. It is an education system that places money before merit. It is short on equity and imagination, and devoid of innovation. It is no wonder, therefore, that students and their families across Australia recently protested against the Nelson packages. It is also not surprising that the first AC Nielsen poll after the minister’s proposals were an-
nounced found that 70 per cent of the electorate were unequivocally opposed to Nelson’s imposition on students’ HECS fees.

The reasons that the overwhelming majority of people are opposed to the hikes to student fees are, I believe, twofold. Firstly, the community understands that Australian students are already paying a very high price for their education and they are very well aware that, the greater the impost that applies to students’ HECS fees, the greater the likelihood that children from ordinary working families will be priced out of access to university or other forms of higher education. Government members have remarked that there is hypocrisy in Labor’s opposition to increase HECS fees as it was Labor who introduced the HECS fee system. That is true. The fact is—and there is no point saying otherwise—that Labor did introduce the HECS fee system during the Hawke-Keating period. But it was a system that provided a capacity for students to have a decent quality of life while studying. It did not increase fees and compel students to repay those fees on the lowest of incomes, which is exactly what is happening now.

I think it was then Minister Dawkins who introduced a system where, once a graduate reached the average wage or more—and the average wage, for those who do not know, is usually around the top 30 per cent of income earners in this country; it is not around the middle—they would be compelled to pay an amount. But, over the last 10 or more years, certainly since 1996 and the election of the Howard government, there has been a reduction of that threshold to the point where it hardly matters now what sort of job a graduate has—they would be compelled to pay that fee, regardless of whether it places them below the poverty line. That is the sort of government we have here: it has no regard for students who are in that position and it has bastardised the HECS system that was introduced by Labor.

In effect, this government has decided that the $5 billion shortfall in the university budget will be paid by students and their families. Under the government’s plans, the HECS fee could increase overnight by up to 30 per cent. Already the University of Sydney have said that they will be imposing the full 30 per cent increase. If we look at the average increase in the cost of different types of degrees, an arts degree could cost up to $15,000 more and a science degree could cost an extra $21,000. So we are looking at the costs of general graduate degrees increasing at an extraordinary rate, with no real concern or regard for whether that is going to impact upon the capacity of students to continue their education. That is a major problem with the package that has been introduced by this government.

We on this side of the House understand from the minister’s comments during question time that the government seeks to sell its package by appealing to people’s worst instincts or most base views. The government is trying to engender much envy or enmity towards the recipients of higher education, perpetuating the myth that the only beneficiaries of the higher education system are those who are fortunate to enter it. This government is attempting to pit the users of the education system, the entrants into the system, against those people who have not been fortunate enough to enter the system. That behaviour, that tactic, is tawdry abuse of the government’s information, and I think it should be stopped.

There is little effort by this minister to promote the notion that education is good for the nation and all its citizens. Indeed, the converse is true. An education system that is flawed and deficient will ensure that the citizens of the country will have major difficul-
ties in living up to the many changes that are occurring in today’s society. Clearly, the minister has really failed to lift the debate about the need to have a decent system that provides the greatest access possible for as many students as possible in order for this country to prosper. Instead, the minister attempts to say, ‘There are people out there who can’t get in. Why should they in any way be concerned about a decent education system for this country?’ That is a very base level of debate and not one that I would expect a minister for education in this country to be promoting throughout the community. Alas, the minister is doing just that.

I have for some time now supported the idea that students should contribute to their education. I was very up front in acknowledging the fact that the original HECS system came in under a Labor government. I think that the mix was correct. I can remember a lot of people being upset by the system, but I think that there is no reason why a student should not pay a direct contribution to their education—provided that they can undertake their education, pursue those qualifications and have a decent life. The balance is completely skewed now against the capacity of students to learn, to gain qualifications and to live a decent life during that period. I accept that it is reasonable to expect a student to contribute, as I say. But I refuse to swallow the notion that this government hikes up student fees because the minister is concerned that a cleaner—real or imagined—whom he meets between getting out of his limousine and walking into a vice-chancellor’s rooms, will have to contribute to education services with her taxes. That is the sort of anecdote that we hear quite often on this issue. Between getting out of his car and meeting a vice-chancellor, Brendan Nelson meets a cleaner who says, ‘I have never been into a university. I do not really think I should contribute in any way.’ What Brendan Nelson does not tell the hardworking cleaner—

The DEPUTY SPEAKER (Mr Barresi)—I remind the honourable member to refer to the minister by his title.

Mr BRENDAN O’CONNOR—What the minister fails to tell that cleaner is that he is ensuring that the cleaner’s sons and daughters are not going to make it into university. With the raising of the HECS fee to astronomical levels, the minister should be telling that cleaner: ‘We are raising the HECS fee. We know that you have never been to university, but, as a result of raising the HECS fee, your sons and daughters will never get to university.’ That is the one thing the minister fails to tell the cleaner when he gets out of his limousine and goes into the vice-chancellor’s rooms. That is the one thing he fails to tell cleaners and every other tradesperson and labourer that he seems to meet on his way to these important meetings.

That is the fundamental difference between Labor and this government. This minister attempts to draw envy from the people who are unable to get into university towards those who are. In doing that, in using such a base argument, the minister fails to raise the level of debate about how important the education system is. He also fails to accept that by increasing the HECS fee he is stopping people from lower socioeconomic backgrounds from gaining an opportunity to enter university and other forms of higher education. That is the reality. No anecdotes from the minister in question time or at any other time will ever change that fact.

I say to the minister: ‘Spare us your crocodile tears.’ Working families and their children will wake up to you if they have not already. You have no regard for increasing the number of places for those people in the community. That is the reality: let us increase the HECS fee to make it almost impossible
for people who are unable to pay the fees to enter university. The government's impost through HECS fees will make it harder, not easier, for poorer students. It will welcome with open arms students who have the ability to pay, but it will close the door on people with merit.

The other issue that shows a deficiency in the government's policies is the unmet demand that was raised by the shadow minister in the MPI today and has been raised on a number of occasions. The fact is that the government has not addressed the unmet demand in the system. The shadow minister for education has already foreshadowed that we would be looking to increase places—20,000 places for university and 20,000 places for TAFE—but the fact is that the government has no answer to this unmet demand. The existence of unmet demand for qualified applicants points to evidence that the higher education sector is still not big enough to meet the existing aspirations of the community. Figures released by the Australian Vice-Chancellors Committee revealed that 53,925 qualified Australians could not get a university place in 2002. This represented a 33 per cent increase in unmet demand for university places since 2000-01. Within a very short space of time there has been an increase in unmet demand.

The other interesting statistical change in recent times has been the extent to which people are in receipt of higher education in Australia. In 1996, 36 per cent of young adults were in receipt of a bachelor's degree or higher. That figure has fallen to 27 per cent. Australia has slipped from second to ninth of the 11 OECD countries that were placed in the report. There is a real problem with unmet demand. The fact is the government has failed to address it in the package. The government therefore has to turn its mind to that if it wishes to be taken seriously as a government that concerns itself with broadening the educational base of this country and providing the capacity for people to enter the system. That is another problem.

Another failure of the government's proposals that I made a reference to earlier is the scant regard for TAFE. Comparison between the government policy and Labor's policy announcements shows stark differences. Last month the Leader of the Opposition and the shadow minister announced the policy entitled 'Aim Higher: Learning, Training and Better Jobs for More Australians'. And what an improvement it is on the government's feeble effort! Under Labor's plan, 20,000 new places would be created annually for TAFE. In comparison, the government has offered nothing to contribute to the TAFE system—not one extra dollar, not one place—despite the enormous need in the system.

This government pay lip-service to education generally and have absolute contempt for the TAFE system. Currently 15,000 school leavers who are qualified and wish to undertake TAFE courses are turned away each year. Any conversation with industry would reveal to those that are interested that a critical skills shortage is occurring. That has to be addressed. There are major problems in many areas, including maths and science. As I said earlier, the shadow minister has talked about ensuring that the maths and science degrees will go down to the lower band of HECS fees to encourage more graduates. The government have to start turning their eye to broadening the education system, bringing in those people that wish to be properly qualified and alleviating the financial imposition on students. If we fail to do this, we will be attracting people who have money but not merit. We will be putting people up who have no necessary understanding of the qualifications they are after, just a bigger bank balance than those people
who seek qualifications and seek them genuinely. (Time expired)

Mr PEARCE (Aston) (7.42 p.m.)—It is terrific to be in this place tonight to talk on this great news story bill, the Higher Education Legislation Amendment Bill 2003. The fact is that education is the key to Australia’s future. When we talk about education, we are talking about the quality and the range of education and training opportunities available to young Australians throughout this great country of ours. I am pleased to say that the Howard government has been working hard to improve education in Australia at all levels, whether in schools through initiatives such as the national literacy and numeracy benchmarks, in vocational education and training through initiatives such as the New Apprenticeships program or in the higher education sector through initiatives such as the recently announced Our Universities: Backing Australia’s Future package, which I will return to later in my remarks.

The Higher Education Legislation Amendment Bill 2003 is the latest in a line of practical measures that the government has taken as part of its commitment to a sustainable quality higher education sector. It is worth considering what has already been achieved by way of reform since 1996. This government has increased access to universities for young people. The total number of domestic students in higher education last year was 498,000 full-time equivalent students, an increase of 75,000 since 1995. In 2003 the government will fund almost 400,000 undergraduate and postgraduate non-research places in universities, with more than 370,000 of these for undergraduate students. In fact, by 2004 there will be 8,300 more fully-funded undergraduate places than there were in 2001. The introduction of the new Postgraduate Education Loans Scheme will assist an estimated 240,000 students to enhance lifelong learning opportunities.

The government has not only increased overall access but also provided increased opportunities for students from different backgrounds to address issues of equity and access. Since 1995, the number of rural and isolated students accessing higher education has increased by almost 10,000 and the number of students from low socioeconomic status backgrounds has increased by more than 10,000.

To back the government’s commitment, over $6 billion in Commonwealth funds will go to the higher education sector this year. On top of this, the government’s policies have provided universities with the flexibility to attract external income both new and incremental. The result is that the total revenue available to higher education institutions this year is estimated at a record $11.3 billion—almost $2.7 billion more than was available to universities since 1995.

Research is an integral part of the higher education sector’s contribution to our country’s future. For example, total expenditure on R&D by the higher education sector was estimated to be some $2.8 billion in 2000—an increase of nine per cent since 1998. To support these endeavours, targeted funding for research and research training, through the Department of Education, Science and Training—including science programs and funding through general operating resources—will this year total $1.46 billion, up from $1.3 billion in 2002.

The government has committed an additional $1.3 billion over five years from 2002—under the government’s innovation action plan, Backing Australia’s Ability—for higher education research and research training. This includes around $736 million over five years to double funding for the Australian Research Council; increase grants under
the Discovery and Linkage programs; double the number of postdoctoral fellowships; fund new Federation Fellowships; and increase salaries for holders of ARC awards. It also includes around $583 million over five years for both project infrastructure and systemic research infrastructure such as libraries and information and communications technologies. Specialised equipment and technical assistance will also be provided.

It is in this light that we consider this bill—the Higher Education Legislation Amendment Bill 2003. The bill can be considered in two parts: those provisions amending the Higher Education Funding Act 1988 and those amending the Australian Research Council Act 2001. Let us begin by looking at the amendments to the Higher Education Funding Act. The Higher Education Funding Act 1988 makes provision for grants of financial assistance to higher education institutions and to other bodies for higher education purposes. Importantly, it also establishes HECS, PELS, the Open Learning Deferred Payment Scheme and the Bridging For Overseas Trained Professionals Loan Scheme. Finally, the act makes provision for the repayment of moneys lent by the Commonwealth to students under those various schemes.

This bill assists the higher education sector financially by updating the funding amounts provided under the act to reflect the indexation of grants for 2003 and the latest estimates of HECS liability. The bill also provides $7.3 million this year to assist the ANU in rebuilding its world-class research facility at Mount Stromlo Observatory following its devastation by the Canberra bushfires in January this year. Financially, these amendments increase the overall appropriation for this year by over $58 million.

The Australian Research Council Act establishes the ARC as an independent body that administers Commonwealth research programs, makes recommendations to the minister on funding allocation and provides advice on research matters as requested. The amendments in this bill are intended to streamline the administration and financial management of the ARC, its advisory structures and indeed its research programs. The amendments update the composition of the ARC board and strengthen the ‘disclosure of interest’ requirements for board members, provide for the appropriation of funds by financial year rather than by calendar year and provide the minister with greater flexibility in determining the funding split between various research programs. In terms of their financial impact, the amendments increase the overall appropriation by over $436 million for the period 1 January 2003 to 30 June 2007. This bill is part of the government’s ongoing support of the higher education sector.

Let us consider the reform program ahead. The reform program has been developed as a result of a review of the higher education sector which consulted widely with universities, student groups, unions, the business community and various other stakeholders. The consultations produced a broad consensus that the current arrangements for funding universities were not sustainable. Indeed, it revealed that, in the longer term, it would lead to an erosion of the excellent reputation of Australia’s universities.

The result of the review is an integrated policy framework based on four fundamental principles: sustainability, quality, equity and diversity. The framework was announced by Minister Nelson as part of this year’s Commonwealth budget. The new proposed system will enable individual universities to better capitalise on their particular strengths and to determine the value of their course offerings in the marketplace. There will be renewed emphasis on teaching and learning.
outcomes, greater recognition of the role of regional campuses and institutions, and a framework for research in which all Commonwealth funding is either competitive or performance based.

The proposed arrangements for student financing will encourage lifelong learning and ensure equity of access to higher education. This means that no eligible student will be required to pay fees up front when they enrol with an eligible higher education institution. Under the proposed reforms, improved access for disadvantaged groups will be supported, and the market for private higher education will be opened up also. The quality control mechanisms of the higher education sector will be enhanced to ensure real and practical benefits from the reforms and increased investment by the Commonwealth, particularly for the benefit of students.

Diversity will be encouraged through the creation of performance based incentives for institutions to differentiate their missions and purposes. Underpinning the proposed plan, around $1.5 billion in additional funding will be invested in higher education over the next four years, with more than $660 million extra per year from 2007. Over the next decade the federal government will provide more than $10 billion in new support for higher education. This includes an estimated $6.9 billion in additional funding to the sector and approximately $3.7 billion in assistance to students through new student loans.

When you consider the past and the present, and indeed when you look into the future, particularly the future of higher education, it is clear that the Howard government has a strong track record of real achievement and a real plan for the future. That is important to my electorate and it is very important to me. At the time of the 2001 census, almost 5,000 Aston residents were attending a university or other tertiary institution, with over 3,500 more attending a technical or further education institution. In the case of Aston, many students attend the Clayton campus of Monash University or the Burwood campus of Deakin University—which are located in the eastern suburbs right next door to my electorate of Aston—or indeed the Swinburne campus in Wantirna South in my electorate. In addition, over 10,000 Aston residents hold an undergraduate qualification and around 3,000 hold a postgraduate qualification.

In Aston education is important. Aston residents understand at first hand the importance of getting the higher education sector right for the benefit of all Australians—and that is what I am committed to doing as the member for Aston and as a member of this government. I commend this bill to the House.

Ms GEORGE (Throsby) (7.55 p.m.)—I am pleased to participate in the discussion on the Higher Education Legislation Amendment Bill 2003. As other speakers have indicated, one of the primary purposes of this bill is to provide for the indexation of Commonwealth grants for universities. While in principle the measures are supported, I want to make some comments about what I consider to be the inadequacy of the current indexation arrangements. Further, I want to lend support to the arguments advanced by the member for Jagajaga in relation to the comprehensive amendment which she has moved and which draws specific attention to the inadequacies of this government in tackling the real issues facing this sector.

There is widespread acknowledgement in our community that Australia’s fortunes as a nation, particularly in economic terms in an increasingly competitive global environment, depend very largely on our investment in education, our human capital and, in that regard, the money that we invest in the terti-
ary sector, be it in the university sector or vocational sector. Regrettably, I do not think that this message is being heeded by the Howard government, which have continued to pursue a strategy of reducing public investment in our universities. As we know, $5 billion has been slashed out of this sector by this government since their election back in 1996. Regrettably, the government see the benefits of tertiary education as primarily conferring private benefits. That mistaken view has propelled the government in the direction of shifting the financial burden onto individual students and their families.

Labor see the issue quite differently. We support greater public investment and long-term reform of this sector. We see a whole host of public benefits accruing from investment in all areas of education. We see education as an important component of investment in the skills, knowledge and employment of the nation. In this regard, university education, like TAFE education, is a shared investment which has important public as well as private and personal benefits. Central to this view is our desire to see a wider distribution of these benefits through increasing opportunities for all and ensuring that cost and financial means are not a barrier to educational access and participation.

Under this government, public investment in our universities has fallen dramatically, with dire consequences for the university sector. If you do not believe what I am saying, let me quote a very authoritative body, the Australian Vice-Chancellors Committee, who earlier this year said:

Lifting the funding base, starting with a more realistic indexation of the system, will benefit all universities—and every Australian university is under strain and needing support to sustain quality and efficiency.

Similarly, the National Tertiary Education Union, which covers both academic and ancillary staff at universities, in its last federal budget submission said:

Cuts to public investment and Government failure to compensate universities for increases in cost structures are at the core of growing concern about the quality of Australia’s university sector. The reduction in public resources available to universities is the primary cause in the decline in access and quality.

There we have it. Two very authoritative sources in that sector are arguing the case for greater public investment and the vice-chancellors are talking about the need for a more realistic indexation formula to apply.

I now want to turn to the indexation of university grants, which is a very significant element of the bill. As I said earlier, I support the principle of indexation, but I am concerned about the inadequacy of the arrangements that currently apply. The arrangements in this sector are compounding the financial difficulties confronting all our universities. Thankfully, our recent policy announcement will see the introduction of a fairer indexation regime which, as its end result, will maintain the real value of universities’ operating grants.

I say that the present indexation formula is inadequate for the following reasons. At present, the grants to universities are indexed on the basis of movements in what is known as the higher education cost adjustment factor. When you analyse the basis of the indexation formula, you begin to realise that it is a totally inadequate measure to deal with the real costs of running a university as it does not measure the actual price increases in the sector. The current adjustment is based on two elements. Seventy-five per cent is based on the safety net adjustments as determined by the Australian Industrial Relations Commission but, as we know, the wage increases in the university sector, to academic and non-academic staff, in recent years have been far in excess of the safety net adjustments that
flow to those predominantly without bargaining power in our economy. So 75 per cent of the formula is based on a salary adjustment which bears no relation to what is actually happening as a result of bargaining in that sector, and only 25 per cent of the indexation factor is currently based on the consumer price index. These proportions are notional and in fact bear no relation to the actual expenditure and running costs of universities.

The government appear to have recognised that there are problems with the current formula but they have done little about it. They have stated that a review of the higher education cost adjustment factor would occur once the ABS developed the new wage cost index. The wage cost index has been developed but nothing more has been heard from this government. The significance of this silence is highlighted by the overview paper for the higher education review, which noted: Over the period from August 1997 to August 2001 the wage cost index increased on average by 3.25 per cent compared with the safety net adjustment average of 1.55 per cent. In other words, we have been supposedly compensating universities but at a much lower rate than the real costs, particularly the real costs that have flown on to the salary outcomes that have been bargained in that sector.

It is no wonder that the universities are under financial pressure. As a result of the lack of full indexation, the problems have been compounded and have led to quite a substantial increase in staff-student ratios, which appear on average to have increased by about 22 per cent since the election of this government. Every university will tell you that they are overcrowded, that there are fewer contact hours in classes and that larger class sizes seem to be the norm. While we are supporting the principle of indexation, it is an opportune time to call on the government to do something about this unfair system that has been operating for many years.

I welcome the fact that Labor have recognised the importance of maintaining the real value of operating grants in our university sector. Unlike the government, we will use the wage cost index that has been developed to measure the real impact of price changes on universities and fund them accordingly. In our estimates, that will deliver $312 million of additional funding to the universities by 2008.

But the inadequacy of the indexation arrangements is only part of the problem confronting this sector. As I said earlier, Australia’s public investment in universities is on the decline. It is not just low by international standards, it has been falling while public investment has risen in other countries. According to recent data from the OECD, between 1995 and 1999 Australia’s public investment in universities declined by 12 per cent—a decline higher than that in any other comparable nation. A recent study which looked at OECD nations highlighted this fact, placing Australia fourth among the nations most reliant on private funding and primarily that has been derived from increasing the burden on students and their families. We are being left behind as a nation while our international competitors are reaping the economic and social benefits of public investment in tertiary education.

I believe that the government’s funding policies are not in the best national interest. Further, the government’s policies are imposing an excessive burden on students and their families which has a profound implication on access and equity grounds. Since 1996, student contributions to the cost of a university degree have increased by over 85 per cent. Student fees and charges now make up nearly 40 per cent of the income of universities. When the government was elected that
contribution was 25 per cent. You can see the huge growth, and the huge burden that is being carried, as a result of a shift from public to private investment. By comparison, Commonwealth funding now represents only 44 per cent of university income, down from 57 per cent when this government was first elected.

I fear that much worse is to come, particularly under the strategies and policies being proposed by the minister in his higher education reform package. The government’s main policy response is to claim that the current position is unsustainable but, rather than looking at the option of increasing public investment and recognising the shared benefits of that investment, they are now moving in the direction of slugging students and their families even more than they have slugged them in the last four or five years. We see this in the proposal that would permit HECS contributions to rise by up to 30 per cent. We see it in the proposal to introduce a loan scheme to encourage more full fee paying students. We see it in the proposal to increase the number of full fee paying places so that, in theory, half—I repeat, half—of all university places could go to people who buy their way into a university. This, of course, will lead to the position where money, not merit, will be the key to opening the doors of our universities in the future.

When you consider that at, for example, the University of Sydney, where I trained, the full fee for a law degree is now $85,000 you do not have to be a genius to know who will be missing out in future years. It is no surprise that we heard in debate today about the doctoring of a departmental report, which eliminated those sections which showed the impact of these increased fees and charges particularly on poorer and older students. So there is no joy in the strategy being proposed by the minister and by this government which continues to see a decline in public investment and a shifting of the burden onto individual students and their families.

While on the issue of university funding, let me once again put on the public record my profound disappointment with and anger at the government’s treatment of the University of Wollongong and, specifically, its exclusion from the regional loading allocation. It is absurd that the University of Wollongong is not considered by the minister to be a regional university for the purposes of this grant. Why? Allegedly it is because Wollongong has a population of 257,000 people—7,000 more than the magical but arbitrary cut-off figure used by the minister for education to define what he believes to be a regional campus.

The end result of this absurdity is that the university that services my community will have an effective cut of $2 million from its budget. The loss is more disturbing because the government’s criteria for determining regionality are completely arbitrary. Staff, students and the community know that the University of Wollongong is a regional university, but it seems only the minister for education believes otherwise. Not only is he out of touch on this matter; he also is out of touch in completely failing to recognise the impact of his policies on Australian universities and on the Australian community. Regrettably, the seven years of neglect that we have witnessed since the election of the Howard government appears to be the precursor of worse to come under the policies and directions set by the minister for education.

