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Thursday, 11 September 2003

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

INTERNATIONAL TAX AGREEMENTS
AMENDMENT BILL 2003

First Reading

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

Second Reading

Mr COSTELLO (Higgins—Treasurer)
(9.01 a.m.)—I move:

That this bill be now read a second time.

This bill will provide legislative authority for
the domestic entry into force of two new
comprehensive taxation treaties with:

• first, the United Kingdom of Great
  Britain and Northern Ireland; and

• also, the United Mexican States.

• The bill will repeal schedules 1 and 1A
  of the International Tax Agreements Act
  1953 and insert the text of:
  • the 2003 United Kingdom tax treaty (in-
    cluding the text of the associated ex-
    change of notes) as schedule 1; and
  • the Mexican tax treaty as schedule 47.

• The bill also makes a number of conse-
  quential amendments to the Income Tax
  Assessment Act 1936, the International Tax
  Agreements Act 1953 and the Taxation (In-
  terest on Overpayments and Early Payments)
  Act 1983.

The treaties between Australia and Mex-
ico and Australia and the United Kingdom
were signed on 9 September 2002 and 21
August 2003 respectively.

Details of the treaties were announced and
copies were made publicly available follow-
ning the date of signature.

The government believes the conclusion
of the Mexican tax treaty will strengthen
trade, investment and wider relationships
between Australia and Mexico.

The 2003 United Kingdom tax treaty re-
flexes the close economic relations between
Australia and the United Kingdom and is a
major step in facilitating a competitive and
modern tax treaty network for companies
located in Australia.

The new treaty will substantially reduce
the withholding tax on certain dividend, in-
terest and royalty payments in line with out-
comes achieved in the recent amending pro-
tocol to the United States treaty. This will
provide long-term benefits for business, mak-
ing it cheaper for Australian based busi-
ness to obtain intellectual property, equity
and finance for expansion.

It will significantly assist trade and in-
vestment flows between the two countries
and further demonstrates the government’s
commitment to update ageing treaties with
major trading partners as recommended by
the Ralph report and Review of Business
Taxation. The treaty will produce a positive
economic outcome for Australia. Gains in-
clude a larger and faster growing Australian
economy with flow-on effects on employ-
ment, trade and investment.

The new treaties achieve a balance of out-
comes that will provide Australia with a
competitive tax framework for international
trade and investment, while ensuring the
Australian revenue base is sustainable and
suitably protected.

Both the Mexican tax treaty and the 2003
United Kingdom tax treaty will enter into
force on the last of the dates on which Aus-
tralia and the respective treaty partners ex-
change notes through the diplomatic channel.
These notes advise each country that all do-
metric requirements necessary to give the tax
treaty the force of law in the respective coun-
tries have been completed.
The enactment of this bill, and the satisfaction of the other procedures relating to proposed treaty actions, will complete the processes followed in Australia for those purposes.

This bill also includes an amendment to the International Tax Agreements Act 1953 clarifying the operation of the dividends articles in Australia’s double tax treaties. The need for this clarification follows the introduction of Australia’s debt equity rules in 2001.

The proposed amendment will ensure that amounts that are treated as a return on debt under the debt and equity rules are taxed at interest withholding tax rates and not dividend withholding tax rates. This conforms to the internationally accepted view that the dividends article of a treaty applies to equity interests and the interest article applies to debt interests.

Full details of the amendments are contained in the explanatory memorandum. I present the explanatory memorandum to this bill and commend the bill to the House.

Debate (on motion by Mr Swan) adjourned.

CRIMES (OVERSEAS) AMENDMENT BILL 2003
First Reading
Bill presented by Mr Williams, and read a first time.

Second Reading
Mr WILLIAMS (Tangney—Attorney-General) (9.02 a.m.)—I move:

That this bill be now read a second time.

The purpose of the Crimes (Overseas) Amendment Bill 2003 is to protect Australians who are sent overseas by or in connection with the Commonwealth, by extending Australian criminal jurisdiction over Australians in certain situations. These situations would generally be humanitarian or security operations.

The bill aims to close the criminal law jurisdictional gap that currently exists for certain Australians with diplomatic or consular immunities or with immunities that arise from a person’s relationship with an international organisation.

The Crimes (Overseas) Act 1964 currently provides that certain Australian criminal laws apply to conduct committed by Australians, other than Australian Defence Force members, who are serving overseas under an arrangement between the Commonwealth and the United Nations and who have immunity from prosecution in the country in which the particular conduct in question occurred.

Over recent years, the Australian government has deployed increasing numbers of Australian civilians on overseas operations.