Let me conclude by saying that everybody recognises that our future as a nation is increasingly posited in a global, international context and that if we are to succeed we have to recognise that public investment in our people, in our social capital, in our education systems, in innovation and in research and
development is the key component of a successful nation in a globalised environment. Our trading partners and OECD nations that we compare ourselves with recognise that public investment is necessary in this sector. They are boosting their effort at the same time as our effort is declining. Our effort in a short space of time has declined by 12 per cent. There is 12 per cent less contribution from the Commonwealth government at the same time as the burden is being increasingly shifted onto the shoulders of students and their families.

It is no wonder that alarm bells are ringing, because the full fees that are being paid at some universities, ranging from $80,000 to $100,000 and even more a year, will mean that education in the tertiary sector will regrettably again be the preserve of the elite and well-off in our community. In other words, we will be turning the circle back to the bad old days where people who come from backgrounds where they do not have the financial means and capacity to buy their way into a university degree will be denied the access, the opportunities and the benefits that further education gives to them and to our whole community. It is very regrettable that the government, after all these years, is still moving along the track of shifting the burden onto individuals and not recognising the short-sightedness in strategic terms of its lack of support for public investment in this critical sector.

Mr DUTTON (Dickson) (8.14 p.m.)—I often listen with interest to the member for Throsby because, on many of these issues, she often makes a valuable contribution. Regrettably tonight, for part of the speech that I listened to, the member for Throsby spoke about the government’s policy and what she perceived as the inadequacies of that policy. She neglected to tell the House that the Labor Party, in formulating their latest unfunded higher education policy, borrowed much of the government’s policy in this area. So for a government that has a flawed education policy, in the words of the member for Throsby, we could not have done it too badly because the shadow minister is the person responsible for ripping off most of our policy to create their own.

The Higher Education Funding Amendment Bill 2003 provides for an additional $58.39 million in funding for universities in 2003, and it does that to reflect indexation increases and other technical adjustments. The bill also sets a new maximum aggregate funding amount for the years 2002 and 2003 to reflect actual HECS liabilities, budget decisions and other technical adjustments. This bill also puts in place the legislation for this government to fund the reconstruction of the Mount Stromlo Observatory that was announced in the 2003-04 budget. This $7.3 million in funding will assist the Australian National University to rebuild its world-class research facilities which were devastated by the Canberra bushfires in January this year. In particular, instrumentation workshops and a heritage building will be reconstructed and two new telescopes will be purchased to replace those lost in the fires. The contribution will help the Australian National University continue its cutting-edge astronomy research and demonstrate the government’s commitment to re-establishing the Mount Stromlo Observatory as a world-leading facility. The government’s contribution is in line with assistance provided in the past to other universities that have been victims of natural disasters.

Importantly, this bill also amends the Australian Research Council Act 2001, which establishes and appropriates money for the Australian Research Council. As we know, the ARC plays a key role in the delivery of research funding and outcomes in Australia, providing economic, social and cultural benefits to the entire Australian community.
Indeed, one of the largest single initiatives of Backing Australia’s Ability is an additional $740 million for research funded through the ARC. That funding will double the Australian Research Council’s capacity to fund grants through the National Competitive Grants Program over a period of five years. This bill provides $275 million of that additional funding to be provided in 2006-07. This bill also provides for improved organisational productivity and accountability and will simplify ARC project and program administration.

This bill reflects the government’s commitment to Australia’s higher education sector, and that was shown in this year’s budget by the package of visionary higher education reforms which are shortly to be introduced to the House. It shows that we recognise the quality of Australia’s higher education sector and the vital role it plays in ensuring the future strength of our nation. The graduates of our universities are among the leaders, the innovators, the humanitarians and, importantly, the entrepreneurs and the professionals of tomorrow’s Australia. Through their lifetime work, the people our universities educate make a contribution back to the economic, cultural and social development of Australia. At the same time, higher education is a vehicle for individuals to fulfil their own potential and indeed achieve their personal and professional goals.

Whilst speaking to young people at schools in my electorate of Dickson about their goals for the future, the first thing that many of them often tell me is of their desire to go to university, their desire to pursue the course of their choice and their desire to fulfil their personal and career dreams. Many of those students are also excited to tell me about their anticipation of taking up an apprenticeship place. I will speak about that later. We are lucky that we already live in a country where this goal is possible for many people. The bill that I am supporting today continues to deliver on the initiatives already put in place by this government. It is yet another sign that this government is serious about backing and building Australia’s higher education sector. This bill and the package of reforms we will introduce shortly are about giving Australians the ability to fulfil their potential in a high-quality, strong university environment. It is about giving them the opportunity to invest in their future. Importantly, it is also about investing in the future of our nation.

I want to speak briefly in relation to the Crossroads review, and I would like to take a few minutes to highlight the changes the government’s reform package on higher education will make to this sector. These are reforms which have come about following a thorough review of higher education that was conducted last year. This review was conducted in close consultation with universities, student groups, unions, the business community and other stakeholder groups. The review identified a number of challenges currently facing our universities which, if not addressed, would put the future of our universities at risk—challenges which could lead to an erosion of the outstanding reputation of Australian universities. To assist institutions to meet these challenges, the government has developed an integrated new policy framework based on four foundation principles: sustainability, quality, equity and diversity. Laying the foundation for a 10-year vision, approximately $1½ billion in additional funding will be invested in higher education over the next four years, with more than $660 million in additional funding per year from 2007. Over the next 10 years, the Commonwealth will provide more than $10 million in new support for the sector, including an estimated $6.9 billion in additional funding to the sector and approximately $3.7 billion in financial assistance to
students through a system of new student loans. The reforms will establish a partially deregulated system of higher education in which individual universities are better able to capitalise on their particular strengths and determine the value of their course offerings in a competitive environment. New arrangements for student financing will encourage lifelong learning and ensure equity of access to higher education. No eligible student will be required to pay fees up front when they enrol with an eligible higher education institution. Importantly, education will be free at the point of entry.

What are the benefits of the new system? An important part of the government’s policy in this area is the recognition that higher education produces significant public and private benefits. As I mentioned before, higher education provides our nation with a great social benefit and it also gives many personal benefits to those who participate in the system. It is therefore reasonable that there should be a sharing of costs between taxpayers and the individuals who benefit directly. The private benefits of higher education are significant. Recent studies show that the lifetime earnings of someone with a bachelor’s degree were around $622,000 more for males and around $412,000 more for females than for those who did not possess a university education. They are more likely to obtain professional or managerial jobs and they experience greater stability in employment. Under the government’s reform plans, the total average portion of costs paid by the student is expected to be about 26.8 per cent in 2005 and 27½ per cent in 2008. In other words, taxpayers will continue to contribute around three-quarters of the total cost of higher education, as they currently do.

There are many benefits to students, but the higher education reforms also offer significant benefits to tertiary institutions. For example, under the government’s proposed HELP scheme, the significant level of Commonwealth subsidy involved in the HECS scheme—through discounts, write-downs and unpaid debts—will continue. The loans scheme will have a revised repayment threshold of $30,000, which more realistically reflects the point at which people can afford to repay their HECS debt. There will be no HECS fee increases for teaching and nursing students, with 1,400 places set aside for these students and for Indigenous students in eligible private higher education institutions, and 4,000 new scholarships will be awarded from 2004 for rural, regional, low-income and Indigenous students.

A realistic and sustainable number of new university places will be provided: 534 new places in 2004, rising to 5,494 a year in 2008. So, over the longer term, most universities will be better off under the government’s new package, with $1½ million being injected into the sector over the next four years alone. The package also includes transitional assistance, with the fund totalling $38.6 million over three years, to ensure that universities are able to access additional financial assistance to help in the transition of new funding arrangements.

Universities will be greatly assisted by the increase in the Commonwealth contribution of 2½ per cent in each of the years 2005, 2006 and 2007, once they have complied with governance protocols and workplace relations policies. From 2005, equity funding will also increase. From 2006, universities will also have the opportunity to access significant funding under several new programs: the learning and teaching performance fund, with $188.2 million over 2006-07; the workplace productivity program, with $55.2 million over 2006-07; and the collaboration and structural reform program, with $20 million over 2005-07. Universities will benefit from the ability to offer an addi-
ional 50 per cent of places to full fee paying Australian students who will be assisted by loans.

We often talk in this place about alternative policies. What is the impact of Labor’s policies? We need to contrast the policy of the government with Labor’s commitment to higher education because it is a commitment by the Labor Party to mediocrity and, of course, inaction. Labor’s policy purports to aim higher, yet it is a policy which will create mediocrity in the tertiary sector and it will not fix any of the serious issues facing higher education today. Labor’s policy simply takes some parts of the government’s package but cuts out the strong decisions which will make the most significant improvements to the sector.

In largely retaining the status quo, the opposition proposal will cause many of the problems which universities are currently facing to continue. At the same time the opposition’s package leaves a gaping black hole in some of its costings. This was revealed in a detailed analysis recently by the Commonwealth Department of Education, Science and Training and verified by the Department of Finance. Labor’s policy promises that all maths and science students will be moved from HECS band 2 to HECS band 1. The Commonwealth Department of Education, Science and Training analysis reports that that alone will cost $262½ million. Labor has budgeted just $43.6 million. Labor’s policy, which Simon Crean and Jenny Macklin boast is fully costed and fully funded, will require the almost $219 million shortfall to be borne by the institutions themselves.

What does that mean around Australia? In Queensland, currently 11,250 maths and science students in seven institutions cover the shortfall of around $43 million. So the universities that children from my electorate attend, such as the University of Queensland, Griffith University, the Queensland University of Technology and the University of Southern Queensland, will have to come up with an additional $43 million under the Labor plan.

The bill before the House today, as well as the government’s proposed higher education reforms, go far and show our commitment to the importance of the higher education sector. This government, in many areas—higher education being just one—is about providing options. Many of the public policy matters that we have spoken about over the course of this term, and indeed since the election of this government in 1996, have been about providing Australians with choice. When we look at the alternative that the Labor Party has to offer, it is very much about providing less choice, putting a greater shackle around the necks of Australian university students and imposing a greater impost on the universities and institutions themselves.

One important factor that needs to be taken from this debate is yet another unfunded Labor policy. It is a theme that I think we will see repeated over the next 12 or 18 months as we run up to the next general election, because, if the Labor Party are famous for nothing else, they are famous for unfunded policies and for running up government debt, resulting in increased interest rates and increased unemployment. There is a debate going on in this country at the moment involving some of our academics in the universities and the general community at large about house affordability. We hear from the member for Werriwa and others opposite how bad it is to see the increase in house prices. It just goes to show how inept the opposition are at dealing with some of these public policy issues—in particular, the economy and higher education.

It is a problem that we need to discuss very broadly. The broader debate needs to be
understood, because the Labor Party position—like many of its policies—is unsustainable. Those in the higher education sector who have come out in praise of the government’s position and indeed those students who attend universities and are fully educated in the process of this debate would understand that the government’s position is a very sound one. It is a very just position; it is one that is fair not just to universities but to students who have attended universities and will continue to attend universities in the future either through traditional means or through paying higher contributions themselves in the same way that we make that access available now to overseas students.

What I think is important to the people of Australia and certainly to the people in my electorate of Dickson is an understanding that this government is fair in its policy on higher education. The taxpayer in Australia pays around 75 per cent towards a university degree, despite the fact that many of those people will never see the inside of a university. That is a very important part of this discussion that needs to be borne in mind when we are talking about committing billions of dollars to the higher education sector. There are many people in my electorate who will never see a university and who will never benefit from a university degree. I am sure it is the hope and the aim of many of those people that their children will. They understand that this government has made and continues to make a very significant and fundamentally important contribution to higher education. But this government is also very much about fiscal responsibility. It takes those two positions hand in hand in arriving at this policy on higher education. It is for that reason that I commend this bill to the House.

Mr SNOWDON (Lingiari) (8.33 p.m.)—I am pleased to be able to make a contribution to the debate on the Higher Education Legislation Amendment Bill 2003. I will at a later point address some of the remarks made by the member for Dickson and expose what are quite important conflicts and contradictions in the argument he put. I might summarise them before he leaves the chamber. I will come, at some point, to a discussion of the issue between public and private benefit. On one hand he says that many people in his electorate have aspirations for their children to go to university because they themselves have not been able to; yet on the other he says that, because they are not able to, we can now put forward a proposition that would say to them: if you do not get sufficient points to get into the course that you would like to gain entry to, we will now provide you with the opportunity to buy your way into university and with the capacity to get a loan so that you can repay your debt at some later point.

This flies in the face of evidence which has been brought to light as a result of the failure of the government to disclose evidence from its own department of the decrease in the number of mature age people and school leavers as a result of the increases in HECS after 1996. Further, evidence from the vice-chancellors tells us that they now believe that people in the lower socioeconomic groups are deferring the opportunity to go to university because of the higher HECS fees and the possibility that they will incur a greater debt into the future as a result of those fees. So they are deferring because they see the possibility of higher HECS fees causing an onerous burden upon them and their families. The government is now saying that, even though they may not get access to a HECS course, it can see a positive benefit. It thinks that these people who are deferring going to university because of the HECS fees will somehow or other be besotted with the proposition that they can go and get a loan to pay for the course if they cannot get access
to a HECS place. You do not have to be Einstein to work it out: this is a massive disincentive for people to attend a university, particularly for those people who would otherwise be trying to get a HECS place.

In the communities that I have travelled through across Northern Australia in recent months, and particularly in my own electorate of Lingiari, there is no university—although now there will be a new university formed in the Northern Territory as a result of legislation before the Northern Territory parliament for the establishment of the Charles Darwin University, which will be an amalgamation of the Charles Darwin University and Centralian College in Alice Springs. So we will have an entity called a university operating in my electorate. But the sad fact is that the bulk of the community in my electorate will have no chance of ever going to university, because they lack the most basic of educational needs—that is, access to a school.

I note that this government has, over recent years, poured bucket loads of money into the private education system, but it has failed miserably to see the responsibility it has to all Australian citizens and to address the needs of those most impoverished of Australians who live in the communities I am referring to: Indigenous Australians, many of whom—and I put the figure at somewhere between 3,000 and 5,000 in my own electorate—after the age of 13 have no access to any sort of educational institution. Yet here we have a government which says that somehow or other—I do not know how, but maybe it will tell us—these people can look forward to the benefits of the new nirvana which is being established by this government in relation to higher education and can look forward to the possibility of borrowing money to attend university, when they cannot even attend a school. I doubt they will.

I note that this legislation, simple in its form as it is, will in part increase the grant levels to Australia’s higher education providers to reflect changes in salary costs and the CPI. And, as the previous speaker, the member for Dickson, pointed out, it will provide funding for the re-establishment of Mount Stromlo, which I think is a very good idea indeed. I applaud that initiative. We in the Labor Party will be supporting these grants, but I note that the shadow minister, Ms Macklin, the member for Jagajaga, in her contribution to this debate made it very clear that, while the Labor Party support the provisions for indexation in this bill, we call on the government to adopt Labor’s policy to put in place a proper process of indexation that would see the universities’ operating grants from the Commonwealth keep up with costs. As she said, Labor have announced that we would introduce a new index based on the wage cost education index developed by the Australian Bureau of Statistics that, within a composite index, would measure the real impact of price changes on university funding. This would lead to an increase in funding for our universities of over $312 million between 2004 and 2007, which—as she pointed out—is money that the universities desperately need.

It is sad to see that, as another funding year goes by, the government has not attempted to really address the ongoing crisis in higher education funding, particularly for education providers in regional Australia. On a number of occasions previously in this place—in the last parliament and in the current parliament—I have canvassed the plight of the Northern Territory University, now to be named the Charles Darwin University, as a result of policy decisions made by this government. The government is saying that somehow or another the sandstone universities are what we should be on about. The fact of the matter is that we need a great many
additional resources to provide people who live in regional Australia, particularly those people in my own electorate in Northern Australia, with the opportunity to attend an institute of higher education that provides them with the broadest possible course range.

Mr Deputy Speaker Causley, you come from a regional area and you will understand the pressures that are upon families, particularly working families, to send their children away to institutions of higher learning. In my own community of Alice Springs, even though the Charles Darwin University will have a presence there, at the moment very few of the people who would be eligible to go to university from Alice Springs go to the Northern Territory University, or the Charles Darwin University; they go somewhere else. As you would know, Mr Deputy Speaker, the cost of sending students away from their homes—not only the emotional cost to the family but the economic cost to the household budget—is enormous. There is nothing in the proposals that have been put forward by the government which will alleviate that pressure—far from it. In fact it is to the contrary—they will increase the pressure on those family budgets and on the costs to those families into the future.

I note that these proposals, as I have said previously in this place, have come from a minister who was able to enjoy the benefits of the reforms of the Whitlam government and who did not have to pay anything for his education. Now he is regaling the Australian community with speeches about the importance of the government, the opposition and the community recognising that we all ought to make a contribution to our own education. I have yet to see this minister—or any other minister or member of the government—come up to the table at this parliament and say, ‘Here is my cheque for my contribution to the education I got for free as a result of contributions made by the Australian taxpayer.’

Mr Brough—Some of the ministers paid for their degrees. You don’t know what you’re talking about.

Mr SNOWDON—Despite the interruptions from the minister opposite, the fact of the matter is that we have a minister here who got a medical degree as a result of the contributions made by the Australian taxpayer, and now he is saying—even though I accept that the Labor Party introduced the HECS fees in the first instance—that HECS fees should be elevated because, even though he got a free education, no other Australians should accept that as a possibility; in fact, they should be putting their hands into their own pockets to make a greater contribution than they are currently required to make under the HECS arrangements in Australia. I suggest to the minister, and to any of the other members opposite who received a free education and who did not have to contribute anything through HECS, that they come to this place with a cheque and make their contribution—the contribution they are requiring Australian taxpayers and their communities to make when they attend a university. We will not see it, because that is not the way this government operates.

Then we had the minister proudly saying—as he did here today during question time—that, if you get a year 12 score of 99.2 and you cannot get into the course of your choice, you will now be provided with the capacity to get a loan so you can buy your way into a university course. We know that the full fee costs of some of these courses are extremely high. Let me again repeat the figures that were used by the member for Jagajaga in her contribution to this debate. At the University of Sydney a full law degree costs $85,000. A full fee veterinary science degree costs $144,000 at the University of Queen-
sland. At the University of Melbourne the vice-chancellor let the cat out of the bag by letting us know that he has priced a full medical degree at $150,000.

What working family in Australia is going to countenance the possibility that they have to go out and borrow $150,000, to be paid off into the never-never, for a medical degree? Never mind the fact that in the longer term they may well be compensated in terms of their pay packet: not all medical practitioners earn $300,000 a year; some earn very meagre incomes. I note from the work that is being done by the vice-chancellors that they are even saying that people are now deferring the possibility of taking out a house mortgage because of the cost imposed upon them by the HECS structure which this government has in place at the moment and proposes to increase. What possibility do these people have of achieving the great Australian dream of owning their own house when they are forced to go and borrow money to pay for their higher education, in the way which is being proposed by this government, because they have not been able to go into a HECS funded course? The lunacy of that ought to be obvious to everyone in the government, as it is certainly obvious to the people in the opposition.

On 28 May this year the minister told the House about the government’s proposal to offer students a loan if, as he said at the time, either they cannot access resources or their families do not have them. I believe that at current rates it is likely that these poorer students, the ones who were not raised in such privileged areas as Bradfield or Bennelong, will pay at least six per cent interest on these loans, should they choose to take them out. What we are seeing here is the great possibility, the very high likelihood, that fewer and fewer Australians of working families, those in the lower socioeconomic groups, will be able to access higher education. The previous speaker, the member for Dickson, went on about the personal benefits, the private benefits, that people who have a higher education achieve. I acknowledge that, in terms of income earning capacity, generally speaking—not only and not totally but generally speaking—people who have a higher education have a higher capacity for earning than those people without a higher education degree. But there is also a public benefit as a result of people having got a university education. I refer to the issue that we took to the last election about a knowledge nation, recognising that to be competitive in this world—in the international community, in the global village in which we live—you need to have people who are highly qualified: scientists, industrialists, teachers, doctors and nurses. We need to recognise that there is a broad community benefit to be gained by having people educated. I do not know one family in Australia that does not have aspirations about their children getting a decent education. But what we are seeing here is the door being slammed in the face of thousands and thousands of Australian families by this mean, tight-fisted government in the way in which they are addressing the issue of higher education.

It is true that, under the propositions being put forward by this government at the moment, young Australians graduating from universities will be graduating with a debt as big as many home mortgages. I do not believe that we should in any way countenance the proposition that we should foist upon these Australians the obligation that, when they leave university, they should have a debt as big as the house mortgage that they would hope to have by then if they were going to settle down or purchase a property, because they will be denied that opportunity. Then we had the member for Dickson talking about housing affordability. We know that the cost of housing is increasing and that the
cost of housing mortgages is increasing. What we are confronting here is a double whammy, a dual mortgage situation confronting young Australians when they graduate from university. If they actually aspire to getting a university education, they are now being offered the opportunity to get a loan which will be equivalent to a mortgage. Then, if they do graduate and they are earning a graduate income—which may well be a decent income for some but not for many—what the government is saying, when housing prices are increasing, is that, as well as the mortgage that they have taken out for their higher education fees, they can take out another mortgage for their housing. We know that will not happen because the banks will not lend them the money. They will have incurred such a debt that the banks will not say to them, ‘You’ve got an asset there on which I am prepared to lend you another $300,000 or $400,000’—given the median house price in Sydney or Melbourne—‘even though you already have a debt of $150,000’—or $184,000, depending on the degree course they have. The lunacy of this proposal ought to be plain to everyone.

What we do know is that, as a result of decisions taken by this government, only three OECD countries invest less in their universities than Australia does under John Howard and now Minister Nelson: Italy, Korea and Japan. We know that $5 billion has been slashed from our universities since 1996 and that the consequences have been devastating. Last year the minister’s own department released a study of recent changes in academic workplaces. Fifty-four per cent of the academics surveyed felt that the degree standards had been dumbed down and 45 per cent said the quality of contact with students had declined. The Australian Vice-Chancellors Committee reported last year that student-to-teacher ratios blew out by 22 per cent in the first five years of the Howard government. That is a recipe for mediocrity. If the member for Dickson were here, I would say to him that is a real recipe for mediocrity. At some institutions the increase was as much as 70 per cent. In the last few years the government’s fee-for-degrees focus has coincided with claims of pressure to pass fee-paying students in several Australian universities. This crisis is doing enormous damage to the reputation of institutions and the academics that work within them. The government are not content with simply starving universities of funds; they are now trying to impose on them a workplace reform program. They offer institutions $404 million of additional funding over the 2005-2007 funding period but they say that this funding is conditional on universities adopting a number of governance and workplace reforms, including moving staff who are on enterprise agreements onto Australian workplace agreements—pure ideology driving the funding of universities.

Mr Brough—Productivity!

Mr SNOWDON—We already know about productivity. I just gave some figures about the increase in productivity imposed upon these universities by the $5 billion worth of funding cuts made by this government since 1996. In the communities that I live in, people are very concerned about this ham-fisted way of dealing with higher education. We need to make sure that we reject absolutely the proposition that the funding for these universities should be tied in the way in which the government proposes. This is an abuse of process and it should be condemned by the Australian community. I have already stated my concerns about the regional universities, particularly Charles Darwin University. That also extends to the very highly successful Batchelor Institution of Indigenous Education, Australia’s only Indigenous tertiary education provider. (Time expired)
Mr HARTSUYKER (Cowper) (8.53 p.m.)—I rise today to speak on the Higher Education Legislation Amendment Bill 2003. In 2003, Australia is at the crossroads of turning one of the most respected tertiary education systems into a world-leading sector that will help to drive our nation through the 21st century. Empowering universities to meet the demand for their services is very much at the heart of the coalition government’s commitment to Our Universities: Backing Australia’s Future. The vision in detail, which the federal Minister for Education, Science and Training has included in his blueprint for higher education institutions, is an excellent example of how we can mobilise the sector to meet the future needs of our society. The quest for improved qualifications and value in our academic pursuits has to be at the core of any reforms. In essence, we must provide our universities with the opportunity to fulfil their potential. Just as importantly, we must allow our leaders of tomorrow the chance to access the best possible education and justify the significant investment in our tertiary education sector by the Australian taxpayer.

The legislation before us today is an additional measure which will add to the sustainability and growth of our higher education bodies. In the new and ever-changing economy, education is one of the real economic drivers of our regional communities. You only have to look at the Coffs Harbour campus in my electorate of Cowper to see at first hand how a vision can realise tremendous economic, social and academic outcomes for a town that is a major distance from a major metropolitan centre. Under Our Universities: Backing Australia’s Future, the federal government is making commitments to our tertiary institutions which will secure the sector’s future. For example, an additional $1.5 billion will be committed to higher education over the next four years. By 2009-10, with the reforms fully in place, an extra $870 million per year will be spent by the Commonwealth on higher education. This represents a real increase of 17 per cent over 10 years.

The government will invest $775 million over the next four years on extra Commonwealth grants for universities. As part of the increased spending on universities, the package will also provide new funding of $123 million over four years towards the cost of education in regional campuses. From 2005, universities will have flexibility in setting fees for Commonwealth supported places. Universities will be able to set their fees lower than, as well as up to a maximum of 30 per cent above, standard HECS rates. The HECS repayment threshold will be lifted from $24,365 to $30,000, allowing students to earn more before having to pay HECS. The government will spend $162 million over the next four years to develop three new scholarship programs to enhance access to and participation in higher education for financially disadvantaged students.

The government is committed to addressing the shortage of teachers and nurses in our schools and hospitals. The budget will invest an additional $161 million over the next four years for teaching, nursing and other priorities. This includes at least 574 places in nursing by 2007. Provision will be made for over 200,000 international students to study in Australia each year, generating over $5 billion in export earnings each year. The government will build on our achievements in this area by providing $113 million over four years for quality assurance and promotion of Australian education and training in overseas markets. The government will also introduce a higher education loans program from 2005 to improve access to higher education. By reforming the system, students will be able to study without the need to pay up-front fees.
Regional universities and campuses will also receive a significant boost from the government’s higher education reform package. The Commonwealth recognises the unique contribution made by regional higher education institutions and campuses to their local communities and to the students from rural and regional areas. From 2004, the Commonwealth will provide an additional $123 million over four years to support students at regional campuses of public higher educational institutions. An additional loading will be incorporated into the Commonwealth grants scheme, which will be allocated according to the regionality of a campus as determined by its size and distance from a mainland capital city. The loading for institutions will be distributed within four bands, ranging from 2.5 per cent for larger institutions that are closer to capital cities to a maximum of 30 per cent for institutions located in the Northern Territory.

Many institutions in regional areas play a key role in the economic and social life of their communities that goes far beyond traditional educational activities. This initiative recognises that universities which provide places at regional campuses face generally higher cost structures than some of their metropolitan counterparts. In my opinion, there is no better example of this scenario than at Coffs Harbour. These higher education reforms will deliver the Coffs Harbour campus of Southern Cross University the highest increase in funding outside the Northern Territory. Once implemented, the Coffs Harbour campus will receive 7.5 per cent funding on top of their recurrent funding. That will place Southern Cross University in a much more competitive position so that it can expand its operations and attract more students to our regional centre.

Southern Cross University, in my opinion, is taking a highly progressive stance when it comes to its curriculum development and integration with other educational tiers. Last Monday, Southern Cross University announced an initial commitment of 20 places for a Bachelor of Nursing program. The challenge to attract more nurses to regional areas is made easier if the nurses can train in regional areas. I know that medical authorities from Coffs Harbour down to Port Macquarie will welcome this announcement. Southern Cross University is heavily involved in formulating an innovative approach to educating young students through secondary, technical and tertiary education in order to establish a solid supply of professionals to meet ongoing demand. That type of pragmatic and responsive approach will allow Southern Cross University to grow its reputation, be more attractive to students and be very focused in securing training for fields which are in demand.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Health: Carers

Mr BYRNE (Holt) (9.00 p.m.)—Tonight I rise to speak about carers and the burden they are facing under the Howard government. Australia has 2.3 million carers who provide roughly $20 billion per year in unpaid services. Many of them are amongst the most disadvantaged individuals in our community. I have met with carers and listened to their concerns, and one thing that I hear again and again is that they are tired of battling for the services that they receive. They are tired of battling for recognition for the work that they do. They are tired of fighting for even the most basic assistance that their children need. I cite the example of Cranbourne North resident Amanda Stapleton, who says:

I guess where our disadvantage is—
in terms of their lobbying for improved services—
is that we are often too committed, too tired or too busy to be heard.

The Howard government’s treatment of carers is symptomatic, in my view, of its policy of social Darwinism. The strong and well-connected—for example, the Prime Minister’s mate Dick Honan’s company—receive $20.9 million in subsidies in a financial year, whilst the most infirm people in my electorate are subject to policies that deny them even a modicum of dignity.

The Howard government’s plan to strip the carers allowance from 30,000 families with children with disabilities was exposed in the recent budget estimates. Thus far, 5,000 families have already been stripped of their allowance, and ultimately up to 70,000 could be affected. The fact that the Prime Minister is happy to spend $10,000 for one night in an Italian hotel yet begrudges these families a mere $87 per fortnight indicates where the government’s priorities are.

Today Senator Vanstone announced that six disabilities will be added to the list that automatically entitles some families to the child carer allowance. The values of a government which allowed disabilities such as down syndrome and cystic fibrosis to be removed from this list in the first place must be questioned. Workers in the disability sector say that this announcement is window-dressing to deal with the more visible disabilities, whilst the more difficult to understand and hidden disabilities face barriers to recognition and assistance. To me, this is symptomatic of a government which is completely heartless. The Howard government’s reconsideration of this review has failed the majority of families receiving the child carer allowance. Families whose children have conditions such as autism, ADD, ADHD, cerebral palsy, severe asthma and diabetes will still have to justify to the government why they deserve the child carer allowance.

It seems that one of the most disadvantaged groups in our community can expect no mercy from a government that insensitively makes more and more demands on carers whilst giving a free ride to its corporate supporters. It is worth keeping in mind that the $20.9 million subsidy provided to the Manildra Group would have paid for 9,166 carers to receive an allowance for a year. Australian carers should be commended and supported rather than having to bear the increased burden, the costs and the discrimination of this government. I have been told by carers of the insult and humiliation they feel when they have to complete a 30-page questionnaire of inappropriate questions about their child’s disability.

The Howard government is even refusing to assist the parents of children with special needs who need to place their children in child care during working hours. Through its freeze on the Special Needs Subsidy Scheme, the Howard government has ensured that by the time a two-year-old disabled child on the end of a waiting list finally gets a supported child-care place he or she will be in primary school. The Special Needs Subsidy Scheme allows children with special needs to obtain invaluable socialisation skills and is an essential program for children, particularly in my community. On the one hand the Howard government is refusing to provide even minimal financial assistance to families of children with special needs, yet, if these parents need to work, it is also refusing to adequately fund a program which would allow parents to place their children in child-care programs. This is an abomination and constitutes the most brazen display of scorn towards carers since this government decided that their 24-hour care was worth $6 a day.
The contribution of unpaid carers in Australia is enormous. Their selfless contribution saves Australian taxpayers billions. However, the contribution they make to the lives of the people for whom they care, and to the health of our community, cannot be captured by the bottom line. Carers Australia stated in a November 2002 media release:

Their unpaid work … represents a huge cost saving to the Australian economy. Yet these carers are often forced into poverty because they are unable to work or to juggle the competing responsibilities of work and caring.

The Howard government obviously does not listen to carers. It does not seem to understand what it means to be a carer. If Senator Vanstone understood what it meant to be a carer, instead of enjoying long lunches and luxurious holidays, she would not be wasting time with this nonsensical review.

Education: Sex Education in Schools

Mrs DRAPER (Makin) (9.05 p.m.)—I would like to note that the previous speaker was probably not in the parliament when the Keating Labor government was in office. He did not talk about what the Labor government did not do for carers and their families. I rise once again to talk about the Labor Party in my home state, South Australia, and the proposed new sex education program.

Under the guise of sex and health education, the Labor government of South Australia is introducing a radical new sex education program in our schools which does not have the support of the majority of parents and has been criticised by many in the teaching profession.

I have previously reported to this parliament the disturbing content of this program, inaccurately titled Teach It Like It Is. The program’s authors make assumptions about our community which certainly do not accurately reflect the views of my constituents; nor would they be supported, I suggest, by the majority of Australian families. As I previously reported, the program was designed for the teaching of students aged 11 to 15. Apologists for the program continue to deny this, even though we were able to obtain copies of the teachers’ manual, which states on the front cover that it has been designed for children aged between 11 and 15. Obtaining this information has not been easy, due to the extreme reluctance of education authorities and the state education minister, Trish White, to provide concerned parents with the details of what could be taught to their children. In all the years that I have been working with schools and education authorities, both as a parent and as a parliamentary representative, I have never experienced such a strong reluctance to consult parents, to hear their concerns and to involve them in their children’s education.

Numerous studies have shown that parental involvement is a huge advantage in assisting young people to learn and to achieve their goals in education. I would like to know why it is that Trish White and the education establishment of my state are unwilling to engage with parents. Why will she not provide them with all the details of her sex education program? What is she afraid of? I have written to the minister asking her a series of questions that parents in my electorate want answered. To date, we have only received a letter of acknowledgment—no answers and no explanation.

I have received many calls, emails and letters from concerned parents and grandparents who know of my opposition to the program and of my endeavours to press the Labor government minister to hear their pleas. But it is not only the mums and dads of Makin who are concerned. I have received representations from teachers, retired education department bureaucrats, and private and state school principals, all urging me to continue to press for the withdrawal of the of—
fensive sections of the new program, because they know the harm those sections will do.

The sections of the program I refer to involve students being asked to take a scenario card and act out role-plays of various characters, including a young woman who is injecting drugs regularly and has been infected with AIDS, an Asian man who is gay, a bisexual man in a steady relationship with a young woman, and a boy who has lesbian mothers. And it goes on and on. Students, as the program document clearly states, ‘between the ages of 11 and 15’, would also be provided with intimacy cards and asked to discuss as a group various topics—topics that I do not think I can repeat in this House, but they are being dished out to our children—including the art of mutual masturbation.

Throughout the program document there are also the underlying themes of inappropriate sexual activity being presented to young, impressionable students as a perfectly acceptable lifestyle choice without consequences. Nowhere in the program document are there sections on Christian values, family values or working towards marriage and monogamous relationships. This material represents a clear attempt to undermine the moral values held strongly by many parents in my electorate and is the reason that so many are opposed to Labor’s program. My message from them to Minister White or whoever in the Rann Labor government is in control or is willing to hear the genuine concerns of their constituents is: do not use our children to promote the views of a radical minority. Do not institute a program which undermines parental authority and responsibility. Withdraw this material now and you will earn our respect and appreciation.

**Telstra: Privatisation**

Mr GIBBONS (Bendigo) (9.10 p.m.)—
The Howard government will shortly introduce its full privatisation of Telstra bill into this House again to enable it to be part of its armoury of double dissolution triggers. Labor has consistently opposed the further sale of Telstra and our leader has clearly stated from day one that this is the only Labor policy that is non-negotiable. Opinion polls consistently show that around two-thirds of Australians oppose the further sale of Telstra. There are also strong public policy reasons for opposing that sale. Labor believes a privately owned Telstra would be a giant private monopoly too powerful for any government to effectively regulate. It would focus on the more lucrative markets in the bigger cities and neglect the interests of lower-income and regional Australians, just like the banks. There would be an inevitable decline in regional service levels.

In Bendigo we have seen in excess of 350 full-time Telstra jobs lost as the Howard government implements its ideological obsession with privatisation. Their mantra seems to be: ‘If it works, privatise it.’ Bendigo has felt the substantial impact of this obsession practised by the former Kennett Liberal-National state coalition government and the Howard coalition government. In fact, Bendigo has become the privatisation capital of Australia as former and current conservative governments continue to implement the economic rationalist principles that are devastating regional Australia. With the election of the former Kennett state government and the Howard federal government, Bendigo has lost over 2,000 full-time jobs, mostly as result of preparation for privatisation of the public sector. Areas affected include health, education, Powercor—the former Gas and Fuel Corporation—Coliban Water, Telstra, the veterinary lab, the Australian Taxation Office, VicRoads, local government agencies, the Bendigo railway workshops, Australian Defence Industries, the former Army Topographical Survey Es-
establishment, the Family Court, the Department of Social Security and Centrelink.

The CEPU Communications Division’s officials have commenced a program of community awareness in regional and country areas of Victoria as a response to the recently announced further job shedding by Telstra. This program started in Bendigo on Friday, 25 July and will continue in different regions on a weekly basis. As part of that program, branch officials will be towing a trailer billboard around various regional centres and stopping at key Telstra and community locations to highlight their concerns. The CEPU understands that a fully privatised Telstra would use its muscle to squash effective competition and spread its monopoly power into other sectors like media and information. Telstra would exert enormous monopoly influence over Australia’s economic, social and political landscape. It would be one of Australia’s largest private companies and would potentially become an Australian version of Microsoft in the USA. Telstra remains essentially a public utility with pervasive monopoly characteristics. On simple economic grounds there is no justification for its privatisation.

A majority publicly owned Telstra is the only effective means of guaranteeing universal telecommunications access for all Australians. Majority ownership is the only way of ensuring adequate telecommunications access into the future for all Australians, especially those in regional Australia. The future-proofing arrangements for regional telecommunications services in the proposed bill are at the discretion of the minister and Australian communications services, and offer no guarantee of reasonable future levels of service for regional Australians. As the telecommunications world moves from a voice framework to a data framework, it is imperative that Telstra remains in public hands to ensure that all Australians have reasonable and equitable access to future services such as broadband. Majority public ownership of Telstra will ensure that Telstra acts in the national interest as new services such as broadband are rolled out.

Australians are already getting a taste of how Telstra would behave as a fully privatised company under the Howard government. Telstra is betraying its majority shareholders—the Australian people—and is being allowed to act as if it were already privatised. Telstra is abandoning its broader responsibilities to the Australian community but still exploiting the competitive advantages it derives from its background of monopoly public ownership. Because of the Howard government’s obsession with privatisation, Telstra is failing to fulfil its broader obligations of national development and social inclusion. Labor will keep Telstra connected to Australia’s—and, in particular, regional Australia’s—future. The proposed sale of Telstra is just one of many policy areas where there is a vast difference between the government and the Labor opposition, but the most obvious and powerful difference between the Prime Minister and the Leader of the Opposition that has become so apparent over the past few days is that the Leader of the Opposition is not a perpetrator of untruths.

Health: Dental Services

Air Force Cadets: Beaudesert

Mrs ELSON (Forde) (9.14 p.m.)—Mr Speaker, I would like to take this opportunity to contribute to the ongoing debate about the dental health system. Firstly I want to point out that the administration of the public dental health system, like other branches of the health system, including public hospitals, is the responsibility of the state and territory governments. State governments should stop trying to pass the buck on this and stop harking back to the temporary dental health
scheme that was funded by the Commonwealth Government in 1994. The state governments should also stop playing politics and accept the new Australian health care agreements, which will provide an extra $10 billion each year for public health. I repeat: an extra $10 billion dollars per year. The Labor Party have been carrying on about the $100 million a year temporary dental scheme that is no longer in place. The $10 billion will help reduce a lot of hospital and dental waiting lists if the state governments have the will required. That is the crux of the matter.

Mr Brough—All they have done is replace the funding.

Mrs ELSON—That is exactly right. I would like to point out that the temporary funding scheme did not significantly reduce the waiting lists in public dental clinics. I believe that one of the reasons why this was the case—and why public dental waiting lists remain so high, and growing—is that clinics are funded as an institution rather than on the basis of the number of patients they see. My personal observation is that this leads to a ‘go slow’ mentality and a view that increased funding can only be achieved if waiting lists grow rather than being reduced. There is certainly no perceived incentive to actively reduce waiting lists.

I do not believe the solution is necessarily a whole lot more money but rather opening up the public dental health system to a bit of competition. I would suggest that the state governments look at introducing a system of vouchers that may be redeemable either at public clinics or private facilities. I am not sure that public clinics should be located at our hospitals, taking up valuable hospital space and being run as part of a vast hospital system. I think the voucher system certainly has merit and that our fine dental practitioners, in their surgeries in local suburbs, would be a valuable resource in helping public clinics deal with the apparent overload.

I am appalled that pensioners and others on low incomes are being made to wait and suffer while the states do nothing to improve dental health, which is very clearly their responsibility. I am also disappointed that the federal Labor Party, as always, are playing stupid games on this issue rather than pursuing their state colleagues to do their job properly and deliver a better quality public dental system. It is a system that can be and should be funded by some of the $42 billion—I will say that again: $42 billion—that the Commonwealth will provide each year to the states and territories under the new agreement for public health.

Mr Speaker, I would also like to mention that last Wednesday night I was honoured to officially announce and recognise the formation of No. 231 Squadron Air Force Cadets in Beaudesert. I would like to congratulate and thank everybody who worked so hard and involved themselves in the formation of the squadron. I know they have worked extremely hard to get the squadron up and running. I would particularly like to thank Commanding Officer Mason Edwards and his five staff. I wish them all the best with their 70 new recruits and would like to congratulate them on being involved in such a great program. I am sure they will all benefit immensely from the experience of being cadets and I wish them all the best in the future.

The federal government is pleased to support the cadet program and provides $30 million in funding. This includes the cadets enhancement program which supports the development, testing and implementation to ensure that the Australian Defence Force Cadets remain a meaningful, positive and relevant experience for young Australians.
The formation of the squadron is great news for our rural town of Beaudesert, because many parents were travelling up to 25 kilometres to allow their children to be involved in the Parkridge air force cadet system. They thought it was excellent that one was formed in their rural town. I would like to wish them all the best. As one young cadet said to me, it will help them learn the values of teamwork, leadership, self-discipline and respect for one another, as well as helping them develop a spirit of adventure. I wish them well.

Parliamentary Defence Program: NORFORCE

Ms CORCORAN (Isaacs) (9.19 p.m.)—I ‘signed up’ for a stint in NORFORCE a few weeks ago as part of the Parliamentary Defence Program. I decided to do this because I knew very little about how the Army worked and not much more about what it did. I joined the NORFORCE unit, which consists mainly of reservists. I was also interested in the interaction that this particular unit has with the Indigenous communities.

Our patrol took place on Melville Island. The member for Macarthur was also on the trip. He and I were expected to take part in all the activities in which the NORFORCE patrolmen were engaged. We were expected to carry our own gear and equipment, including rifles. To my relief, we were not allowed to carry live ammunition. I learnt about the obvious pride the men on patrol had in being part of NORFORCE. I was impressed by their knowledge of the land, the wildlife and the activities that occur around them. We learnt that on these patrols the most immediate and real danger comes from the wildlife of the area, including wild buffaloes, horses and crocodiles.

Time does not allow me to describe in any detail the events of our four days, but the highlights included: learning about and using night vision equipment, which included driving through the dark hours of the morning, without headlights—a leap of faith for me; learning about packing our packs and webbing in an efficient and logical way so that there would be a sporting chance of actually being able to find things later on; eating, sleeping and working comfortably on the ground and under the stars; navigating by those stars; noticing activity happening around us—which is not as easy as it sounds; preparing and eating food from our ration packs, which consisted of a variety of foods such as dehydrated meals, biscuits, muesli bars, tea—only one teabag, I’m afraid—chocolate, chewie and the essential few pieces of toilet paper; and how to silently approach an intended operations site, set up initial watches and, after determining that all is safe, establish an observation post and a camp nearby.

One day we spent quite some time with a group of young Indigenous boys and girls from Bathurst Island who had recently joined the cadets. The cadets were on a camp with their school and the trip became quite a family affair, as parents, siblings, aunts and uncles accompanied the cadets. Some of the men accompanying the cadets shot two buffaloes during the morning and brought them back into camp while we were there. There was a triumphal procession into camp of the men in a four-wheel-drive—some were in the cab and a couple of others were sitting on the roof with the heads of the two animals. The carcasses were tucked into the back of the vehicle. Blood was running down the side of the vehicle and everyone was cheering. The women I was talking to were very pleased and were anticipating a few good meals from this catch.

Many other scenes from my visit with NORFORCE will remain with me. I will not forget the kindness and patience of the patrolmen as they helped me live in the bush. I
am particularly grateful to Staff Sergeant Paul Connell and Private Luke Bayeto. Lieutenant Jack Olchowik was the patrol commander and he conducted the patrol with great care and attention to detail.

Lance Corporal Darren Rashleigh has his own brand of humour, and I am waiting for the photos with interest. Private Joe Vovoli threw my heavy pack into the back of a patrol vehicle one day as though it was a matchbox. Private Rick Peterson, who knows all there is to know about plants, was very happy to share his knowledge with the rest of us.

The Indigenous members of the patrol included Corporal Cecil Black, Private Kevin Lorenzo and Private Patrick Puruntatameri. Patrick is also an artist of some skill and we were able to see his work during the course of the day. These men demonstrated their knowledge of the land and the water many times over the four days, including a lesson on 'bush tucker' which ended up with some turtle eggs for a meal at one point.

Other patrol members keeping us going were Lance Corporal Andrew Henderson, Lance Corporal Jeffrey Long, Private Robert Korljan, Private Robert Austral, Private Lloyd Braybon and Signalman Don Bell, whose very job, unfortunately, required him to stay at base camp while the rest of us were out on patrol. Major Lloyd Scholes and Corporal Chrissie Williams joined us every day to ensure that we were working hard. I am still not too sure whether Major Scholes was protecting us from the patrolmen or whether it was the other way around. Chrissie made a point of taking me aside for a woman-to-woman talk early on, and she passed on to me a few tricks about survival in the bush.