The changing nature of these deployments means that the terms of the Crimes (Overseas) Act 1964 are no longer broad enough to protect many Australian civilians on overseas deployments, nor does it adequately address the jurisdictional gap that has been created by the granting of various immunities to Australians in foreign countries. At the moment there may be situations where Australians have been granted immunity from prosecution in the foreign country in which they are deployed, and there is no applicable Australian criminal jurisdiction. In this situation, Australians would be unable to be prosecuted for crimes which were committed in that foreign country.

The bill extends the operation of the act so that Australian criminal jurisdiction will apply to Australian citizens and permanent residents in four situations.

Firstly, the bill will extend the act to cover the jurisdictional gap that currently applies to Australians who have been granted diplomatic and consular immunities or who have
been granted immunities due to their relationship with an international organisation.

In situations where an Australian commits an offence for which he or she is immune in a foreign country, Australia may choose to waive the person’s immunity to allow the foreign country to prosecute.

However, in situations where Australia does not waive the person’s immunity, Australia is currently unable to exercise broad criminal jurisdiction over that person and prosecute most offences.

Secondly, the bill will extend the operation of the act over Australians who are in a foreign country under an agreement or arrangement between Australia and the United Nations (or an organ of the United Nations) or between Australia and a foreign country where Australians who may have committed an offence are immune from prosecution in the foreign country for that offence.

Thirdly, the bill will extend the operation of the act to Australians who are in a foreign country under an agreement or arrangement between Australia and the United Nations or an organ of the United Nations or between Australia and a foreign country which has been declared by regulation to be a ‘declared foreign country’ for the purposes of the act.

Fourthly, the bill will extend the operation of the act to Australians who are in a foreign country in connection with Commonwealth activities, where that foreign country has been prescribed by regulation to be a ‘declared foreign country’.

Australia is involved with a number of overseas operations at this time. These deployments involve a large number of civilians.

While Australian jurisdiction over members of the Defence Force is addressed in other legislation, Australian civilian personnel, including members of the Australian Federal Police, who are deployed by the Commonwealth may be vulnerable to prosecution by criminal justice systems that fall short of Australian standards.

The bill ensures that Australian civilian personnel deployed by the Commonwealth will be protected by the guarantees of the Australian judicial system.

The bill also resolves a technical problem with the current application of Australian criminal jurisdiction to persons to whom the act applies.

The bill applies the substantive criminal law of the Jervis Bay Territory extraterritorially, which is the same approach as that adopted by the Crimes at Sea Act 2000.

The bill also allows regulations to be made with retrospective application to 1 July 2003 for three months following royal assent where those regulations prescribe a country to be a declared foreign country for the purposes of the act.

This is to enable regulations to be made declaring Iraq and the Solomon Islands to be declared foreign countries for the purposes of the act with retrospective effect to 1 July 2003.

The extension of Australian criminal jurisdiction retrospectively to 1 July 2003 over Australian civilians deployed to Iraq and the Solomon Islands ensures that those civilians will be protected by the extension of Australian criminal jurisdiction over offences committed since 1 July 2003.

On 26 June 2003, I released a joint media statement with the Minister for Justice and Customs and the Minister for Foreign Affairs, stating that Australian criminal jurisdiction would be extended to Australian civilians serving in Iraq from 1 July 2003. The extension of Australian criminal jurisdiction, particularly to those personnel in Iraq and the
Solomon Islands, will ensure that Australia is in the best position to protect Australians deployed to these countries. These amendments aim to ensure that, in situations where Australian civilians may face prosecution for acts committed while they were on operations overseas, they face prosecution in Australian courts, under Australian criminal jurisdiction. I commend the bill to the House and present the explanatory memorandum for the bill.

Debate (on motion by Mr Swan) adjourned.

ENERGY GRANTS (CLEANER FUELS) SCHEME BILL 2003

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.12 a.m.)—I move:

That this bill be now read a second time.

The Energy Grants (Cleaner Fuels) Scheme Bill 2003 establishes the Energy Grants (Cleaner Fuels) Scheme that provides for payment of a cleaner fuels grant to importers and manufacturers of cleaner fuels.

This bill delivers on two measures in the 2003-04 budget. The first of these relates to fuel tax reform and the second to the cleaner fuels component of the Energy Grants (Credits) Scheme in line with the Measures for a Better Environment commitment to encourage conversion from the dirtiest fuels to the most appropriate and cleanest fuels.

Under the provisions of the bill, an entity will be entitled to a cleaner fuel grant if it imports or manufactures biodiesel or certain other cleaner fuels.

The cleaner fuel grant will offset the customs excise duty payable on biodiesel, such that the current effective excise rate of zero for pure biodiesel is continued, with this being extended to the biodiesel components of blends, until 30 June 2008. The grant will be reduced in five even annual instalments from 1 July 2008 to 1 July 2012, raising the effective excise rate from zero, before 1 July 2008, to its final rate.

A cleaner fuel grant will also apply to domestically produced and imported ethanol from 1 July 2008. The grant rate for ethanol will also be reduced in five even annual instalments from 1 July 2008 to 1 July 2012, raising the effective excise rate from zero, before 1 July 2008, to its final rate.

These measures are part of the government’s long term reform of existing fuel tax arrangements whereby all currently untaxed fuels used in internal combustion engines will be brought into the excise (and customs) duty system by 1 July 2008. The reforms establish a broad sustainable taxation framework for fuels by addressing a number of anomalies in the current fuel tax system and providing increased long-term certainty for investors while meeting government commitments and providing time for industry to adjust.

The reforms will establish a fairer and more transparent fuel excise system with improved competitive neutrality between fuels. They will provide the opportunity for currently untaxed fuels to establish their commercial credentials in the marketplace. The reforms fulfil the government’s commitments concerning the tax treatment of fuels and deliver on the Measures for a Better Environment commitment to encourage the production of alternative and renewable fuels.

From 1 January 2006, the government will provide grant payments for the production or import of premium unleaded petrol with less than 50 parts per million sulfur for a period...
of two years. Similar arrangements will be implemented for diesel with less than 10 parts per million sulfur from 1 January 2007.

These measures will encourage the production of higher quality fuels before they are mandated under the provisions included in the Fuel Quality Standards Act 2000. The initiative will be reviewed in the period prior to implementation to ensure that it aligns with the timing of new fuel standards and market conditions.

The Energy Grants (Cleaner Fuels) Scheme will be administered under the administrative and compliance framework contained in the Product Grants and Benefits Administration Act 2000. Claimants will be responsible for correctly self-assessing their entitlements and maintaining records to substantiate their entitlements.

The Energy Grants (Cleaner Fuels) Scheme will apply from 18 September 2003.

I commend this bill to the House and present the explanatory memorandum for the Energy Grants (Cleaner Fuels) Scheme Bill 2003 and the Energy Grants (Cleaner Fuels) Scheme (Consequential Amendments) Bill 2003.

Debate (on motion by Mr Swan) adjourned.

ENERGY GRANTS (CLEANER FUELS) SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2003

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.18 a.m.)—I move:

That this bill be now read a second time.

The Energy Grants (Cleaner Fuels) Scheme (Consequential Amendments) Bill 2003 is a companion bill to the Energy Grants (Cleaner Fuels) Scheme Bill 2003.

The purpose of this bill is to amend a number of acts to facilitate the enactment of the Energy Grants (Cleaner Fuels) Scheme.

Full details of the measures in this bill are contained in the explanatory memorandum already presented to the House.

I commend this bill to the House.

Debate (on motion by Mr Swan) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 8) 2003

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.19 a.m.)—I move:

That this bill be now read a second time.

The Taxation Laws Amendment Bill (No. 8) 2003 makes amendments to the income tax law and other laws to give effect to several taxation measures.

Schedule 1 to this bill amends the imputation rules in the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 to ensure non-share dividends can be franked in the manner intended by parliament. The amendments will ensure that entities can take into account expected profits when calculating if sufficient profits are available to frank a non-share dividend.

The amendments in schedule 2 provide a number of enhancements to the consolidation regime which will further clarify the cost setting rules and ensure that the income tax law that applies to head companies of consolidated groups also applies to the head
companies of multiple entry consolidated groups. In addition, this bill introduces rules to permit the transfer of any unapplied excess franking deficits tax offset from joining entities to the head company.

These amendments have retrospective effect to 1 July 2002, which is the date of commencement of the consolidation regime. The amendments are beneficial to taxpayers or correct unintended outcomes. The amendments to address unintended outcomes are consistent with the original policy intent for the consolidation regime and therefore have the same commencement date as the consolidation regime.

Schedule 3 will provide an income tax deduction for taxpayers entering into certain types of conservation covenants with government entities. This is in addition to the existing deduction for taxpayers entering into eligible conservation covenants with deductible gift recipients and prescribed private funds.

The amendment will provide land-holders with greater incentives to protect and manage their land for conservation purposes.

Schedule 4 to this bill amends the Fringe Benefits Tax Assessment Act 1986 to maintain alignment between the deemed depreciation rate used under the operating cost method for valuing a car fringe benefit and the rate used for depreciation purposes under the income tax provisions.