I want to record here my heartfelt thanks to all those involved with this exercise. The experience was very satisfying and it achieved its objective of teaching me a little bit about life in the Army. I strongly recommend the program to all my colleagues. I suggest that they not just think about it but go out and do it.

Sailors with Disabilities

Mr BAIRD (Cook) (9.23 p.m)—I rise tonight to give special mention to the group Sailors with Disabilities, whose role is to provide inspiration to people with disabilities and to heighten community awareness of the disabled. Recently, Mr David Pescud, owner, skipper, president and co-founder of Sailors with Disabilities, and a resident in my electorate, along with a crew of six people with various handicaps, including polio, spina bifida and a double-leg amputation, undertook the challenge of circumnavigating Australia aboard a vessel called Taren Point.

No disabled crew had previously attempted such a challenge. In fact, in achieving the goal of circumnavigation the crew managed to break the record by almost seven days, completing the course in an amazing 37 days, one hour, 23 minutes and seven seconds—a world sailing record that will provide inspiration to the able and not so able-bodied alike.

This was not a trip for fair-weather sailors either, as the crew had to fight the infamous squalls of the Southern Ocean and at one point fought against a ‘50-knot gale on the beam in 3.5 metre seas’. On returning to shore, one crew member said, ‘We experienced four seasons in five weeks; it tested us physically and mentally, but it was a glorious journey.’

This group had only been together for a short period of time as a crew. Assembled only last year, and spurred on with the support and messages of hope and good tidings from all sections of the community, this particular group of people was able to get over their disabilities. Working as a team and showing considerable team spirit, they com-
combined to show what kinds of achievements are possible despite personal hardships.

The last time I made an adjournment speech I talked about the good work the Rainbow Club of Australia does in helping mentally and physically challenged youth in the community learn to swim. The work of Sailors with Disabilities is also a magnificent expression of community spirit. Sailors with Disabilities was started with the objective of creating opportunities for many young people that would not otherwise have been available to them. In 1993, the seed was planted to put together a disabled crew to sail the Sydney to Hobart Yacht Race and that goal was achieved the following year. This I think everyone will agree is an incredible achievement but the ability of the crew was highlighted further in the tragic Sydney to Hobart race of 1998, the race that experienced the fiercest storms ever. They crossed the line in ninth position and took first place in their class, which was truly remarkable considering that most of the fleet did not even finish the race.

Like many organisations the success of Sailors with Disabilities has only been achieved thanks to the generosity of sponsors like Lyons Yacht Designs, Club Marine and KAZ Group, to name but a few. The success of many groups such as this can be measured by the adversity that people overcome and what they do and have done in life. Previous crew for Sailors with Disabilities include John McLean, who, among other things, has competed in the Hawaiian iron man competition, swum the English Channel and competed at the Sydney 2000 Paralympics, and Vinny Lauwers, a paraplegic who has successfully sailed around the world non-stop and single-handed.

This crew has achieved remarkable success. I commend them on their record-breaking voyage. I wish them well in their future endeavours. Sailors with Disabilities is an organisation that we can all support. They have overcome their special disadvantages in life to show that they can be up there with the best. I commend their achievements to the House.

Question agreed to.

House adjourned at 9.27 p.m.
QUESTIONS ON NOTICE
The following answers to questions were circulated:

Productivity Commission: Third Party Access Review
(Question No. 537)

Mr Fitzgibbon asked the Treasurer, upon notice, on 18 June 2002:

(1) How long has his Department and the Australian Competition and Consumer Commission had access to the Productivity Commission’s review of the national third party access regime?

(2) When will the Productivity Commission review of the national third party access regime be made public?

(3) Why has there been a delay in terms of the Review’s findings being made public?

(4) When will the Government’s promised review of the National Third Party Access Code commence?

Mr Costello—The answer to the honourable member’s question is as follows:


(4) As I announced on 16 October 2000, the Government’s proposed review of the National Third Party Access Code for Natural Gas Pipeline Systems (the Gas Code) will commence after the completion of regulators’ final decisions in the first round of access arrangements and the finalisation of the Government’s response to the Review of the National Access Regime. This is expected to be later this year. The Gas Code will then have been in operation for several years and it would be appropriate to take stock of what it has achieved and whether its operation can be enhanced.

Internova Travel Pty Ltd: Employee Entitlements
(Question No. 1250)

Mr Murphy asked the Treasurer, upon notice, on 12 December 2002:

Further to the reply to part (4) of question No. 472 (Hansard, 19 August 2002, page 4970) and the reply to part (3) of question No. 882 (Hansard, 15 October 2002, page 7675) by the Minister for Employment and Workplace Relations, was any Government supervision or scrutiny made of the sale of Traveland to Internova, in light of what appears to be a commercial transaction involving the sale and transfer of a strategic national travel agency to a company that was ab initio fundamentally incapable of providing that service; if so, what supervision was undertaken; if not, why not.

Mr Costello—The answer to the honourable member’s question is as follows:

The question is the same as question No. 1003, the response to which appears at Hansard, 13 February 2003, page 11919.
Taxation: Bankruptcy Laws
(Question No. 1551)

Mr Murphy asked the Treasurer, upon notice, on 3 March 2003:
(1) Did the omission of the activities of the Legal Profession Project from the Commissioner of Taxation’s annual report of 2001-2002 have any relationship with the revelations that disgraced barrister John Cummins QC had not lodged an income tax return for forty-five years; if not, why not.
(2) Will the Commissioner of Taxation report on the activities of the Legal Profession Project in future annual reports; if not, why not.

Mr Costello—The answer to the honourable member’s question is as follows:
(1) No.
(2) As not all aspects of the Australian Taxation Office’s activities can be discussed in detail in the Commissioner of Taxation’s Annual Report, the Commissioner selects certain facets for special emphasis. While the facets selected for highlighting in the Annual Report may change each year, this does not detract from the high priority given to the tasks that had been previously reported.

Taxation: Bankruptcy Laws
(Question No. 1591)

Mr Murphy asked the Treasurer, upon notice, on 6 March 2003:
(1) Is he aware of reports that Mr Bill Davison, SC, has been made bankrupt twice in 1992 and 1999; if not, why not.
(2) Can he confirm reports that Mr Davison has paid no tax for 4 years despite earning substantial income; if not, why not.
(3) Can he confirm reports that Mr Davison owes approximately $2 million of unpaid taxes; if not, why not.
(4) Is he aware that Mr Davison claims that he has no assets and that his wife owns the million dollar home that they live in and that they both drive Mercedes Benz motor vehicles.
(5) What is the Taxation Commissioner doing to ensure that Mr Davison pays his debts to the Australian Taxation Office.
(6) Have Mr Davison’s services ever been retained by the Commonwealth; if so, on how many occasions, for what periods of time and for what purposes.

Mr Costello—The answer to the honourable member’s question is as follows:
(1) Yes.
(2) to (5) The Commissioner advises me that it is inconsistent with his responsibilities under the secrecy provisions of the tax law to provide specific taxpayer details.
(6) The Commissioner advised me that neither the Australian Taxation Office nor the Australian Government Solicitor has any record of retaining Mr Davison’s services.

Taxation: Bankruptcy Laws
(Question No. 1596)

Mr Murphy asked the Treasurer, upon notice, on 6 March 2003:
In accordance with the Australian Taxation Office’s Seminar Program, as reported on page 128 of the Commissioner of Taxation Annual Report 2001-02, has the Taxation Commissioner conducted any seminars to promote compliance from the barristers who use bankruptcy and family law to avoid paying tax; if so, what are the details, if not, why not.

QUESTIONS ON NOTICE
Mr Costello—The answer to the honourable member’s question is as follows:
The Australian Taxation Office (ATO) has provided a number of educational presentations to barristers and solicitors with the aim of enhancing compliance. The details of presentations plus three planned sessions are contained in the following table:

<table>
<thead>
<tr>
<th>DATE</th>
<th>ORGANISATION</th>
<th>LOCATION</th>
<th>TOPIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>19/6/2001</td>
<td>NSW Bar Association</td>
<td>Sydney</td>
<td>Business Taxation Review (BTR), Goods and Services Tax (GST), Australian Business Number (ABN), Pay As You Go (PAYG), Record Keeping</td>
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<tr>
<td>13/09/2001</td>
<td>NSW Bar Association</td>
<td>Sydney</td>
<td>BTR, GST, ABN, PAYG, Record Keeping</td>
</tr>
<tr>
<td>10/07/2002</td>
<td>NSW Bar Association</td>
<td>Sydney</td>
<td>Record Keeping</td>
</tr>
<tr>
<td>12/09/2002</td>
<td>NSW Bar Association</td>
<td>Sydney</td>
<td>Record Keeping</td>
</tr>
<tr>
<td>17/02/2003</td>
<td>NSW Bar Association</td>
<td>Sydney</td>
<td>Record Keeping</td>
</tr>
<tr>
<td>19/02/2003</td>
<td>NSW College of Law</td>
<td>Sydney</td>
<td>Business Activity Statement (BAS), GST for solicitors</td>
</tr>
<tr>
<td>18/09/2002</td>
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<td>Sydney</td>
<td>GST Basics</td>
</tr>
<tr>
<td>16/10/2002</td>
<td>NSW Young Lawyers</td>
<td>Sydney</td>
<td>GST Intermediate</td>
</tr>
<tr>
<td>27/11/2002</td>
<td>NSW Young Lawyers</td>
<td>Sydney</td>
<td>GST</td>
</tr>
<tr>
<td>26/11/2001</td>
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<td>Sydney</td>
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<td>20/08/2002</td>
<td>QLD Bar Association</td>
<td>Brisbane</td>
<td>Record Keeping</td>
</tr>
<tr>
<td>27/08/2002</td>
<td>QLD Bar Association</td>
<td>Brisbane</td>
<td>Record Keeping</td>
</tr>
<tr>
<td>12/07/2002</td>
<td>QLD Law Society</td>
<td>Brisbane</td>
<td>GST and BTR update</td>
</tr>
<tr>
<td>4/06/2003</td>
<td>QLD Law Society</td>
<td>Brisbane</td>
<td>GST Basics to young lawyers</td>
</tr>
<tr>
<td>2/07/2003</td>
<td>QLD Law Society</td>
<td>Brisbane</td>
<td>GST Intermediate to young lawyers</td>
</tr>
<tr>
<td>6/08/2003</td>
<td>QLD Law Society</td>
<td>Brisbane</td>
<td>GST Advanced to young lawyers</td>
</tr>
<tr>
<td>14/10/2002</td>
<td>Victorian Bar Readers</td>
<td>Melbourne</td>
<td>Record Keeping for barristers</td>
</tr>
</tbody>
</table>

The ATO has also provided other sessions of interest to barristers and solicitors on a range of tax-related subjects including: sale of a going concern; margin scheme; statutory personal injury compensation scheme; issues for rural Australia; GST and property; etc.

Taxation: Legal Profession
(Question No. 1597)

Mr Murphy asked the Treasurer, upon notice, on 6 March 2003:

(1) In respect to the Australian Taxation Office’s “ATOconcern” confidential service, as reported on page 134 of the Commissioner of Taxation Annual Report 2001-02, have any members of staff of the ATO voiced their concerns or complained about the rorting of the taxation system by members of the legal profession.

(2) What is the total number of complaints about members of the legal profession made by staff to this service since the service was instituted in August 1998.

Mr Costello—The answer to the honourable member’s question is as follows:

ATOconcern has received no complaints about the matters raised in this question.

The Commissioner of Taxation advised me that he is encouraging debate in the community and within the Australian Taxation Office about how he might balance resources given to him by the Government to achieve the greatest compliance effect. The ATO Compliance Program 2002-03 released late last year had this as one of its objectives.
While debate is important, compliance decisions must ultimately be made and implemented by the ATO and the Commissioner to ensure compliance in all sectors of the community. An ATO concern was established to ensure that staff has a safety valve for their concerns, and that they are dealt with by independent review within the ATO. It is part of the open process adopted by the Commissioner in his decision making.

**Taxation: Bankruptcies**

*(Question No. 1602)*

Mr Murphy asked the Treasurer, 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 task force 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 Costello—The answer to the honourable member’s question is as follows:

(1) and (2) Refer to the joint news release issued by the Attorney-General and the Minister for Revenue and Assistant Treasurer on 2 May 2003, which provides an update on the implementation of Taskforce recommendations.

**Taxation: Lodgment of Returns**

*(Question No. 1618)*

Mr Murphy asked the Treasurer, upon notice, on 18 March 2003:

(1) Is he aware 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) On how many occasions since 1997 has the Australian Taxation Office written to Mr Robilliard demanding that he lodge a tax return.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) The Commissioner of Taxation advised me that the hearing in the Supreme Court was not a matter brought by the Australian Taxation Office.

(2) The Commissioner advises me that it is inconsistent with his responsibilities under the secrecy provisions of the tax law to provide specific taxpayer details.

**Government Departments: Legal Services**

*(Question Nos 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1630, 1631, 1632, 1633, 1634, 1635 and 1637)*

Mr Murphy asked the Attorney-General, upon notice, on 18 March 2003:

Have any of the following barristers: Mr John Cummins, QC, Mr Stephen Archer, SC, Mr Clarrie Stevens, QC, Mr Bill Davison, SC, Mr Timothy Wardell, Mr Wayne Baffsky, Mr Robert Somosi or Mr Roger de Robilliard, all of whom have appeared before the Courts in relation to very serious breaches of the Income Tax Assessment Act 1936, ever been retained by their Departments or Agencies in their portfolio; if so, (a) on how many occasions (b) for what periods of time and (c) for what purposes.

Mr Williams—The answer to the honourable member’s question is as follows:

The barristers mentioned in the honourable member’s question have been practising at the bar for many years. Therefore, the collection of the information sought by the honourable member would impose an unreasonable burden on Departmental and Agency resources.
Taxation: Income Tax
(Question No. 1638)

Mr Murphy asked the Treasurer, upon notice, on 18 March 2003:

Mr Costello—The answer to the honourable member’s question is as follows:
Based on tax return data for all taxpayers, the relevant percentages are listed in the table below.

<table>
<thead>
<tr>
<th>Income year</th>
<th>Percentage of taxpayers paying top marginal rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>9%</td>
</tr>
<tr>
<td>1997</td>
<td>10%</td>
</tr>
<tr>
<td>1998</td>
<td>12%</td>
</tr>
<tr>
<td>1999</td>
<td>13%</td>
</tr>
<tr>
<td>2000</td>
<td>14%</td>
</tr>
<tr>
<td>2001**</td>
<td>10%</td>
</tr>
<tr>
<td>2002***</td>
<td>9%</td>
</tr>
</tbody>
</table>

* as at 7 April 2003

** top threshold increases from $50000 to $60000  (note also response to QoN 43 which showed 9.4% for 2001.  The current estimate (9.6% rounded to 10%) is different due to additional returns being lodged since that time)

*** not all returns have been lodged

These percentages are based on the total population of individuals lodging income tax returns (ie both taxable and non-taxable individuals) and have been rounded to the nearest whole percentage point (ie 9.5% becomes 10%).

Taxation: Legislation
(Question No. 1639)

Mr Murphy asked the Treasurer, upon notice, on 18 March 2003:
(1) Further to his reply to question No. 1203 (Hansard, 13 February 2003, page 908), in what way is the Government giving further consideration to the issues contained in parts 5 to 8 of that question.
(2) What matters are specifically being considered.
(3) Has he received advice from the Commissioner of Taxation on these issues; if so, what was that advice.

Mr Costello—The answer to the honourable member’s question is as follows:
(1), (2) and (3) Refer to the joint news release issued by the Attorney-General and the Minister for Revenue and Assistant Treasurer on 2 May 2003.

Taxation: Lodgment of Returns
(Question No. 1652)

Mr Murphy asked the Treasurer, upon notice, on 19 March 2003:
(1) Is he aware of the case of Mr Tom Harrison, a barrister, who has been convicted of numerous offences relating to his failure to lodge an income tax return over a period of 14 years.
(2) Is he aware that, following that conviction, Mr Harrison again failed to lodge tax returns during the following two years.
(3) On how many occasions has the Commissioner of Taxation written to Mr Harrison to demand that he lodge a tax return.

(4) Has Mr Harrison lodged his tax returns on time for each of the financial years ended 30 June 1998, 1999, 2000, 2001 and 2002; if not, what action has the Australian Taxation Office taken to ensure that Mr Harrison complies with the tax laws of Australia.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) Yes.

(2), (3) and (4) The Commissioner advises me that it is inconsistent with his responsibilities under the secrecy provisions of the tax law to provide specific taxpayer details.

Government Departments: Legal Services

(Question Nos 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 1667, 1668, 1669 and 1671)

Mr Murphy asked the Attorney-General, upon notice, on 19 March 2003:

Has Mr Tom Harrison, a barrister who has been convicted of offences relating to the failure to lodge his income tax returns on at least 14 occasions, ever been retained by their Departments or Agencies in their portfolios; if so, (a) on how many occasions (b) for what periods of time and (c) for what purposes.

Mr Williams—The answer to the honourable member’s question is as follows:

See my answer to questions 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1630, 1631, 1632, 1633, 1634, 1635 and 1637.

Government Agencies: Information Sharing

(Question Nos 1762 and 1765)

Mr Murphy asked the Treasurer, 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.

Mr Costello—The answer to the honourable member’s question is as follows:

Yes.

Australian Broadcasting Corporation: Web Site

(Question No. 1771)

Mr Danby asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 March 2003:

(1) Is the Minister aware that The Age of 14 March 2003 reported that the ABC Website is outside the coverage of the ABC Code of Practice.

(2) What media does the ABC Code of Practice cover and, in particular, does it cover Internet content; if not, why not.

(3) Over what media does the Australian Broadcasting Authority (ABA) have jurisdiction and, in particular, does it cover ABC Internet content; if not, why not.

(4) Is the ABA restricted to matters covered by the ABC Code of Practice; if so, why.

(5) What authority does the Government have over the ABC Code of Practice.

(6) Will the Government direct the ABC to bring Internet content under its Code of Practice; if not, why not.
Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) Under s.8 of the Australian Broadcasting Corporation Act 1983, the ABC Board has a duty to develop codes of practice in relation to radio, television and, if appropriate, datacasting services, and notify those codes to the ABA. Both the ABC’s Codes of Practice and its Editorial Guidelines address radio and television services. The ABC has advised that it has also developed Editorial Guidelines for its online activities.

(3) The powers of the ABA are identified in the Broadcasting Services Act 1992, and its powers in relation to online content are identified in Schedule 5. ABC online services are subject to the requirements of Schedule 5. The ABA may also investigate complaints in relation to breaches of the ABC or SBS’s codes of practice under ss. 150-153 of the Broadcasting Services Act 1992. However, the ABA may only investigate possible breaches in relation to radio, television and datacasting services. The national broadcasters’ online activities are not addressed in ss. 150-153.

(4) See part (3).

(5) Under the Australian Broadcasting Corporation Act 1983, the ABC is independent of the Government.

(6) See part (2) and part (5).

Roads: Eastern Freeway
(Question No. 1806)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 13 May 2003:

(1) Does the Government support linking the extension of the Eastern Freeway to Ringwood with the Scoresby Freeway project; if so, why; if not, why not.

(2) Was the Government consulted about the Bill before the Victorian Parliament to establish the Southern and Eastern Integrated Transport Authority; if so, (a) what was the nature of that consultation, (b) when did it occur, and (c) what will be the Federal Government’s involvement in the Authority.

(3) Is the Federal Government represented on the proposed Authority; if so, in what capacity and by whom; if not, why not.

(4) In respect of the Scoresby Freeway: (a) how much money has the Federal Government committed in total, (b) how much money has been committed annually over which years, and (c) is the total amount capped; if so, at what level; if not, what is the approval mechanism for additional funds.

(5) Did the linking of the Eastern Freeway to Ringwood with the Scoresby Freeway project incur, or does it have the potential to incur, additional costs for the Federal Government commitment to road funding in Victoria; if so, what are the details; if not, how is the Federal Government sure that this is the case.

(6) In respect of the Scoresby Freeway: (a) when is the construction scheduled to commence, (b) what is the expected date of completion of the project, and (c) has the Government been advised of any revised cost estimates for the project by the Victorian Government; if so, (i) when were they advised, (ii) what are the new estimates, and (iii) in which years and/or stage of construction are those additional monies required.

(7) Is the Government represented on the Mitcham-Frankston (Scoresby Freeway and Eastern Freeway Extension) Community Advisory Group; if so, in what capacity and by whom; if not, why not.

(8) Does the Group have the right to make recommendations on the associated public transport aspects of the project.
(9) What is the Victorian Government budget commitment to the Scoresby Freeway project and how has linking that project with the Eastern Freeway Extension impacted on that commitment.

(10) What process or protections are in place to ensure that the Federal Government does not become liable for additional expenses associated with the Eastern Freeway Extension now that the projects have been joined.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Delivery of the Eastern Freeway Extension to Ringwood is outside the scope of the Memorandum of Understanding (MoU) between the Commonwealth and Victoria for funding of the Scoresby Freeway. The Commonwealth’s support was neither required under the MoU, nor sought by the Victorian Government.

(2) (a), (b) and (c) The Commonwealth has been consulted. The nature of this consultation included briefings and a copy of the Bill and this consultation took place last year. The Commonwealth has no involvement in the authority.

(3) No, as it is not appropriate.

(4) The Commonwealth has committed $445 million towards the project, with $23.473 million provided up to 30 March 2003. The balance of $421.523 million is allocated over the years 2003 to 2008, with $63.3 million in 2003/04, $63 million in 2004/05, $50 million in 2005/06, $87.5 million in 2006/07, and a further $155.9 million thereafter. This is conditional on Victoria complying with the conditions of the MoU. The basis for Commonwealth funding for this project is set out in the MoU. If the Victoria Government wishes to seek additional funding for the Scoresby Freeway project, it would need to make a formal application to the Commonwealth and this would be assessed in terms of the MoU.

(5) (a), (b) and (c) A media release by the Victorian Government at the time of the decision to combine the two projects stated that costs for the combined project would be reduced by $180 million. The Commonwealth has sought details of this saving but has not received them to date.

(6) (a), (b), and (c) The Victorian government has advised that construction should start in 2004 and be completed by 2008. Revised cost estimates have been provided by the Victoria Government to the Commonwealth, however, releasing these estimates prior to the completion of the bidding process would undermine and compromise that bidding process. The cost estimates are commercially sensitive and used to assess bids and it is not normal practice to release such information during a bidding process involving private sector financing. Victoria has not formally sought additional funds from the Commonwealth.

(7) The Victorian Government has not yet finalised membership of the advisory group.

(8) The advisory group’s procedures will be a matter for the Victorian Government to decide.

(9) The Victorian Government has stated that under the current toll-road proposal it expects to spend $100 million out of a total of $200 million in pre-construction costs between now and the projects opening in 2008. The Victorian Government has not advised how this $100m is split between the Scoresby Freeway and the Eastern Freeway Extension. The issue about impacts on the Victorian Government budget commitment from the linking of the Scoresby Freeway with the Eastern Freeway Extension is a matter for the Victorian Government.

(10) The MoU is the basis for the Commonwealth contribution to the project. If the Victoria Government wishes to seek additional funding for the Scoresby Freeway project, it would need to make a formal application to the Commonwealth and this would be assessed in terms of the MoU.
Immigration: Special Purpose Visa
(Question No. 1808)

Mr Martin Ferguson asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 13 May 2003:

(1) In respect of the Minister’s powers under subparagraph 33(2)(b)(ii) of the Migration Act to establish a new type of Special Purpose Visa (SPV) category for crews on vessels and the stipulation that a SPV will only be taken to be held where the Single Voyage Permit (SVP) or Continuous Voyage Permit (CVP) was granted in circumstances where “the vessel is an international vessel engaged in a pattern of business that takes it outside Australia on a regular basis”, which Department is going to monitor that the vessel goes to a place outside Australia and how will it do so.

(2) Is the definition of “regular basis” weekly, monthly or some other period of time, and which Department will monitor that the vessel is not breaching the conditions.

(3) What is the definition of a place outside Australia and which ports would be considered outside Australian waters.

(4) In respect of the requirement that, at the end of a three month period, the ship and crew are required to leave Australian waters to a place outside Australia: (a) what is the time period for Special Purpose Visas to be re-issued, (b) what measures are in place to satisfy DIMIA that the crew members, during the course of the voyage, have gone to a place outside Australia before they are issued with another Special Purpose Visa, and (c) how will this Department monitor cases where crew on Special Purpose Visas on Continuous Voyage Permits are working beyond the three months limit.

(5) Can he confirm that Special Purpose Visas have not been, or are not being issued beyond the three month period, and how will they be monitored and implemented in conjunction with the Department of Transport and Regional Services.

(6) What are the fines and penalties, if any, if crew members breach the three month visa condition.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) works with the Department of Transport and Regional Services (DOTARS) and the Australian Customs Service (Customs) to monitor the operation of these arrangements. DOTARS provides Customs with information about ships that are issued a Continuous Voyage Permit (CVP) or Single Voyage Permit (SVP) for coastal trading. Customs then monitors the vessel’s movements in Australia and records when the vessel indicates that it intends to depart to a place outside of Australia.

(2) The Migration Act 1958 does not define ‘regular basis’. DOTARS requires all vessels that hold a CVP or SVP for coastal trading to depart Australia before a further permit will be issued. Such vessels are therefore required to depart Australia at least once every three months. Customs then monitors the vessel’s movements in Australia and records when the vessel indicates that it intends to depart to a place outside of Australia.

(3) ‘Outside Australia’ is defined in regulation 1.03 to mean ‘outside the migration zone’ but is not defined in the Migration Act 1958.

In agreeing to sign a Ministerial Instrument under s33 of the Act, to grant SPV coverage to foreign crews, a condition of my signing was that the ships be involved in international travel, which involves visiting a port in another country. For the purposes of the Ministerial Instrument, ports in other countries are ports outside Australian waters.

(4) (a) Once a vessel meets the requirements listed in my Instrument of Declaration, the crew is taken to hold Special Purpose Visas (SPV’s) by operation of law. No time periods are set.
(b) Under my Instrument of Declaration, a crewmember’s visa status is linked to the grant of a CVP or SVP of up to 3 months duration. As DOTARS will not issue further CVPs or SVPs to vessels unless they first depart Australia, the crew of such vessels cannot be taken to hold further SPVs until this condition is met. Customs monitors the arrival and departure of vessels in Australia.

(c) Customs monitors a vessel’s movements in Australia and alerts DIMIA if a vessel breaches the three-month condition.

(5) SPVs are not ‘issued’ with a time limit. Rather, a person holds an SPV by virtue of their status. Under my Instrument of Declaration, a crewmember’s visa status is linked to the grant of a CVP or SVP of up to 3 months duration. As such, an SPV cannot be issued beyond the three-month period. DOTARS provides Customs with information about ships that are issued permits for coastal trading. Customs then monitors the vessel’s movements and alerts DIMIA if a vessel breaches the three-month condition.

(6) Crewmembers who remain in Australia beyond the period allowed for by their SPV, and who do not hold another valid visa, are unlawful non-citizens and liable for detention and removal.

**Telstra: Mount Macedon Facility**

**Question No. 1812**

Mr Brendan O’Connor asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 13 May 2002:

(1) Is the Minister aware that construction of a CDMA Tower at the Emergency Management Australia (EMA) site in Mt Macedon commenced without any community consultation; if so, when did the Minister first become aware that the tower was being built.

(2) Is the Minister aware of the considerable community disquiet regarding the building of this tower.

(3) What steps will the Minister be taking to ensure that the community of Mt Macedon and every other community in Australia are properly consulted before the building of such towers.

**Mr McGauran—**The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes, I am advised by Telstra that construction of the facility at Mount Macedon commenced on 3 March 2003.

Telstra has also advised that a planning application for their initial preference for a facility at their telephone exchange in Honour Avenue, Macedon, was lodged with the Macedon Ranges Shire Council in late April 2002. The Council opposed the application, and the EMA site was identified following a subsequent meeting between the Council and Telstra which examined other options.

On 17 November 2002, SJB Planning, on behalf of Telstra’s Mobile Network Services (MNS) Division, wrote to the Macedon Ranges Shire Council regarding the requirement for a planning permit for the EMA site. The Council responded on 15 January 2003 with a letter advising that the site is exempt from Victorian State Government planning scheme controls under the Macedon Ranges Planning Scheme as it is located on Commonwealth Crown land. This exemption is a matter for the Victorian State Government. Accordingly, Telstra commenced preliminary work on the site, ceasing when they became aware of community opposition.

I first became aware that the installation of a mobile phone facility was proceeding at the EMA site at Mt Macedon on or about 19 March 2003.

(2) I am aware of community concern regarding the building of this tower. Telstra has advised, however, that it has been formally approached by a group of local business people that support improved mobile phone coverage in the area.
I also note the efforts of Telstra to consult with interested parties. Telstra advises that it has met with community representatives on 18 March, 25 March, 1 April and 19 April, as well as with local business representatives, Council representatives and local Federal Members of Parliament. Such consultations remain ongoing, in an effort to reach a mutually satisfactory outcome.

(3) The Government is aware of community concerns regarding the rollout of telecommunications infrastructure, and legislated to remove many of the immunities carriers previously enjoyed in relation to State and Territory planning and environmental laws, thus providing for the approval of most infrastructure to be dealt with by relevant State and Territory authorities, usually at the local level.

The proposed site for the tower in Mount Macedon is located on Commonwealth Crown land at the Emergency Management Institute. The Victorian State Government has decided to exempt Commonwealth Crown land from its local government planning scheme, thereby meaning that the site is not covered by the provisions of Macedon Ranges Planning Scheme. These planning controls and this exemption are matters for the Victorian State Government.

When community opposition to the Mount Macedon facility became apparent, the Department of Communications, Information Technology and the Arts conveyed to Telstra that a less contentious site would be preferable. Telstra advises that it has subsequently conducted a series of ongoing consultations with community representatives, local business representatives, Council representatives and local Federal Members of Parliament, in an effort to reach a mutually satisfactory outcome.

In a limited number of circumstances carriers have immunity from State and Territory laws and can install telecommunications facilities under Commonwealth law. One of the main such instances relates to the installation of facilities which have been identified as ‘low-impact’ in the Telecommunications (Low-Impact Facilities) Determination 1997 (the Determination) and its Amendment No. 1 of 1999.

Low-impact facilities are those that are considered essential to maintaining telecommunications networks, but are of low visual impact and unlikely to cause significant disruption to the community during installation or operation. They include some radio communications facilities, underground and above-ground housing, underground cables, public payphones, emergency and co-located facilities.

By exempting such facilities from local planning approvals, the Government has been successfully encouraging carriers to roll out networks using components that fall within strict type, size, colour and location limitations, thereby minimising the impact of telecommunications infrastructure on the community generally. If practicable, carriers must also co-locate new low-impact infrastructure with existing facilities and coordinate installation with other planned telecommunications or other infrastructure, in order to minimise disruption to individuals and the community.

Carriers seeking to install low-impact facilities are required to comply with the rules of conduct set out in Schedule 3 to the Act and in the Telecommunications Code of Practice 1997 (the Code). These rules respond to the broader community concerns regarding the environment and heritage areas, and give some limited rights to landholders.

Affected landowners and occupiers can make a written objection to a carrier regarding a proposed low-impact activity. If, after consultation, agreement cannot be reached, objectors can request that carriers refer unresolved objections to the Telecommunications Industry Ombudsman (TIO). The TIO provides a free service to people who have been unable to resolve a complaint directly with their telecommunications service provider or a carrier.
In addition to the regulatory framework governing the installation of infrastructure, there are a number of initiatives addressing radio communications issues that have been undertaken by the telecommunications industry.


The Industry Code specifies a ‘precautionary approach’ for the building and operation of radio-based telecommunications equipment. Site specific obligations on carriers include having regard to minimising electromagnetic energy emissions exposure to the public, and the objective of avoiding community-sensitive locations. Examples of community-sensitive locations include residential areas, childcare centres, schools, aged care centres, hospitals and regional icons.

The Industry Code also provides for a significant expansion of consultative practices required by carriers with affected community members. In the first instance, carriers are required to notify Councils and affected parties of the consultation process, and resolve any issues of concern by direct negotiation. Complaints concerning carrier performance of mandatory obligations may be lodged through a complaint mechanism allowed for in the Industry Code, and the Australian Communications Authority (ACA) can investigate breaches by carriers. This will allow local Councils and communities to have greater participation in the activities of telecommunications carriers when they plan, install and operate telecommunications facilities.

The Industry Code was registered by the ACA on 10 October 2002. However, as it introduced substantial changes in the procedures which carriers are required to undertake, it was implemented in two stages, becoming fully operational on 10 April 2003.

Communications: Mobile Phone Facility
(Question No. 1825)

Mr McClelland asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 13 May 2003:

(1) Is the Minister aware of a recent decision by the Victorian Civil and Administrative Tribunal which allowed a telecommunications company to install a mobile phone facility on the roof of a Melbourne apartment building without the owner’s permission.

(2) Has his Department obtained advice in respect of the decision; if so, what effect does the decision have on the right of building owners to object to the construction of such facilities on their premises.

(3) Does the Government intend to legislate in response to the decision.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes, I am aware of a ruling by the Victorian Civil Administration Tribunal (VCAT), handed down on 24 March 2003, in relation to a mobile telephone facility that was constructed by Hutchison Telecommunications atop a 12 storey apartment building, owned by the Victorian Department of Human Services, at 150 Inkerman Street, St Kilda. Hutchison has advised that VCAT ruled that the facility qualified as a low-impact facility under current Commonwealth legislation. Hutchison Telecommunications has further advised that the Victorian Department of Human Services has subsequently initiated proceedings in the Victorian Supreme Court to appeal the VCAT decision. It is not appropriate that I comment further about a matter before a court of law.
(2) The Department of Communications, Information Technology and the Arts has not sought advice in respect of the VCAT decision, which is consistent with the Government’s policies and legislation.

(3) The Government has no plans to legislate in response to this decision. The Government appreciates that the community has concerns regarding the rollout of telecommunications infrastructure, and believes that it is important for community interests to be taken into account while meeting the broader national need for modern and efficient telecommunications networks.

Prior to 1997, telecommunications carriers were exempt from all State and Territory regulations and planning requirements and were able to freely site telecommunications facilities. To address community concerns regarding the rollout of telecommunications infrastructure, the Government enacted the Telecommunications Act 1997 (the Act), which removed many of the immunities that carriers previously enjoyed in relation to State and Territory planning and environmental laws. The Act now provides for the approval of most telecommunications facilities, such as broadband overhead cable and the majority of mobile telecommunications towers, to be dealt with by relevant State and Territory authorities, usually at the local level.

In a limited number of circumstances carriers retain immunity from State and Territory laws and can install telecommunications facilities under Commonwealth law. One of the main such instances relates to the installation of facilities which have been identified as ‘low-impact’ in the Telecommunications (Low-Impact Facilities) Determination 1997 (the Determination) and its Amendment No. 1 of 1999.

Low-impact facilities are those that are considered essential to maintaining telecommunications networks, but are of low visual impact and unlikely to cause significant disruption to the community during installation or operation. They include some radiocommunications facilities, underground and above-ground housing, underground cables, public payphones, emergency and co-located facilities.

By exempting such facilities from local planning approvals, the Government has been successfully encouraging carriers to roll out networks using components that fall within strict type, size, colour and location limitations, thereby minimising the impact of telecommunications infrastructure on the community generally. If practicable, carriers must also co-locate new low-impact infrastructure with existing facilities and coordinate installation with other planned telecommunications or other infrastructure, in order to minimise disruption to individuals and the community.

Carriers seeking to install low-impact facilities are required to comply with the rules of conduct set out in Schedule 3 to the Act and in the Telecommunications Code of Practice 1997 (the Code). These rules respond to the broader community concerns regarding the environment and heritage areas, and give some limited rights to landholders.

In particular, the Code requires that carriers provide adequate prior notification to landowners and occupiers, including the local Council (where the Council is the manager of public land), of their intention to inspect land and to install facilities, cause as little damage as practicable, and restore land on completion of the work. The notice must state that compensation may be payable if a landowner or occupier suffers financial loss of damage because of anything done by the carrier, and it must also explain the arrangements for making objections to the carrier’s low-impact activity.

Affected landowners and occupiers can make a written objection to a carrier regarding a proposed low-impact activity. If, after consultation, agreement cannot be reached, objectors can request that carriers refer unresolved objections to the Telecommunications Industry Ombudsman (TIO). The TIO provides a free service to people who have been unable to resolve a complaint directly with their telecommunications service provider or a carrier.
Compliance with the Act and the Code are standard carrier licence conditions. If a carrier has not met the requirements of the Act or the Code, a complainant may raise the issue with the Australian Communications Authority (ACA) which regulates the Australian telecommunications industry.

In addition to the regulatory framework governing the installation of infrastructure, there are a number of initiatives addressing radiocommunications issues that have been undertaken by telecommunications industry.


The Industry Code specifies a ‘precautionary approach’ for the building and operation of radio-based telecommunications equipment. Site specific obligations on carriers include having regard to minimising electromagnetic energy emissions exposure to the public, and the objective of avoiding community-sensitive locations. Examples of community-sensitive locations include residential areas, childcare centres, schools, aged care centres, hospitals and regional icons.

The Industry Code also provides for a significant expansion of consultative practices required by carriers with affected community members. In the first instance, carriers are required to notify Councils and affected parties of the consultation process, and resolve any issues of concern by direct negotiation. Complaints concerning carrier performance of mandatory obligations may be lodged through a complaint mechanism allowed for in the Industry Code, and the Australian Communications Authority (ACA) can investigate breaches by carriers. This will allow local Councils and communities to have greater participation in the activities of telecommunications carriers when they plan, install and operate telecommunications facilities.

The Industry Code was registered by the ACA on 10 October 2002. However, as it introduced substantial changes in the procedures which carriers are required to undertake, it was implemented in two stages, becoming fully operational on 10 April 2003. The Industry Code (ACIF C564: 2002) can be accessed through the ACIF website: www.acif.org.au or by ringing (02) 9959 9118.

Other industry-led initiatives include the formation of the Australian Mobile Telecommunications Association (AMTA) an industry body representing Australia’s mobile telecommunications sector. It aims to promote a socially, environmentally and financially responsible and successful mobile telecommunications industry in Australia. Further information can be obtained by accessing the AMTA website at: www.amta.org.au or by contacting (02) 6230 6055.

The Mobile Carriers Forum (MCF), comprising the four mobile phone carriers in Australia: Hutchison, Optus, Telstra and Vodafone, operates in conjunction with AMTA. The MCF’s National Council undertakes national policy and consultation. MCF’s state-based regional forums address local environmental and social issues and encourages co-location of infrastructure, industry cooperation and coordination. Further information can be obtained by contacting the Executive Director Tanya Stoianoff on (02) 9334 8957 or accessing the webpage at: www.amta.org.au/files/mcf/mcf.htm.

Aviation: Sydney (Kingsford Smith) Airport

(Question No. 1857)

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 14 May 2003:

(1) In respect of the following events: implementation of the Precision Runway Monitoring System; sale of Sydney Airport before Sydney Airport’s aircraft noise problems have been solved; and failure to adopt and implement any of the eight recommendations of the Senate Rural and Regional
As a helpful assistant, I can provide the text from the document as requested. Here is the extracted content:

**Affairs and Transport References Committee’s Report on the Inquiry into the Development of the Brisbane Airport Corporation Master Plan, June 2000, how does the action or inaction of himself, his Ministry, his Department and Air Services Australia benefit (a) QANTAS, (b) the Airport Lessee Companies, and (c) the Tourism Industry.**

(2) How do these decisions adversely impact the environment or otherwise trammel the public interest.

Mr Anderson—The answer to the honourable member’s questions is as follows:

(1) The implementation of the Precision Runway Monitoring System (PRM) benefits Qantas as the principal airline using Sydney Airport, the airport lessee company, and the tourism industry as it allows the airport to be operated more efficiently in adverse weather conditions. It is anticipated that the sale of the airport into private ownership and operation will bring the efficiency gains expected from the Government’s program of privatisation of airports to the airport company, the airlines, and the tourism industry. The Government tabled its response to the recommendations of the Senate Inquiry into the Brisbane Airport Corporation Master Plan in the Senate on 16 May 2002. The Government’s current review of the Airports Act 1996 will also take into account its response to the Senate Inquiry.

(2) The events identified in (1) are not expected to adversely impact on the environment. Recommendations for environmental safeguards in the public interest that arose from the extensive environmental assessment undertaken by Environment Australia into the introduction of the PRM have all been implemented. In addition, the airport lessee company is obliged to take account of the public interest and the environmental impacts of its operations under its obligations in the Airports Act 1996. The Government’s decision in relation to the Senate Inquiry is outlined above in answer to question (1).

**Taxation: Information Sharing**

(Question No. 1882)

Mr Murphy asked the Treasurer, 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 Costello—The answer to the honourable member’s question is as follows:

Yes.

**Parliament: Suppression Orders**

(Question No. 1890)

Mr Tanner asked the Prime Minister, upon notice, on 26 May 2003:

(1) During the course of this Parliament, has he or any other Minister sought or obtained any suppression order with respect to his or her involvement in any legal proceedings.

(2) Are there any suppression orders currently in force relating to the involvement of any Minister in any legal proceedings.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) No in relation to myself; I have no knowledge in relation to Ministers.

(2) No in relation to myself; I have no knowledge in relation to Ministers.

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**QUESTIONS ON NOTICE**
Commonwealth: Appointments

Mr Martin Ferguson asked all Ministers, upon notice, on 26 May 2003:
(1) Since April 1996, has the Minister, or the Minister’s department, appointed a former Member of the Commonwealth Parliament or of a State or Territory Parliament to any government position, board or post as a consultant or to a statutory position.
(2) In respect of each such appointment: (a) what is/was the person’s name and the position or positions to which he or she was appointed, (b) which political party did the person previously represent during his or her period of parliamentary representation, (c) is that person entitled to a parliamentary pension and was that pension to which the person was entitled reduced as a result of the appointment, (d) what is the itemised nature of the remuneration package including superannuation that is payable as a result of the appointment, (e) is/was the appointment full-time, part-time or casual, (f) what allowances are applicable for travel, vehicles, telephones, use of Internet services and attendance; and (g) what is the total amount paid under each entitlement.

Mr Howard—The answer to the honourable member’s question is as follows:
I am advised by my department that the information sought by the honourable member is not held centrally, and is thus not readily available. The work required to answer the honourable member’s questions would involve a significant diversion of resources within each department and I am not prepared to authorise the use of those resources.
The honourable member may wish to note that the annual reports of departments, agencies and statutory authorities, or their websites, will normally contain the names of appointees. A list of all consultancy contracts let to the value of $10,000 or more, including the name of the consultant is also required to be available in annual reports. This information might enable the honourable member to narrow the scope of his questions.

Immigration: Asylum Seekers
(Question No. 1934)

Dr Lawrence asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 26 May 2003:
(1) Why has Australia established a Memorandum of Understanding (MOU) with the Iranian Government that provides for the involuntary repatriation of Iranian asylum seekers in Australia.
(2) Why has he refused to make details of this MOU available to the Parliament and to the public.
(3) Has the Australian Government taken any action to ensure the safety of Iranians returning to Iran; if so, what action has been taken; if not, why not.

Mr Ruddock—The answer to the honourable member’s question is as follows:
(1) The MOU on Consular Matters was established to ensure that those nationals of either Australia or Iran, who have no lawful basis to remain in the other country, can be returned to their country of nationality as soon as practicable.
(2) The document was signed on the understanding that it is a confidential agreement between governments. The Government of Iran has asked that the MOU not be made public at this time. The Australian Government will respect that request.
(3) As with all individuals in Australia without authorisation, Iranian nationals have access to an exhaustive refugee determination process, which includes merits and judicial review. Individuals
are not removed where this would place Australia in breach of its international obligations relating to the removal of non-citizens.

**Australian Broadcasting Corporation: Revenue**

**(Question No. 1944)**

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 May 2003:

(1) Did he read the editorial titled “What does the ABC think it is doing” that appeared on page 10 of the *Australian* on 22 May 2003.

(2) Did he read the reply to that editorial by the Managing-Director of the Australian Broadcasting Corporation, Mr Russell Balding, titled “No evidence for Bizarre ABC claims” published on page 16 of the *Weekend Australian* on 24-25 May 2003.

(3) Will he rule out introducing a Bill to amend the Australian Broadcasting Corporation Act that would permit the public broadcaster to raise revenue through commercial advertising; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) Yes.

(3) The Government has no plans to amend the Australian Broadcasting Corporation Act 1983 at this time.

**Australian Broadcasting Corporation: Funding**

**(Question No. 1945)**

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 May 2003:

(1) Is he aware that staff of the Australian Broadcasting Corporation (ABC) told a Senate Estimates Committee on 26 May 2003 that the ABC was axing its two digital multi-channels, Fly TV and ABC Kids.

(2) Why will the government not provide the extra $250M for the ABC as requested by its Managing Director.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) The ABC’s funding request for 2003-06 was considered in the 2003-04 Budget process. In accordance with its election commitment, the Government’s 2003-04 Budget has maintained the ABC’s triennial funding in real terms. In 2003-04, the ABC will receive a total appropriation of $742.6 million. This total funding includes the additional programming funding of $71.2 million over four years provided in the 2001-02 Budget, the first such additional programming funding that the ABC had received in 16 years. It also includes the significant and ongoing funding provided to the ABC by the Government for digital broadcasting. Since 1998-99, the Government has provided $57.6m in equity injections for the ABC’s digitisation process. The Commonwealth is also fully funding the cost of the ABC’s digital transmission services, a commitment of over $600m over ten years.
Despite this, the ABC has taken a decision to cease its multichannel services, ABC Kids and Fly. These services together cost approximately $7m, or less than 1% of the ABC’s total appropriation. In the Government’s view, the cessation of these services without consideration of other options reflects the lower priority the ABC now accords digital services, despite the significant funding provided to the ABC by the Government for its transition to digital broadcasting.