The amendments in schedule 5 amend the gift provisions of the Income Tax Assessment Act 1997 to remove the requirement to have a winding up clause as part of the endorsement provisions for statutory bodies that are established by the Commonwealth parliament in perpetuity.

Schedule 6 to this bill will make it easier for primary producers to determine if an entity is eligible to issue farm management deposits. The amendments also protect the tax status of certain pre 1 July 2003 deposits and transfers that were made in good faith with non-complying entities offering products described as farm management deposits.

Schedule 7 will amend the imputation rules in the Income Tax Assessment Act 1997 to allow companies to offset a franking deficit tax liability against any future income tax liabilities. There are rules for both ordinary companies and life companies. These amendments are a further component of the simplified imputation system that commenced on 1 July 2002.

The rules will generally operate in a similar manner to the former franking deficit tax offsetting rules in the Income Tax Assessment Act 1936. However, a change as previously announced by the government is the replacement of the franking additional tax with a simplified penalty for over-franking. This penalty will apply to reduce a company’s franking deficit tax offset entitlement against future income tax liabilities by 30 per cent where there is over-franking.

Full details of the measures in this bill are contained in the explanatory memorandum.

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

Debate (on motion by Ms Macklin) adjourned.
The bill makes consequential amendments to the Income Tax Assessment Act 1936 and the Superannuation Contributions Tax (Assessment and Collection) Act 1997 to provide for the tax consequences of the election commitment of the government to allow members to split both their personal and their employer superannuation contributions with their spouses. The exact details of how the splitting measure will operate will be specified under regulations.

Contribution splitting is a key element of the government’s superannuation reforms. It will assist families to maximise the benefits available in superannuation and provide an avenue for spouses to share their superannuation benefits. This is important for families with only one working spouse in the home or where one spouse receives a low income. The splitting of superannuation contributions will benefit many families. It will particularly assist low-income or non-working spouses to have superannuation assets under their own control and to have their own income in retirement. This measure is expected to benefit women in particular. It will provide single-income couples, including those not able to make voluntary contributions, with access to two eligible termination payments, low-rate thresholds and two reasonable benefit limits in the same way as dual-income families.

For taxation purposes, the contributions which are split and paid to another fund or transferred to an account for an existing fund for a spouse will be considered an eligible termination payment rollover. Also, any surcharge liability that attaches to those contributions will remain with the splitting spouse and generally will be payable by the superannuation provider who received the original contribution. I commend this bill to the House and I present the explanatory memorandum.
CHAMBER

It will provide minimal disruption to the operation of the high commission as the existing facility will continue operation until the new facility is fully constructed and operational. Following completion and occupation of the new chancery, the current chancery property will subsequently be sold.

The proposal will deliver a modern, fully functional two-storey building to accommodate the Department of Immigration and Multicultural and Indigenous Affairs and the Australian Trade Commission on the ground floor, with the Department of Foreign Affairs and Trade and AusAID occupying the upper floor. The ground floor will include a multi-use facility capable of providing for official receptions, exhibitions and trade displays, meetings, lectures and business missions.

In its report, the Public Works Committee has recommended that this project proceed. Subject to parliamentary approval, construction is scheduled to commence in May next year, with practical completion and occupation in the second half of 2005. The estimated out-term cost of the proposal is $11.19 million. On behalf of the government, I would like to thank the committee for its support, and I commend the motion to the House.

Question agreed to.

BILLS RETURNED FROM THE SENATE

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

Education Services for Overseas Students (Registration Charges) Amendment Bill 2003

COMMITTEES

Public Accounts and Audit Committee

Membership

The SPEAKER (9.29 a.m.)—I have received a message from the Senate acquainting the House that Senator Conroy has been discharged from the Joint Committee of Public Accounts and Audit and Senator Hogg has been appointed a member of the committee.

FAMILY AND COMMUNITY SERVICES (CLOSURE OF STUDENT FINANCIAL SUPPLEMENT SCHEME) BILL 2003

Cognate bill:

STUDENT ASSISTANCE AMENDMENT BILL 2003

Second Reading

Debate resumed from 26 June, on motion by Mr Anthony:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (9.30 a.m.)—I thank the shadow minister for family and community services for giving me the opportunity to lead this debate on the Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003. It is primarily a bill about the government’s desire to close a decade-old program which gives students the option to access additional funds to finance their studies through government provided loans. The Student Financial Supplement Scheme was introduced in 1993 to provide flexibility to students who were in need of extra cash to undertake their studies. It is entirely voluntary, and students can take up this option if they so wish.