It is important to note that the ABC’s decision to commence the multichannel services was one that was made by the ABC totally of its own volition, without consulting the Federal Government. The ABC neither sought nor received any assurances from the Federal Government about ongoing funding for the multichannels prior to taking the decision to commence them.

**Arts: Computer Games Classification**


Mr Danby asked the Attorney-General, upon notice, on 29 May 2003:

(1) Which organisation is responsible for the classification of computer games.

(2) Do all computer games need to be submitted for classification before being sold; if so, (a) what is the process for classifying computer games, (b) what is the penalty for selling computer games which have not been classified, and (c) on what basis is the classification made, in particular, are the (i) ideology, (ii) values, and (iii) concept of the game relevant.

(3) Is the Minister aware of a game called “Special Force” created by Hezbollah in Lebanon; if so, is he also aware that the game, (a) has an introduction including an exploding Israeli tank, (b) shows rows and rows of burning Israeli flags, (c) awards points for executing the Israeli Prime Minister, (d) includes parts based on actual attacks of Israeli positions, and (e) includes parts that, (i) say “You must oppose, confront and destroy the machines of the Zionist enemy”, and (ii) show “the defeat of the Israeli enemy and the heroic actions taken by the heroes of the Islamic Resistance in Lebanon”.

(4) Is the Minister able to confirm or deny reports in The New York Times of 18 May 2003 that copies of this game have been sold in Australia.

(5) Has the game been submitted for classification; if so, (a) when, (b) did it receive a classification which permits its sale and distribution in Australia; if so, (i) why, and (ii) will the Minister request a review of its classification, and (c) if it was not classified, (iii) why not, (iv) what action has been taken against people who have imported, manufactured, distributed, sold or bought the game, and (v) if no action has been taken, why not and will the Minister order action to be taken.

(6) Are there similar games on the market, if so, what are they and what classifications have they received.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) The Commonwealth Classification Board (the Board) is responsible for the classification of computer games. The Board is an independent statutory body, supported by the Office of Film and Literature Classification (OFLC). The Board is selected to be broadly representative, as far as possible, of the Australian community.

(2) Computer games must be classified before they can be legally sold, hired, advertised or publicly demonstrated in Australia.

(a) The process for classifying computer games is prescribed in the Commonwealth Classification (Publications, Films and Computer Games) Act 1995 (the Act). On application, the Board classifies computer games in accordance with the requirements of the Act, the principles set out in the National Classification Code (a schedule to the Act) and the Guidelines for the Classification of Films and Computer Games (the Combined Guidelines).
(b) There are penalties for selling unclassified computer games, which are set out under State and Territory classification enforcement legislation. It is an offence to sell unclassified computer games in all States and Territories. The maximum penalty for selling an unclassified computer game in each jurisdiction is as follows:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Maximum penalty for selling an unclassified computer game</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Territory</td>
<td>$10,000 or 2 years imprisonment</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>100 penalty units ($10,000), 1 year imprisonment or both</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Fine not exceeding 100 penalty units ($10,000) or imprisonment for a term not exceeding 2 years, or both</td>
</tr>
<tr>
<td>Western Australia</td>
<td>In the case of an individual, $10,000 or imprisonment for 1 year In any other case, $50,000</td>
</tr>
<tr>
<td>South Australia</td>
<td>$5,000</td>
</tr>
<tr>
<td>Queensland</td>
<td>5 penalty units ($375) for a computer game that, if it were classified, would be classified as a G, G(8+) or M(15+) computer game; or 10 penalty units ($750) for a computer game that, if it were classified, would be classified as an MA(15+) computer game; or 150 penalty units ($11,250) for a computer game that has been, or would have been, classified RC.</td>
</tr>
<tr>
<td>Victoria</td>
<td>240 penalty units ($24,000) or 2 years imprisonment</td>
</tr>
<tr>
<td>New South Wales</td>
<td>in the case of an unclassified computer game that is subsequently classified G, G(8+) or M(15+)—10 penalty units ($1100) for an individual, 20 penalty units ($2200) for a corporation in the case of an unclassified computer game that is subsequently classified MA(15+)—20 penalty units ($2200) for an individual, 50 penalty units ($5500) for a corporation in the case of a computer game classified RC or an unclassified computer game that is subsequently classified RC—100 ($11,000) penalty units or imprisonment for 12 months for an individual, 250 penalty units ($27,500) for a corporation.</td>
</tr>
</tbody>
</table>

(c) The Board classifies computer games in accordance with criteria outlined in the Act, the National Classification Code and the Combined Guidelines. Computer games may be classified G, G(8+), M15+ or MA15+. Games that exceed the MA15+ classification are Refused Classification (RC). There is no R18+ classification category for computer games.

In relation to the specific question of whether the ideology, values or concept of the game are relevant to a classification decision, these terms are not specifically used in the Act, the Code or the Combined Guidelines. The Code does, however, require the Board, when making classification decisions, to take into account the standards of morality, decency and propriety generally accepted by reasonable adults.

For example, the Code provides that computer games that depict, express or otherwise deal with matters of, among other things, crime, cruelty or violence in such a way that they offend against the standards of morality, decency and propriety generally accepted by reasonable adults to the extent that they should not be classified, are to be classified RC. The Code also states that computer games that promote, incite or instruct in matters of crime or violence are to be classified RC.

(3) I am aware of reports in an article in The New York Times of 18 May 2003 (the article) of a game called Special Force. I am also aware that the article alleges that the game was created by “Hezbollah” and contains the depictions referred to by Mr Danby in his question.

(4) I am aware of the reports in the article that copies of this game have been sold in Australia. I am unable to confirm or deny those reports.
(5) I am advised that the Classification Board has no record of a computer game called Special Force being submitted for classification.

(a) Not applicable.

(b) (i) and (ii) Not applicable.

(c) (iii) The game has not been classified because it has not been submitted for classification. The Classification Board classifies computer games on application.

(iv) and (v) I have asked for this matter to be referred to Community Liaison Scheme (CLS) staff at the OFLC for investigation and appropriate action. The CLS is a joint Commonwealth, State and Territory initiative with national coverage. CLS staff fulfil an educative role assisting retailers and distributors of publications, films and computer games to comply with their legal obligations under the national classification scheme and to identify breaches of classification laws.

Should the CLS investigation reveal that Special Force is being sold in Australia, I have asked that the matter be referred back to the Director of the Classification Board for consideration in relation to exercising his powers to call in a product for classification.

(6) Without knowing specific details of the content of Special Force, it is not possible to nominate with any certainty other similar games on market.

I note that the article in The New York Times of 18 May 2003 refers to another computer game called Counterstrike. I am advised that the OFLC has no record of a game with that exact title.

I am advised that the OFLC website at www.oflc.gov.au contains a classification database listing computer game classification decisions and that interested persons can search this database according to criteria such as title and classification.

**Immigration: Asylum Seekers**

(Question No. 1975)

Mr Andren asked the Minister for Immigration and Multicultural and Indigenous Affairs upon notice, on 2 June 2003:

(1) Was an asylum seeker, Mr Sayed Husseini, removed from Christmas Island to Nauru on or about 18 March 2003; if so (a) on which exact date and (b) was he given prior notice, if not, why not.

(2) Was he removed at around 3 a.m.; if so, (a) why was he removed from Christmas Island at that time of day, (b) who made the decision on the time of removal, (c) to whom does that person report, and (d) what was the process for approving the removal.

(3) Are the officials who ordered Mr Sayed Husseini's removal aware of the Summary Conclusions on the Concept of “Effective Protection” in the context of Secondary Movements of Refugees and Asylum-Seekers of the Expert Roundtable held in Lisbon in December 2002 which was organised by the UN High Commissioner for Refugees and US based Migration Policy Institute; if not, why not.

(4) Were steps taken to ensure the removals of Mr Sayed Husseini and others from Christmas Island to Nauru were consistent with each of the key factors identified in the aforementioned document; if so, in what way were they.

(5) Was Mr Sayed Husseini (a) prohibited from saying goodbye to friends he had made on Christmas Island; if so, why, and (b) was he allowed to visit his wife’s grave on Christmas Island before his removal; if not, why not.

(6) Will he provide copies of all documents relating to the removal of Mr Sayed Husseini from Christmas Island to Nauru; if not, why not.
(7) Will he provide a detailed breakdown of all the costs associated with moving Mr Sayed Husseini from Christmas Island to Nauru, including the staff and air transport costs involved.

(8) As Nauru is not party to the Refugee Convention, did the Australian Government seek and obtain specific assurances from Nauru before the transfer from Christmas Island to Nauru, that Mr Sayed Husseini would not be refouled by Nauru to any country in which he would be at risk of persecution, torture or other cruel, inhuman or degrading treatment or punishment; if Australia did seek such an assurance, what are the details of that assurance; if not, why not.

(9) Has it been determined whether Mr Sayed Husseini is to be returned to Afghanistan; if so, what is that determination, and under what conditions will his return be carried out.

(10) Has any asylum seeker transferred to Nauru from Australia been refouled by Nauru to any country where they would be at risk of persecution, or of torture or other cruel, inhuman or degrading treatment or punishment.

(11) In what ways do Australian Immigration officials ensure compliance with each of the safeguards and minimum standards outlined in the Summary Conclusions on the concept of “Effective Protection” in the context of Secondary Movements of Refugees and Asylum Seekers, particularly with respect to fundamental human rights in the third State in accordance with applicable international standards.

(12) What are the review mechanisms available to ensure that adequate attention has been given to the safeguards and minimum standards outlined in the aforementioned document and to the health and emotional well-being of asylum seekers moved from Christmas Island to Nauru.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) (a) Yes, Mr Sayed Hussaini was removed from Christmas Island to Nauru on 18 March 2003.
(b) Mr Hussaini was one of only three remaining detainees on Christmas Island who were transferred to Nauru on this date due to the mothballing of the Christmas Island Immigration Detention Facility. All three detainees had been regularly counselled by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) in the weeks prior to the transfer, in relation to the impending mothballing of the Christmas Island facility and the probability that they would be transferred to Nauru. All three detainees received confirmation of their departure from Christmas Island and notification that they were being transferred to Nauru.

(2) Yes, Mr Hussaini and two other detainees departed on a charter flight to Nauru at 0300 hours.
(a) The departure time of 0300 hours was amended from a later departure time to accommodate the limited operating hours of a transit stop.
(b) The decision was made by the Acting Assistant Secretary, Unauthorised Arrivals and Detention Services Branch following advice from the charter operator.
(c) The First Assistant Secretary, Unauthorised Arrivals and Detention Division.
(d) Recommendation was made to the Assistant Secretary that the three detainees be transferred to the Offshore Processing Centre on Nauru, in line with previous transfers of other Offshore Entry Persons to either Manus or Nauru.

(3) The officials’ decisions and responsibilities were in accordance with Australia’s international obligations and the relevant domestic legislation. The conclusions mentioned reflect the discussion occurring in one informal meeting involving some states, NGOs and academics. They have no status either within the international protection community or in law and are neither agreed nor binding on any party, and so are to be distinguished from formal UNHCR ExCom conclusions.

(4) The steps taken were consistent with Australian domestic law and Australia’s international obligations.
(5) (a) As stated previously all three detainees including Mr Hussaini had been made aware in the weeks prior to the transfer of the impending closure of the Christmas Island Detention Facility. All three detainees had been regularly counselled by DIMIA regarding the probability that they would be transferred to Nauru, providing all three detainees with ample time to make arrangements to say goodbye to friends on Christmas Island.

(b) Prior to boarding the plane, Mr Hussaini attended the Christmas Island Cemetery to visit his wife’s grave.

(6) The transfer to Nauru occurred under s198A of the Migration Act 1958. Section 198A (1) of the Act provides that ‘an officer may take an offshore entry person from Australia to a country in respect of which a declaration is in force under subsection (3)’. Nauru was declared on 2 October 2001 under the requirements of s198A (3) of the Act. All three detainees transferred to Nauru are offshore entry persons who entered Australia at Christmas Island, an excised offshore place, after the excision time for that place and became unlawful non-citizens because of their entry. Documents relating to the transfer of Mr Hussaini to Nauru are DIMIA Central Office documents of a logistical nature only.

(7) The cost of the charter for the removees and escorts was $145,000. Return commercial flights and accommodation for escorts amounted to approximately $13,740.

(8) The Memorandum of Understanding (MOU) between the Commonwealth of Australia and the Republic of Nauru provides that any asylum seeker awaiting determination of their status, or those recognised as refugees, will not be returned by Nauru to a country in which they fear persecution.

(9) All persons found not to be refugees are expected to return to their home country or other countries where they have residence rights. Mr Sayed Hussaini’s return will be considered in that context.

(10) No. The MOU with Nauru provides that no asylum seeker awaiting determination of their status or recognised as a refugee will be returned to a country in which they fear persecution.

(11) See also part three above. The officials’ decisions and responsibilities were informed by Australia’s international obligations and the relevant domestic legislation. The conclusions mentioned reflect the discussion occurring in one informal meeting involving some states, NGOs and academics. They have no status either within the international protection community or in law and are neither agreed nor binding on any party.

(12) Again, the officials’ decisions and responsibilities were informed by Australia’s international obligations and the relevant domestic legislation. The conclusions mentioned reflect the discussion occurring in one informal meeting involving some states, NGOs and academics. They have no status either within the international protection community or in law and are neither agreed nor binding on any party.

The International Organisation for Migration (IOM) is responsible for the day-to-day management of the Nauru centres. IOM is renowned worldwide for its care and treatment of migrants, including asylum seekers and refugees. The processing centres on Nauru provide daily medical clinics staffed by IOM doctors and nurses. There are currently five doctors including a psychiatrist. In addition to these clinics, more serious medical conditions can be treated at the Republic of Nauru Hospital or, following IOM medical advice, persons may be transferred to Australia for treatment. Residents on Nauru have access to a wide range of recreational and vocational activities such as sport, satellite television, shopping and swimming excursions, a library, gardening or participating in educational activities such as learning computer skills. School age children are able to attend local schools. IOM maintains open channels of communication and centre residents can send and receive mail, have access to satellite phone and a local internet cafe for personal email and internet access.

Roads: Safety
(Question No. 2009)
Mr Latham asked the Minister for Transport and Regional Services, upon notice, on 5 June 2003:

(1) Does the Government have statistics on the number of vehicle accidents in Australia caused by drivers engaging in mobile phone conversations with hand-held phones; if so, what are the details.

(2) What action has the Government taken to standardise mobile phone hands-free jacks to ensure that all phone brands are compatible with the jacks, thereby minimising the use of hand-held mobile phones.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) The Commonwealth does not have the broad statistics sought. However, the Australian Transport Safety Bureau (ATSB) maintains detailed statistical data from coronial sources on Australian road vehicle crashes that result in fatalities. Where the crash results in a fatality, the ATSB’s statistical data generally include accident ‘causes’ as assessed by the police or coroner. Mobile phone usage was recorded as a cause in one fatal accident in the four-year period 1996-1999 (the latest period for which full coronial information is available). Hand-held mobile phone usage while driving has been illegal under Australian Road Rules since late 1999.

(2) This matter is not within my area of responsibility.

Gambling: On-Line Services
(Question No. 2012)

Ms Hoare asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 5 June 2003:

(1) What measures are in place to prevent Australians from accessing on-line gambling services.

(2) Is the Minister due to provide an update on the operation of the Interactive Gambling Act 2001; if so, when.

(3) Which Commonwealth agency is responsible for investigating breaches of the Act.

(4) Is the Minister aware of any breaches on the Act that have been investigated and prosecuted; if so, what were those breaches and who committed them.

(5) Is the Minister aware of a complaint made against the Tasmanian Department of Economic Development; if so, what was the outcome of that complaint and the reasons behind that decision.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) The Interactive Gambling Act 2001 (IGA) establishes a regulatory framework at the Commonwealth level to address community concerns about the availability and accessibility of interactive gambling in Australia.

Under the IGA it is an offence to provide certain interactive gambling services to customers physically located in Australia. This offence, which carries a maximum penalty of $220,000 per day for individuals and $1.1 million per day for corporations, applies to all interactive gambling service providers, whether based in Australia or offshore, whether Australian or foreign owned. The IGA also makes it an offence to advertise interactive gambling services in Australia. These services typically involve the Internet to play games of chance, or games of mixed chance and skill.

The main offence provision of the Act applies to the provision of interactive gambling services to customers physically located in Australia. The IGA does not make it illegal for Australians to access interactive gambling services. The Government does not wish to force problem gamblers underground, as this would potentially lessen the likelihood of them, or their families, seeking assistance.
(2) Under section 68 of the Interactive Gambling Act 2001 (IGA) the Minister for Communications, Information Technology and the Arts must, before 1 July 2003, cause to be conducted a review of issues related to interactive gambling regulation in Australia.

I am advised the Minister has instructed the Department of Communications, Information Technology and the Arts to conduct the review, which must consider a broad range of issues related to Commonwealth interactive gambling regulation, including the operation of the IGA, among other matters.

To this end, the Department issued a call for submissions from members of the public and organisations wishing to comment on the matters to be considered. Over 40 submissions have been received to date. The Minister has advised he expects to receive a report of the review later this year.

(3) As part of the regulatory framework established by the Interactive Gambling Act 2001 (IGA) the Australian Broadcasting Authority (ABA) administers a complaints scheme under which Australian residents or companies trading in Australia are able to complain to the ABA if they believe that Australians can access prohibited Internet gambling content. The scheme commenced on 11 January 2002.

The ABA is required to investigate complaints and refer Australian-hosted prohibited Internet gambling content to the Australian Federal Police (AFP) or a State or Territory police force if it considers the complaint should be so referred. If the prohibited Internet gambling content is hosted overseas, the ABA is required to notify the makers of filters listed in Schedule 1 to the Interactive Gambling Industry Code (the Code).

The Code was developed by the Internet Industry Association, as required by the IGA, specifically to deal with overseas sourced material. The Code requires Internet Service Providers (ISPs) to provide their customers with one of the approved filters listed in Schedule 1 of the Code. The ABA may also refer overseas-hosted prohibited Internet gambling content to the AFP or a State or Territory police force where they believe the material is hosted in a country of interest to that police force.

(4) The Australian Broadcasting Authority (ABA) administers the interactive gambling complaints scheme under which Australian residents or companies trading in Australia are able to complain to the ABA if they believe that Australians can access prohibited Internet gambling content.

The ABA have advised that as at 9 May 2003 they have received a total of 24 complaints concerning potentially prohibited Internet gambling content since the scheme commenced on 11 January 2002. Fourteen investigations have been completed, with eight investigations terminated due to lack of sufficient information. Two investigations remain current.

Of the fourteen investigations completed, eight resulted in location of prohibited Internet gambling content hosted outside Australia and the ABA notified the details of the content to the makers of filter software products, in accordance with the procedure set out in the Code. Four investigations resulted in location of Australian hosted content that was not prohibited.

Two complaints concerning potentially prohibited interactive gambling service advertisements were received by the Department for the period 1 January 2002 to 31 December 2002. Both complaints concern the alleged breach of section 61EA of the IGA, which makes it an offence to publish an interactive gambling service advertisement in Australia, subject to various exceptions.

I am advised by the Department of Communications, Information Technology and the Arts that one of these complaints concerned an alleged breach of the Interactive Gambling Act 2001 (IGA) by the Tasmanian Department of State Development (DSD) website (renamed the Tasmanian Department of Economic Development).
The complainant alleged the Tasmanian DSD had advertised, promoted and endorsed the interactive gaming services of Tatts.com Pty Ltd in an Internet publication and in doing so had breached section 61FE of the IGA which makes it an offence to publish an interactive gambling service advertisement in Australia, subject to various exceptions.

Details of the Department’s assessment of the two complaints are provided in the Report on the Operation of the Prohibition on Interactive Gambling Advertisements, which was tabled in the House of Representatives on 15 May 2003. The Report is attached for your information.

In the period from 1 January 2003 the Department has received an additional three complaints regarding potentially prohibited interactive gambling service advertisements. One complaint has been referred to the Australian Federal Police (AFP). The AFP has advised they have accepted the matter for investigation. The Department is currently considering the two remaining complaints.

**Immigration: Asylum Seekers**  
(Question No. 2018)

Dr Lawrence asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 16 June 2003:

(1) Is he aware of claims that asylum seekers being held in detention have been forced to (a) give birth with no translator or support person, such as a friend or relative, present, (b) give birth with a male guard present, (c) undergo caesareans without having given their informed consent, (d) wear handcuffs during transportation from the detention centre to hospital, and (e) wear handcuffs during the birth or caesarean.

(2) Will he undertake to investigate these claims.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) Yes, I am aware of Dr Lawrence’s claims in relation to asylum seekers being denied birth rights including being handcuffed during childbirth. These are not new allegations and were raised in a television program in November 2002.

(2) In November 2002, I instructed my Department to commence investigations into the allegations. Detainees are transferred to an appropriate health facility to give birth. My Department is not aware of any occasion where a detainee has been restrained during childbirth or en-route to hospital. During the birth a female officer remains outside the birthing unit, unless the detainee requests the presence of the officer to act as a support person. The decision on whether a caesarean section is required is the responsibility of the treating medical practitioner, usually an obstetrician, to whom the detainee has been referred. The responsibility for ensuring that any person understands the nature of their medical treatment while in a hospital is the responsibility of the medical practitioner and the State or Territory Health authority. If interpreters are not available on-site, then access to an appropriate interpreter can be arranged by the health services provider through the Telephone Interpreting Service (TIS).

**Telstra: Share Dividends**  
(Question No. 2019)

Mr Brendan O’Connor asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 16 June 2003:

(1) Will Telstra provide alternative methods for the receipt of share dividends other than direct credit to a shareholder’s bank account after 1 January 2004.

(2) Has any provision been made for shareholders who do not wish to provide bank account details to Telstra for the receipt of share dividends; if not, what will happen to share dividends in the event of a shareholder refusing to provide Telstra with bank account details.

QUESTIONS ON NOTICE
(3) If share dividends are to be retained by Telstra, (a) will the retained dividends be credited with interest, and (b) will any provision be made for the effects of inflation.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer, based on information provided by Telstra, to the honourable member’s question:

(1) Telstra has given its shareholders a year’s notice of a new policy to pay future dividends by direct credit. At present, two thirds of Telstra shareholders already receive their dividends in this way. The policy will take effect from the first dividend payment in 2004. During this time, Telstra will continue to work with its shareholders who still receive their dividend by cheque, and assist them in overcoming any concerns they might have relating to the privacy and security of their information and other issues regarding the banking system.

Furthermore, in order to aid shareholders in transferring from cheque payment to the method of direct credit, Telstra has expanded its policy regarding direct credit and will now accept instructions to pay dividends to third party accounts. Telstra will also consider, on a case by case basis, any circumstances or issues where the policy may impose undue hardship on a shareholder.

(2) If Telstra does not hold appropriate banking instructions from a shareholder after the new policy comes into effect, Telstra will seek to obtain those instructions as soon as possible in order to minimise any delay in payment of the shareholder's dividend. The new policy is intended, among other things, to reduce the substantial sums that Telstra currently bears due to delays in presentation of dividend cheques. It is also intended to reduce the sums that Telstra is obliged to pay to the relevant State or Territory unclaimed moneys authorities, where dividend cheques remain unpresented beyond the relevant statutory period.

Telstra will not retain the dividends of those shareholders who have not supplied banking details. The money, instead, will be treated in accordance with the unclaimed monies legislation.

(3) Telstra will not retain the dividends of those shareholders who have not supplied appropriate bank account details. This money will be treated in accordance with the unclaimed monies legislation, and, as is currently the case with unpresented cheques and incorrect banking instructions, interest will not be paid.

**Taxation: Lodgment of Returns**

*(Question No. 2036)*

Mr Murphy asked the Treasurer, upon notice, on 18 June 2003:

(1) Further to the reply to question No. 1619 (*Hansard*, 16 June 2003, page 15723) 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.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) Refer to answer to question no. 1618.

**Health: Mawson Station Asbestos Removal**

*(Question No. 2045)*

Mr McClelland asked the Minister for Employment and Workplace Relations, upon notice, on 19 June 2003:

(1) Has the Commonwealth undertaken work to remove asbestos from Mawson Station in the Antarctic; if so, what safety precautions were in place for that removal.

(2) Has there been a safety investigation in respect of the process that was followed; if so, what findings did it make in respect to compliance with relevant regulations and procedures.
(3) What packaging and transportation arrangements were made in respect of the removed asbestos.

(4) What records exist identifying (a) the location from which the asbestos was removed, (b) the identity of the person or persons who undertook the work, (c) where the asbestos was stored at Mawson Station, (d) when it was moved from the station, (e) the method of transportation, (f) the dates of transportation, (g) the method of disposal and (h) the dates of disposal.

Mr Abbott—The answer to the honourable member’s question is as follows:

(1) Yes, some old buildings which contained asbestos were removed in the 1997/98 summer season. The Australian Antarctic Division (AAD) provided appropriate training for personnel required to work with asbestos, and required that all such duties be performed in accordance with relevant legal requirements relating to asbestos removal. Appropriate Personal Protective Equipment, including disposable overalls and breathing apparatus were provided for the personnel involved.

(2) Yes. Comcare commenced an investigation in July 2002 into “Allegations of inappropriate asbestos management procedures at Mawson Base, Australian Antarctic Territories”. The investigation concluded that “the asbestos handling and disposal procedures in place within AAD are adequate and that the asbestos procedures in place at Mawson in 1997 were also adequate”.

(3) The asbestos material was wrapped in double plastic sheets and sealed in accordance with relevant OH&S standards. It was transported back to Australia on RSV Aurora Australis in February 1998.

(4) (a) to (h) While not contained within a single document, this information can be found in various documents and computer records including the Mawson Antarctic Assets Maintenance Program (AAMP) Report Summer 1997/98, on the AAD’s website, and in documentation from the AAD’s waste management contractor.

Defence: Property
(Question No. 2051)

Mr Baldwin asked the Minister representing the Minister for Finance and Administration, upon notice, on 23 June 2003:

(1) Was correspondence received by (a) his office or (b) his department, dated 17 November 1999 from the NSW Parks & Wildlife Service (NPWS) expressing an interest in Gan Gan Army Camp should it be disposed of; if so, what action was taken to note that interest in acquiring the Gan Gan Army Camp.

(2) Has any correspondence been received by (a) his office, (b) his department, or (c) consultants, in respect of preparing a flora and fauna assessment on Gan Gan Army Camp; if so, (i) what are the details and (ii) did this correspondence signal an intention for the land to be acquired by the NPWS for inclusion as a part of the Tommaree National Park; if so, what action was taken.

(3) Were any requests received, at any time, for priority sale or acquisition of Gan Gan Army Camp made by any department of the NSW Government prior to the public tender being issued or during the tender process.

Mr Costello—The Minister for Finance and Administration has provided the following answer to the honourable member’s question:

(1) No.
(2) No.
(3) No.

Defence: Property
(Question No. 2053)
Mr Baldwin asked the Minister representing the Minister for Finance and Administration, upon notice, on 23 June 2003:
Was correspondence received by (a) his office or (b) his department, from the Hon. Bob Debus, NSW Minister for the Environment in respect of the proposal for sale by tender of the Gan Gan Army Camp; if so, (i) what date was it received and (ii) what action was taken in responding to requests in that letter.

Mr Costello—The Minister for Finance and Administration has provided the following answer to the honourable members question:

(a) Yes.
(b) Yes.
(i) Faxed letter was received on 6 June 2003 followed by an identical letter with the inclusion of additional paper on 16 June 2003.
(ii) As the sale of Defence property falls within the portfolio responsibilities of the Parliamentary Secretary to the Minister for Defence, the correspondence was referred onto the Hon Fran Bailey MP for appropriate action.

Aviation: Brisbane Airport Master Plan
(Question No. 2055)

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 23 June 2003:
Will he introduce legislation to implement the eight recommendations of the Senate Rural and Regional Affairs and Transport References Committee report on the inquiry into the development of the Brisbane Airport Master Plan relating to shortcomings of the Airports Act 1996; if so, when; if not, why not.

Mr Anderson—The answer to the honourable member’s questions is as follows:
The Government tabled its response to the recommendations of the Senate Inquiry into the Brisbane Airport Corporation Master Plan in the Senate on 16 May 2002. This is available on my Department’s website at:
The Government’s current review of the Airports Act 1996 will also take into account its response to the aforementioned Senate inquiry.

Aviation: Sydney (Kingsford Smith) Airport Master Plan
(Question No. 2058)

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 23 June 2003:
Will he ensure that all relevant New South Wales environmental planning instruments and binding clauses are enshrined into the Master Plan for Sydney Airport; if not, why not.

Mr Anderson—The answer to the honourable member’s questions is as follows:
I refer the Honourable Member to my answer to your question on notice 1724.

Education: Textbooks
(Question No. 2070)

Mr Albanese asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 25 June 2003:
(1) Is the Minister aware that the Educational Lending Right (ELR) is due to be phased out in 2004.

QUESTIONS ON NOTICE
(2) Is the Minister aware that the education sector relies upon libraries to improve educational standards in Australia.

(3) Are ELR payments intended to provide fair compensation to Australian authors of educational textbooks.

(4) Is it in the national interest for the ELR program to receive funding beyond 2003-2004; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) to (4)

Educational Lending Right (ELR) is one element of the four year Book Industry Assistance Plan and is funded from 2000-01 to 2003-04.

The objectives of ELR are:

- to make payments to eligible Australian creators and publishers on the basis that income is lost from the availability of their books in educational lending libraries; and
- to support the enrichment of Australian culture by encouraging the growth and development of Australian writing and publishing.

The Government is pleased at the very positive reception ELR has received from the writing community and the education sector. In particular, the payments have brought benefit to a writing sector which contributes significantly to Australian culture.

In common with all programs introduced for a specific period of time, the continuation of ELR after 30 June 2004 will need to be considered by the Government in the context of the 2004-05 budget.

Immigration: Asylum Seekers

(Question No. 2072)

Mr Windsor asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 25 June 2003:

Which Australian laws and what international law governs the rights of children in detention.

Mr Ruddock—The answer to the honourable member’s question is as follows:

The immigration detention environment is governed by a legal and policy framework consisting of Commonwealth, State and Territory legislation and regulations, Ministerial Directions, and departmental policy and procedural documents. This framework is informed by Australia’s obligations under international conventions and treaties.

The principal source of domestic law is the Migration Act 1958. In relation to children in detention, other relevant legislation includes the Immigration (Guardianship of Children) Act 1946 (the IGOC Act), the Privacy Act 1988 and State and Territory child protection legislation.

The IGOC Act is the administrative mechanism by which legal guardianship for certain children entering Australia is conferred upon the Minister for Immigration and Multicultural and Indigenous Affairs. This means that the Minister as legal guardian of certain children has the rights and powers which a parent may have over their own child.

Various pieces of State legislation also have effect in the detention environment, to the extent that this legislation is not inconsistent with Commonwealth legislation. State legislation that can affect children in detention is, broadly, that relating to health, education, welfare and criminal law.

International instruments governing the rights of children in detention are the Convention on the Rights of the Child and the International Covenant on Civil and Political Rights. The 1951 Convention on the
Status of Refugees and its 1967 Protocol (the Refugees Convention) is relevant to some people in immigration detention, including children, who identify themselves as asylum seekers.

There is no prescribed means by which States must give effect to or fulfil human rights obligations. Each country has some flexibility in relation to the manner of implementation of its international human rights obligations.

Education: Tertiary Studies
(Question No. 2087)

Mr Brendan O’Connor asked the Minister for Education, Science and Training, upon notice, on 25 June 2003:
For each year from 1996 to 2003 in each of the following post codes: (a) 3023, (b) 3037, (c) 3337, (d) 3341, (e) 3429, (f) 3432, (g) 3435, (h) 3440, (i) 3444, (j) 3522, (k) 3764, (l) 3024, (m) 3063, (n) 3338, (o) 3427, (p) 3430, (q) 3433, (r) 3437, (s) 3441, (t) 3446, (u) 3756, (v) 3029, (w) 3335, (x) 3340, (y) 3428, (z) 3431, (aa) 3434, (ab) 3438, (ac) 3442, (ad) 3458 and (ae) 3762, how many people applied for tertiary studies and how many of those applicants were offered a place.

Dr Nelson—The answer to the honourable member’s question is as follows:
It is not possible to provide data, for the period 1996 to 2003, on the number of university applications and the number of applicants receiving an offer in each of the postcodes mentioned above as neither DEST nor the AVCC collects data in such detail.

Employment: Statistics
(Question No. 2092)

Mr Brendan O’Connor asked the Minister for Employment and Workplace Relations, upon notice, on 25 June 2003:
For each year from 1996 to 2003, how many persons in each of the following post codes (a) 3023, (b) 3037, (c) 3337, (d) 3341, (e) 3429, (f) 3432, (g) 3435, (h) 3440, (i) 3444, (j) 3522, (k) 3764, (l) 3024, (m) 3063, (n) 3338, (o) 3427, (p) 3430, (q) 3433, (r) 3437, (s) 3441, (t) 3446, (u) 3756, (v) 3029, (w) 3335, (x) 3340, (y) 3428, (z) 3431, (aa) 3434, (ab) 3438, (ac) 3442, (ad) 3458 and (ae) 3762, were designated as long-term unemployed.

Mr Abbott—The answer to the honourable member’s question is as follows:
Official statistics on long-term unemployment are compiled by the Australian Bureau of Statistics. These statistics are not available at the postcode level therefore my department is unable to provide the requested information.

Employment: Job Network Providers
(Question No. 2094)

Mr Brendan O’Connor asked the Minister for Employment Services, upon notice, on 25 June 2003:
For each year from 1998 until 2003, in (a) Australia and (b) the electoral division of Burke, what percentage of those moving from Newstart or Youth Allowance to employment have reported a Job Network provider as being the method of attaining a job.

Mr Brough—The answer to the honourable member’s question is as follows:
The data sought is not collected by the Department. However, to provide an indication of the numbers of job seekers placed into jobs through assistance from Job Network providers, the table below shows the numbers of Job Network eligible job seekers placed into jobs from 1998 to 2003 in the Burke electorate and Australia wide.

<table>
<thead>
<tr>
<th>Year</th>
<th>Job Placements in the Burke Electorate</th>
<th>Job Placements in Australia</th>
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QUESTIONS ON NOTICE
Year | Job Placements in the Burke Electorate | Total
--- | --- | ---
1998 | 1,514 | 11,398
1999 | 2,987 | 123,669
2000 | 2,173 | 239,978
2001 | 2,075 | 203,097
2002 | 2,006 | 197,318
2003 | 643 | 199,344
Total | | 1,038,373

Note: 2003 is to 30 June 2003

**Motor Vehicles: ECOmmodore**

(Question No. 2107)

Mr Murphy asked the Minister for Education, Science and Training, upon notice, on 26 June 2003:

1. What has been the outcome of the trial of the hybrid ECOmmodore which was constructed as a joint industry-government project by the CSIRO and General Motors Holden in 2000.
2. What was the total cost of this project and what was the total contributed by the Commonwealth.
3. Is it the case that the ECOmmodore uses 50% less fuel than a conventional vehicle of the same size and produces the same performance as a standard 3.8 litre V6 from a four-cylinder motor.
4. Is the Minister able to say how much the demand for petroleum fuels would be reduced if the Government encouraged or required vehicle manufacturers to produce fuel-efficient vehicles like the ECOmmodore; if not, why not.
5. Has he seen a report by the CSIRO titled Energy Outlook to 2020, which indicates that there are no plans to produce vehicles of this type in Australia.
6. Does the Government support the production of vehicles of this type in Australia; if so, why; if not, why not.
7. Is the Minister able to say when Australian production of vehicles with hybrid petrol-electric motors will begin.

Dr Nelson—The answer to the honourable member’s question is as follows:

1. The ECOmmodore was an engineering ‘learning platform’, to give scientists and engineers the opportunity to explore new and innovative technologies such as power-train strategies, control systems, energy storage systems etc, that may be relevant to future hybrid vehicles. From a CSIRO perspective, the outcome was the experimental vehicle, the ECOmmodore, which demonstrated how engineers and scientists from CSIRO and Holden could work together to push the boundaries of a range of automotive technologies. The hybrid ECOmmodore was never intended to be the precursor of a production vehicle.
2. The total cost of the CSIRO contribution to the ECOmmodore project was approximately $900,000. CSIRO does not know the amount of the Holden contribution.
3. One of the design targets, based on engineering modelling, was for a vehicle that used 50% less fuel when compared to a standard 3.8 litre V6 Commodore. Actual fuel consumption figures vary considerably, and are very much drive cycle dependent.
4. Questions on the demand for petroleum based fuels are difficult to answer, due to the many inter-related factors involved. These include the percentage of the current car fleet replaced by such a vehicle and the timescale over which this would occur. Detailed information on the make-up
of the entire current vehicle fleet would be required, for example the numbers of vehicles, vehicle types, annual usage for the various vehicle types etc.

(5) The Minister is aware of the CSIRO Energy and Transport Sector – Outlook to 2020 report which is publicly available on the web at: http://www.dpr.csiro.au/sector/E&T%20Outlook%202020.pdf. The report states that “Various manufacturers are experimenting with different vehicle power-train concepts, especially hybrid electric systems” (page 10) and that “Hybrid cars are now on the market” (page 15).

(6) The Government supports the production of vehicles that incorporate modern fuel-saving technologies. The Government’s Automotive Competitiveness and Investment Scheme (ACIS) is directed towards encouraging new investment and innovation in the automotive industry. A new feature of this scheme will be a $150 million R&D fund specifically for vehicle manufacturers investing in new and innovative technologies. The decision to produce hybrid vehicles in Australia is a commercial decision for vehicle manufacturers.

(7) No. The Government is unable to pre-empt the decisions made by commercial vehicle manufacturers regarding the Australian production of such cars.

Fuel: Ethanol

(Question No. 2110)

Mr Murphy asked the Minister for Industry, Tourism and Resources, upon notice, on 26 June 2003:

(1) What is the current total vehicle fuel demand in Australia.

(2) What proportion of Australia’s total vehicle fuel demand could be supplied by locally produced ethanol.

(3) What proportion of the wheat or sugar crop or other crops would be required to produce ethanol to replace (a) 10% of the demand for vehicle fuel, (b) 20% of the demand for vehicle fuel, and (c) 100% of the demand for vehicle fuel.

(4) What is the value of the subsidies the Government would need to pay to substitute ethanol for (a) 10% of the demand for vehicle fuel, (b) 20% of the demand for vehicle fuel, and (c) 100% of the demand for vehicle fuel.

(5) Which companies are currently receiving a financial benefit from the Government for the production of ethanol.

(6) What effect would the substitution of petroleum-based fuel with ethanol have on Australia’s overall emissions of carbon dioxide.

Mr HOCKEY—The Acting Minister for Industry, Tourism and Resources has provided the following answer to the honourable member’s question:

(1) Total transport fuel consumption in 2002 was 35,047 megalitres, comprising:

- 18,884 megalitres of gasoline;
- 13,720 megalitres of diesel; and
- 2,443 megalitres of LPG.

(2) Domestic production of fuel ethanol in 2002-03 was approximately 75 megalitres. This equates to 0.4 per cent of gasoline consumption, or about 0.2 per cent of total vehicle fuel consumption in 2002.

(3) (a) Replacing 10% of the demand for vehicle fuel with ethanol would currently require 3504.7 megalitres of ethanol. Based on the Australian Bureau of Agricultural and Resource Economics (ABARE) June quarter 2003 forecast for the 2003 wheat crop of 21.662 mega
tonnes, and that 1 tonne of wheat would produce 400 litres of ethanol, this would require 40.45% of the forecast 2003 wheat crop.

(b) Replacing 20% of the demand for vehicle fuel with ethanol would currently require 7009.4 mega litres of ethanol. Based on the Australian Bureau of Agricultural and Resource Economics (ABARE) June quarter 2003 forecast for the 2003 wheat crop of 21.662 mega tonnes, and that 1 tonne of wheat would produce 400 litres of ethanol, this would require 80.9% of the forecast 2003 wheat crop.

(c) Replacing 100% of the demand for vehicle fuel with ethanol would currently require 35,047 mega litres of ethanol. Based on the Australian Bureau of Agricultural and Resource Economics (ABARE) June quarter 2003 forecast for the 2003 wheat crop of 21.662 mega tonnes, and that 1 tonne of wheat would produce 400 litres of ethanol, this would require 404.5% of the forecast 2003 wheat crop.

(4) (a) 3504.7 mega litres of ethanol would be required to replace 10 per cent of the demand for vehicle fuel. Based on the current production subsidy rate of 38.143 cents per litre payable to producers of domestic ethanol, the value of the subsidy required is $1.336 billion.

(b) 7009.4 mega litres of ethanol would be required to replace 20 per cent of the demand for vehicle fuel. Based on the current production subsidy rate of 38.143 cents per litre payable to producers of domestic ethanol, the value of the subsidy required is $2.67 billion.

(c) 35,047 mega litres of ethanol would be required to replace 100 per cent of the demand for vehicle fuel. Based on the current production subsidy rate of 38.143 cents per litre payable to producers of domestic ethanol, the value of the subsidy required is $13.36 billion.

(5) Manildra Energy Australia Pty Ltd and CSR Distilleries Operations Pty Ltd.

(6) The effect on Australia’s overall carbon dioxide emissions of substituting petroleum based fuel with ethanol would be dependent on the feedstock and production process to produce the ethanol. Ethanol generally only realises a greenhouse benefit where the feedstock is a waste product (e.g. low grade molasses, wood waste) or the energy source used in its production is relatively clean. Figures from the latest CSIRO studies show a modest greenhouse benefit using waste wheat starch as feedstock and current production processes.

Fuel: Ethanol

(Question No. 2111)

Mr Murphy asked the Minister for Industry, Tourism and Resources, upon notice, on 26 June 2003:

(1) Is he able say whether ethanol produced in Australia and proposed as a replacement for petroleum based fuels would be dried, that is, containing less than 1% water and therefore miscible with petrol, or sold as 95% ethanol containing up to 5% water; if not, is he able to say whether the Government has considered the relative merits of the two forms of ethanol.

(2) How much more carbon dioxide would be produced by the production of dried ethanol compared with the production of 95% ethanol.

(3) Would the production of ethanol as a significant replacement fuel, that is, replacing 10% or more of consumption, lead to an increase or a decrease in Australia’s overall emission of carbon dioxide.

(4) Is he able to say what the estimated price of ethanol would be, expressed in cents per litre, if it were produced in sufficient quantity to replace (a) 10% of the demand for vehicle fuel, (b) 20% of the demand for vehicle fuel, and (c) 100% of the demand for vehicle fuel.

Mr Hockey—The Acting Minister for Industry, Tourism and Resources has provided the following answer to the honourable member’s question:
Ethanol is produced in Australia in two forms: hydrated and anhydrous. Hydrated ethanol contains 95% ethanol and 5% water and is suitable for use in blending as a 15% emulsion in diesel. CSR Distilleries currently produces hydrated ethanol for blending with diesel for a trial it is conducting in Mackay, Queensland. A further process of dehydration is required to produce anhydrous ethanol containing less than 1% water for blending with petrol. The Manildra Group currently produces and markets anhydrous ethanol for blending with petrol. CSR Distilleries is currently producing and providing anhydrous ethanol to Caltex for a 10 per cent ethanol blend trial in Cairns, Queensland. The Government has considered the relative merits of both forms of ethanol within the context of studies conducted by Environment Australia.

Based on the CSIRO Comparison of Transport Fuels 2001, the additional energy required to produce anhydrous ethanol is in the order of 3%. The impact on emissions of carbon dioxide is dependent on the fuel source used to produce this energy.

The effect on Australia’s overall carbon dioxide emissions of substituting petroleum based fuel with ethanol would be dependent on the feedstock and production process to produce the ethanol. Ethanol generally only realises a greenhouse benefit where the feedstock is a waste product (e.g low grade molasses, wood waste) or the energy source used in its production is relatively clean. Figures from the latest CSIRO studies show a modest greenhouse benefit using waste wheat starch as feedstock and current production processes.

To estimate the price of fuel ethanol under each scenario would require extensive analysis involving assumptions about supply and demand factors. Supply side factors would include the cost of raw material feedstocks, the feedstock yield, the size and type of plant and technology used to produce the ethanol, the relative price of petrol, the extent of subsidisation provided for ethanol production and the market value of by-products. Demand side factors would include demand for fuel ethanol including its use as an octane enhancer.

**Fuel: Diesel Shortage**

(1) Ethanol is produced in Australia in two forms: hydrated and anhydrous. Hydrated ethanol contains 95% ethanol and 5% water and is suitable for use in blending as a 15% emulsion in diesel. CSR Distilleries currently produces hydrated ethanol for blending with diesel for a trial it is conducting in Mackay, Queensland. A further process of dehydration is required to produce anhydrous ethanol containing less than 1% water for blending with petrol. The Manildra Group currently produces and markets anhydrous ethanol for blending with petrol. CSR Distilleries is currently producing and providing anhydrous ethanol to Caltex for a 10 per cent ethanol blend trial in Cairns, Queensland. The Government has considered the relative merits of both forms of ethanol within the context of studies conducted by Environment Australia.

(2) Based on the CSIRO Comparison of Transport Fuels 2001, the additional energy required to produce anhydrous ethanol is in the order of 3%. The impact on emissions of carbon dioxide is dependent on the fuel source used to produce this energy.

(3) The effect on Australia’s overall carbon dioxide emissions of substituting petroleum based fuel with ethanol would be dependent on the feedstock and production process to produce the ethanol. Ethanol generally only realises a greenhouse benefit where the feedstock is a waste product (e.g low grade molasses, wood waste) or the energy source used in its production is relatively clean. Figures from the latest CSIRO studies show a modest greenhouse benefit using waste wheat starch as feedstock and current production processes.

(4) To estimate the price of fuel ethanol under each scenario would require extensive analysis involving assumptions about supply and demand factors. Supply side factors would include the cost of raw material feedstocks, the feedstock yield, the size and type of plant and technology used to produce the ethanol, the relative price of petrol, the extent of subsidisation provided for ethanol production and the market value of by-products. Demand side factors would include demand for fuel ethanol including its use as an octane enhancer.

(2) Based on the CSIRO Comparison of Transport Fuels 2001, the additional energy required to produce anhydrous ethanol is in the order of 3%. The impact on emissions of carbon dioxide is dependent on the fuel source used to produce this energy.

(3) The effect on Australia’s overall carbon dioxide emissions of substituting petroleum based fuel with ethanol would be dependent on the feedstock and production process to produce the ethanol. Ethanol generally only realises a greenhouse benefit where the feedstock is a waste product (e.g low grade molasses, wood waste) or the energy source used in its production is relatively clean. Figures from the latest CSIRO studies show a modest greenhouse benefit using waste wheat starch as feedstock and current production processes.

(4) To estimate the price of fuel ethanol under each scenario would require extensive analysis involving assumptions about supply and demand factors. Supply side factors would include the cost of raw material feedstocks, the feedstock yield, the size and type of plant and technology used to produce the ethanol, the relative price of petrol, the extent of subsidisation provided for ethanol production and the market value of by-products. Demand side factors would include demand for fuel ethanol including its use as an octane enhancer.

**Fuel: Diesel Shortage**

(1) Is he aware of a 1999 report by the Bureau of Resource Sciences warning that diesel fuel was the most likely of all the petroleum fuels to face supply shortages in the near future.

(2) Is he or his department aware of any other reports predicting a diesel fuel supply shortage; if so, what are those reports.

(3) What is the Government’s strategy for dealing with diesel fuel shortages if they develop.

(4) What steps, if any, has the Government taken to reduce the consumption of diesel fuel.

(5) What would be the effect on the demand for diesel fuel if
   (a) 10% of road freight movements,
   (b) 25% of road freight movements, and
   (c) 40% of road freight movements, were transferred to rail.

(6) What is the current annual level of spending by the Government on diesel fuel subsidies and what has been the total expenditure on diesel fuel subsidies by the government since 1996.

(7) Has the Government implemented any diesel fuel subsidy schemes since 1996; if so, (a) what has been the cost of each of these subsidies, (b) what effect have they had on the growth of diesel fuel consumption since 1996, and (c) has this led to an increase in investment in diesel powered plant and equipment and, if it has, by what magnitude.

**Mr Murphy** asked the Minister for Industry, Tourism and Resources, upon notice, on 26 June 2003:

(1) Is he aware of a 1999 report by the Bureau of Resource Sciences warning that diesel fuel was the most likely of all the petroleum fuels to face supply shortages in the near future.

(2) Is he or his department aware of any other reports predicting a diesel fuel supply shortage; if so, what are those reports.

(3) What is the Government’s strategy for dealing with diesel fuel shortages if they develop.

(4) What steps, if any, has the Government taken to reduce the consumption of diesel fuel.

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   (a) 10% of road freight movements,
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(7) Has the Government implemented any diesel fuel subsidy schemes since 1996; if so, (a) what has been the cost of each of these subsidies, (b) what effect have they had on the growth of diesel fuel consumption since 1996, and (c) has this led to an increase in investment in diesel powered plant and equipment and, if it has, by what magnitude.

**QUESTIONS ON NOTICE**
(8) Will the Government compensate those who have been encouraged by Commonwealth diesel fuel subsidies to buy diesel powered plant and equipment when diesel fuel shortages make their equipment unusable; if so, how; if not, why not.

Mr Hockey—The Acting Minister for Industry, Tourism and Resources has provided the following answer to the honourable member’s question:

(1) No.

(2) The Department of Industry, Tourism and Resources has been managing an APEC study that makes some predictions about future supply and demand of petroleum products for 2002, 2006 and 2012 in light of changing fuel standards, regional refinery capacity and investment strategies. In broad terms, the preliminary results of the study show that Australia currently has excess refining capacity and is essentially self-sufficient in all finished products. These results indicate the Australia-New Zealand refineries will be producing an excess of diesel of 13,000 barrels per day in 2006. I would caution that this modelling was conducted before the recent closure of the Port Stanvac refinery and that it was based on some assumptions regarding future refinery investment required to meet new fuel standards.

(3) The National Oil Supplies Emergency Committee is the main executive channel through which the Commonwealth and State and Territory Governments, in cooperation with industry, formulate their overall management response to a widespread fuel shortage. In the event of a fuel emergency, this Committee would be convened to coordinate response measures including the adoption of emergency arrangements, the collection and provision of statistics, and the coordination of public information.

(4) The Government’s policies are aimed at increasing the quality and efficiency of all transport fuels for environmental, health and economic gains.

(5) This information is not currently available and would require a significant study to be undertaken to provide detailed answers.

(6) Estimates for annual expenditure on the Diesel Fuel Rebate Scheme (DFRS), Diesel and Alternative Fuels Grants Scheme (DAFGS) and Fuel Sales Grants Scheme (FSGS) in the 2002-03 and 2003-04 financial years can be found in the Portfolio Budget Statement for the Australian Taxation Office from the 2003-04 Budget. Expenditure figures for these schemes for financial years 1996-97 to 2000-01 can be found in the publication Taxation Statistics 1999-2000, published by the Australian Taxation Office.

(7) The DAFGS and FSGS both commenced on 1 July 2000 as part of the tax reform process. The DAFGS generally provided a grant for the use of diesel in transport vehicles of 4.5 tonnes or more in the service of rural and regional Australia. The DAFGS and DFRS were replaced with the Energy Grants (Credits) Scheme from 1 July 2003. The FSGS provides a grant to fuel retailers on the sale of petrol or diesel in eligible locations in regional and remote Australia, in order to ensure that the pump price of fuel for motorists in these areas did not increase as a result of the introduction of the GST.

(a) Expenditure data for these schemes is available in the publications referred to above, (b) unknown, and (c) unknown.

(8) The Government is not currently anticipating any shortages in diesel fuel.

Communications: Media Ownership
(Question No. 2113)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

QUESTIONS ON NOTICE
Will he amend the Broadcasting Services Amendment (Media Ownership) Bill 2002 to prohibit a media proprietor from owning both a television network and newspapers in the one market; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

Senator Harradine’s amendment to the Broadcasting Services Amendment (Media Ownership) Bill 2002 prevents mergers between television broadcasters and newspapers in metropolitan licence areas. This amendment detracts from the ability of small to medium sized players to expand and reposition themselves within the industry. This amendment will also curtail the competitiveness of small to medium sized firms who will not be able to attain the necessary economies of scale and scope to compete effectively against the larger incumbents. The Government therefore opposes this amendment.

Communications: Media Ownership
(Question No. 2114)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has he seen the letter by Ross Butler of Rodd Point N.S.W. titled “Bang goes diversity” in the *Sydney Morning Herald* on 23 June 2003.

(2) Has he seen the letter by Teagan Mel of East Malvern VIC titled “Keep the media moguls at bay” in *The Age* on 25 June 2003.

(3) Has he seen the letter by Adrian Leopardi of Rockdale N.S.W. titled “What’s good for moguls not good for democracy” in the *Sydney Morning Herald* on 25 June 2003.

(4) Will he abandon the Broadcasting Services Amendment (Media Ownership) Bill 2002; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) Yes.

(3) Yes.

(4) I refer Mr Murphy to my response to his Question on Notice 446, which he asked on 19 August 2002.

Communications: Media Ownership
(Question No. 2115)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has the Minister seen the report titled “Harradine holds trump on media law” by Cosima Marriner published in *The Sydney Morning Herald* on 24 June 2003 which reported that the Government is against Senator Harradine’s amendment to the Broadcasting Services Amendment (Media Ownership) Bill 2002 that would prevent Rupert Murdoch buying a TV station or Kerry Packer buying John Fairfax Holdings Ltd, the publisher of the *Sydney Morning Herald*.

(2) Can he explain how it would be in the public interest to allow Mr Murdoch to buy a television network and Mr Packer to be the publisher of the *Sydney Morning Herald*.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

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QUESTIONS ON NOTICE
(1) Yes.

(2) It is in the public interest to allow Australian companies to be competitive on an international stage by realising the benefits of scale and scope that cross media mergers can provide. Well resourced media companies that do not have to rely solely on cost cutting for improving profitability are more likely to deliver the program diversity and high quality news and information services the public desire. It is also in the public interest to increase the competitiveness of small to medium sized firms and new entrants, by allowing them to attain the necessary economies of scale and scope to compete effectively against the larger incumbents.

At the same time there are a number of amendments to the Broadcasting Services Amendment (Media Ownership) Bill 2002 which provide strong safeguards to protect diversity of news and media opinion, and prevent market dominance by any media group. These include:

- an amendment stipulating that a cross-media merger cannot be approved unless five independently owned commercial media outlets (across radio, associated newspapers and TV) in metropolitan markets, and four in regional markets, remain in the market after the cross-media acquisition occurs;
- an extension of the ‘two out of three rule’ to metropolitan markets;
- a restriction on newspaper ownership to one newspaper per market where the person also holds a cross-media exemption certificate for that market (relevant newspapers are those included on the ABA’s Associated Newspaper Register); and
- a requirement to review the ownership and control provisions in three years time.

Communications: Media Ownership

(Question No. 2116)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has the Minister seen the report titled “There will be no deal on media mess” by Terry McCrann in The Daily Telegraph on 24 June 2003 where it was reported that media policy in Australia is in a right mess and it will still be in a right mess, whatever happens this week and that a backroom deal between the Government and four independent Senators is unlikely to produce good policy.

(2) Does the Broadcasting Services Amendment (Media Ownership) Bill 2002 allow further concentration of media ownership in Australia; if so can the Minister explain how that is in the public interest.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) I refer Mr Murphy to my response to his Question on Notice 2115.

Communications: Media Ownership

(Question No. 2117)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has the Minister seen the report titled “Alston tries again to save media bill” by Toni O’Loughlin in The Australian Financial Review on 25 June 2003 which reported that Senator Harradine’s opposition would almost certainly sink the bill.
(2) Does he intend to accept Senator Harradine’s amendment to the Broadcasting Services Amendment (Media Ownership) Bill 2002; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.
(2) I refer Mr Murphy to my response to his Question on Notice 2113.

Communications: Media Ownership
(Question No. 2118)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has the Minister seen the report titled “Government stymied on media bill” by Annabel Crabb in The Age on 25 June 2003 which reported that Senator Harradine’s amendment would block any mergers between TV stations and newspapers and remove the primary threat that the bill poses to Australian democracy.
(2) Has the Minister also seen the report titled “Changes to media laws in doubt” by Annabel Crabb in The Age on 24 June 2003 which reported that four independent senators agreed to gut the Government’s proposed media reforms.
(3) Will the Government abandon the legislation if the Senate insists on Senator Harradine’s amendment.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.
(2) Yes.
(3) I refer Mr Murphy to my response to his Question on Notice 446, asked on 19 August 2002.

Communications: Media Ownership
(Question No. 2119)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has the Minister seen the report titled “Independents rally against media moguls” by Toni O’Loughlin in The Australian Financial Review on 24 June 2003 which reported that Senator Harradine would be difficult to budge on the Broadcasting Services Amendment (Media Ownership) Bill 2002.
(2) Has the Minister spoken face-to-face with Senator Harradine to hear his concerns about the bill; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.
(2) I have spoken to a number of independent Senators about the Broadcasting Services Amendment (Media Ownership) Bill 2002, including Senator Harradine.
Communications: Media Ownership  
(Question No. 2120)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 26 June 2003:

(1) Has the Minister seen the report titled “Senate jibs at media laws” by Malcolm Cole in The Courier Mail on 24 June 2003 which reported that controversial changes to media ownership laws have hit another hurdle, with support growing among Senate minor parties and Independents for amendments to rein in large media organisations and that the Minister has offered additional funding to extend the ABC’s News Radio service into more regional towns.

(2) How much additional funding for the ABC has been offered to encourage support for the Broadcasting Services Amendment (Media Ownership) Bill 2002.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) The Government announced conditional support for further rollout of ABC News Radio. No funding figures were attached to that announcement. The final funding requirement would be determined after a planning and tender process.

United Nations Human Rights Commission  
(Question No. 2121)

Mr McClelland asked the Attorney-General, upon notice, on 26 June 2003:

(1) In respect of the second meeting of the United Nations Ad Hoc Committee considering a Convention on the Rights of Persons with Disabilities (a) who was on the Australian delegation, (b) in which activities did the Australian delegation participate during the second meeting, and (c) what were the outcomes of this meeting.

(2) Has the Government submitted views on the proposed Convention to the United Nations in response to the request of the General Assembly in its resolution 57/229; if so, (a) can he provide a copy of the document sent to the United Nations containing these views or explain what were the views expressed by the Australian Government, and (b) do these remain the views of the Government.

(3) Does the Government support the development and adoption by the United Nations of a Convention on the Rights of Persons with Disabilities?

Mr Williams—The answer to the honourable member’s question is as follows:

(1) An Australian delegation attended the second Ad Hoc Committee meeting, which was held in New York from 16 to 27 June 2003.

(a) The delegation included representatives from the Attorney-General’s Department, the Department of Family and Community Services, the Department of Foreign Affairs and Trade and the Department of Immigration and Multicultural and Indigenous Affairs. The delegation also included representatives from the Human Rights and Equal Opportunity Commission and the National Disability Advisory Council.

(b) The Australian delegation participated in all meeting activities, including sessions that reviewed the progress of work to date, panel discussions on priority themes and debate on proposals.

(c) The most significant outcome of the second Ad Hoc Committee meeting was agreement on a process to take this important work forward. The Ad Hoc Committee decided by consensus to
establish a Working Group which will prepare and present a draft text which will be the basis for negotiation at the Ad Hoc Committee. The draft text will take into account all contributions submitted to the Ad Hoc Committee and, where there are alternative approaches, the Working Group will present textual options that reflect those approaches.

The Working Group will comprise 27 government representatives designated by regional groups, 12 NGO representatives and a representative from a national human rights institution. The Working Group will meet inter-sessionally in the United Nations in New York early in 2004, and will present the outcome of its work on a draft text to the Ad Hoc Committee at its third session.

(a) A copy of the response is attached.
(b) The Government remains of the view that, in order to achieve the desired outcome of improving the position of people with disabilities, it is important to assess the rights set out in the existing human rights instruments and to identify any areas where protection needs to be strengthened or clarified. The Government has attempted to ensure that any new instrument embodies the best protection for the rights of people with disabilities.

(3) The Government’s constructive and supportive approach to the current negotiations is evidenced by Australia’s participation in both meetings of the Ad Hoc Committee. The Government remains committed to working towards the best way to ensure appropriate and effective protection for the rights of people with disabilities.

Outline for contributions and proposals for a convention
Australia has had a long standing commitment to promoting rights and equal opportunities for people with disabilities. The Australian Government is committed to eliminating discrimination on the grounds of disability and ensuring that people with disabilities are able to participate in the community to the greatest possible extent.

Australia has a comprehensive domestic legislative framework protecting the rights of people with disabilities and supporting their participation in the broader community. At the federal level, the Disability Discrimination Act 1992 (DDA) prohibits discrimination against people with disabilities in many areas of public life.

The DDA is also intended to promote the fuller participation of people with disabilities in public life. For example, the DDA gives the Attorney-General power to make disability standards in a range of areas. The object of disability standards is to clarify rights and obligations under the DDA, both for people with disabilities, and for providers to whom the Standards apply. Compliance with disability standards provides a defence to a complaint of unlawful discrimination, and a breach of the Standards.

At present, disability standards have been made in the area of public transport, and standards are currently underway in the areas of access to public premises and education.

Australia’s national human rights institution, the Human Rights and Equal Opportunity Commission (HREOC), has made an important contribution in this area by encouraging compliance with the DDA, raising awareness of disability discrimination issues and promoting education.

Industry and community organisations have also played a vital role by establishing partnerships to address disability discrimination issues. Examples of this can be seen in the areas of banking and telecommunications.
State and Territory anti-discrimination laws also prohibit discrimination against people on the
ground of disability, and have also assisted in ensuring the participation of people with disabilities
in public life.

Australia also has a range of policies, programmes and services designed to assist participation of
people with disabilities and to raise awareness of disability issues.

This degree of commitment means that Australia considers that any new initiatives need to ensure
strong protection for people with disabilities, and that they are appropriately targeted.

Views on the complementarity between a new instrument and existing international instruments

Standard Rules on the Equalization of Opportunities for People with Disabilities

Australia made a substantial contribution to the development of the United Nations Standard Rules
on the Equalization of Opportunities for Persons with Disabilities (the Standard Rules), including
providing the rapporteur for that process.

The Standard Rules provide a good framework for member States to formulate programmes to
meet the needs of people with disabilities. The Rules are concrete in form, they directly address
the issue of member State responsibility, and they include an independent and active monitoring
mechanism. The principles enshrined in the rules are broadly accepted by the disability
community. Given the high level of awareness and acceptance of these principles it would be
appropriate to build on these further.

Monitoring and evaluation of the existing international legal instruments, especially the
international human rights instruments

Australia has launched an initiative directed towards improving the effectiveness of the United
Nations human rights treaty monitoring bodies. In relation to their role in receiving complaints
from individuals, Australia is particularly concerned about the lack of adequate mechanisms to
filter out complaints that are clearly inadmissible, the long delays caused by multiple submissions
and inadequate reasons given for the views expressed.

The initiative aims to introduce best practice and consistency into the operations of the existing
treaty bodies. A great deal of progress has been made and the Committees have introduced some
much needed changes and are looking to make more. However there is a way to go. Therefore, it
is Australia’s strong view that the most appropriate approach would be to first thoroughly examine
all available options for strengthening and streamlining the existing human rights machinery to
improve the way in which existing treaty bodies deal with disability issues.

In this context, Australia is concerned that discussion is proceeding toward a convention in the
absence of an examination of what rights for people with disabilities are currently not protected
under existing instruments, and whether there are methods for closing these gaps that would not
take the length of time that the negotiation of a new convention would (for example, ensuring that
existing treaty bodies specifically deal with disability issues, or, if necessary, amending existing
instruments).

Referendum: Legislative Deadlocks

(Question No. 2124)

Mr Organ asked the Prime Minister, upon notice, on 26 June 2003:

(1) Is it the Government’s intention to conduct a referendum on a proposal to allow joint sittings of
both Houses of Parliament to pass legislation which has been repeatedly blocked in the Senate as
envisioned by him recently at the Liberal Party national conference.

(2) Will the Government include a proposal for the introduction of proportional representation for the
House of Representatives; if not, why not.
Mr Howard—The answer to the honourable member’s question is as follows:

(1) The government has committed itself to releasing a discussion paper on the way legislative deadlocks between the House of Representatives and the Senate are resolved under section 57 of the Commonwealth Constitution. As I stated in my address on 8 June 2003, if there appears to be a reasonable prospect of community support for a change to section 57 after three months of consultation, the government will consider whether to hold a referendum in conjunction with the next federal election.

(2) No. The government does not support a change to the method by which the House of Representatives is elected.

Aviation: Ticket Levy Collection
(Question No. 2125)

Mr Organ asked the Minister for Transport and Regional Services, upon notice, on 26 June 2003:
Can he explain why a constituent who has booked a flight with Virgin Blue after 1 July 2003 has been told by the carrier that it will not refund the $10 levy despite the fact that it no longer applies on the date of travel.

Mr Anderson—The answer to the honourable member’s question is as follows:
Under the Air Passenger Ticket Levy (Collection) Act 2001, the levy is payable at the time of ticket purchase, therefore passengers who book and pay for travel prior to 30 June 2003 will be subject to the levy. This mirrors the way the levy was administered when introduced on 1 October 2001, whereby only tickets purchased after that date were subject to the levy. Tickets purchased prior to that date for travel after 1 October 2001 were not subject to the levy.

Fuel: Ethanol
(Question No. 2126)

Mr Organ asked the Minister for Industry, Tourism and Resources, upon notice, on 26 June 2003:

(1) Is he aware of the article in the Sydney Morning Herald on 12 June 2003 that reported that Manildra Energy Australia Pty Ltd received ethanol subsidy payments of $17,132,670 to cover excise costs between 17 October 2002 and 31 May 2003.

(2) Is this the same company which Electoral Commission returns show donated $213,000 to the Coalition in 2001-2002.

(3) Can he explain why the Government has decided to impose excise on liquefied petroleum gas without providing a similar subsidy to an industry which involves over 2,000 small to medium enterprises employing tens of thousands of people.

Mr Hockey—The Acting Minister for Industry, Tourism and Resources has provided the following answer to the honourable member’s question:

(1) Yes, I am aware of the article. Under a contract between the Department of Industry, Tourism and Resources and Manildra Energy Australia Pty Ltd, ethanol production grants of $17,132,670 were made between 17 October 2002 and 31 May 2003.

(2) Australian Electoral Commission Records show that Manildra Flour Mills Ltd donated $241,091 to the Coalition parties in 2001-2002. Manildra Flour Mills Pty Ltd belongs to the same group of companies as Manildra Energy Australia Pty Ltd which is in receipt of the ethanol production grants. Australian Electoral Commission Records show that the Australian Labor Party also received donations from Manildra Flour Mills Pty Ltd totalling $55,455 over the same period.
(3) As part of the 2003-04 Budget, the Treasurer announced that all untaxed fuel, including LPG, CNG, LNG, biodiesel and ethanol, will be brought into the excise (and customs) system from 1 July 2008 when used in internal combustion engines. In other words, the excise treatment of LPG will have the same basis as that for ethanol beginning 1 July 2008. Ethanol is already subject to excise and customs duty now; while LPG is not. This will not change until 1 July 2008.

These changes to the fuel excise system provide a more consistent and robust tax regime for fuels and allow fuels to compete on their commercial merits, not on their tax treatment. Generous transition arrangements give currently effectively untaxed fuels an opportunity to establish their role in the market. The Government’s position is that fuels should ultimately compete on their commercial credentials. Final excise rates to apply from 2012 will be determined later this year and will have regard to the energy content of fuels.

Health and Ageing: Aged Care
(Question No. 2127)

Ms Ellis asked the Minister for Ageing, upon notice, on 26 June 2003:

(1) In respect of the Aged Care Approvals Round (Residential Care Places), how many provisional allocations are more than two years old.

(2) With respect to the provisional allocations referred to in part (1), what is the name and address of each recipient by (a) electoral division and (b) aged care planning region.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) At 31 December 2002, there were 1,302 provisionally allocated residential care places that were allocated more than two years previously.

(2) The recipients of allocations of aged care places are approved providers under the Aged Care Act 1997. The Department does not routinely maintain details of the electorates or Aged Care Planning Regions in which approved providers have their registered business addresses or postal addresses.