The Student Financial Supplement Scheme has two forms. Category 1 loans allow students receiving income support to trade in $1 of grant for $2 of loan. This allows them to increase their income by up to $3,500 a year or $135 per fortnight, and provides options in balancing study with employment. Students who are ineligible to access income support and whose parents earn less than $64,500 are able to access a category 2 loan of up to $2,000 a year. The scheme does fill a vital need for students requiring additional income support and provides an extra option for students to suit their needs.
individual circumstances. The closure of this scheme, in our view, will not benefit a single student anywhere in the country, and it will penalise around 40,000 students a year who rely on this money to study.

I am sure many colleagues on both sides of the parliament have received letters from anxious constituents who have been sent letters by Centrelink informing them that if this bill is passed a vital source of income will be cut off. Many people who have contacted me have told me that without this income they will not be able to afford to finish their studies—that is how serious the closure of the scheme will be. Students are saying that they would be forced to leave university if the scheme were abolished. The very possibility that abolishing this scheme would mean that people could not finish their studies should stop the government in its tracks. This bill should not proceed for that reason.

Just the week before last I was in Brisbane and a female university student asked me to do whatever I could to save this scheme. She said to me that without the scheme she will not be able to continue her studies. She is a mature age student, she has a family, she has responsibilities and she will not be able to continue her university studies if the scheme is abolished—as the government wants to do. Of course, there are tens of thousands of people like this woman who are waiting on the outcome of this debate—tens of thousands of Australians who are not sure if they will be able to meet their living costs next year and continue their studies if this bill is passed.

A report on student financial assistance was done by the Australian Vice-Chancellors Committee called *Paying their way*, which was based on the survey responses from 35,000 students. That report found that students are very positive about this scheme. Some of the students who were surveyed about the Student Financial Supplement Scheme said:

If I was not able to receive the supplementary loan I would not be able to attend university.

That is pretty straightforward. Another said:

I could not have done this course without the assistance of an $8,000 government loan.

In summary, students are saying to the Vice-Chancellors Committee, the government and the opposition that the Student Financial Supplement Scheme makes a difference to students’ lives. These students must have the chance to finish their studies without this vital financial rug being pulled out from under them. That is what will happen if this bill gets through. The best way of summing this up is that life decisions are hanging in the balance here—life decisions that will have a direct impact on the capacity of students to get a qualification, which of course will also affect their job prospects, skills and knowledge.

The bill, if it does get through the parliament, will deny thousands of Australians these opportunities. We certainly do not want to see people being forced to pull out of their studies as a result of this bill getting through. Labor will oppose the closure of this scheme and will not support this legislation. The Student Financial Supplement Scheme does fill a very important role for many students who we know are struggling to balance their studies with the demands of having to work to pay the daily bills that each and every one of them has. Under the Howard government, we do know that studying is becoming very tough for many students. It is reported regularly in the newspapers that poverty amongst university students has reached unprecedented levels as students are struggling to pay for the basics—food, rent, transport, books and fees. At many universities now we have soup kitchens or regular barbecues being set up by the student unions to feed hun-
The reality for many students at university today. Students are under enormous financial strain because of inconsistent forms of support from this government.

The Vice-Chancellors Committee report *Paying their way* found that between 1984 and 2000 the proportion of university students who work during semester increased by nearly 50 per cent, from around one in two students to nearly three out of four. And we are not talking about a few hours here and there to earn a bit of pocket money. These are serious commitments of time, with the average student working just under 20 hours a week during semester and nearly 27 hours a week at other times. Not surprisingly, over three-quarters of students working during semester report that it is having an adverse impact on their studies.

It is not only the Vice-Chancellors Committee telling us this. Research that has been commissioned by the Department of Education, Science and Training confirms these very worrying problems. *Managing study and work* is a report completed by the University of Melbourne and it is another report the minister decided to sit on. He sat on this report for most of last year in an effort to avoid scrutiny on this issue. The report found that nearly half of the students involved in the study described themselves as being under a lot of immediate financial pressure. A third of them said they had seriously considered ceasing their enrolment at university in order to earn more money, and a quarter of students indicated that they chose their classes to suit their work commitments rather than the other way around.

Whenever I go to universities and talk to students about the issues that confront them, they constantly tell me that many of them are unable to cope with the daily difficulties of trying to combine earning money to meet their costs of living with their study commitments. They feel ground down by what can only be described as the never-ending struggle to find enough money for food and rent. At the University of Adelaide a few months ago, a very bright young law student told me that the most pressing issue in her life was not her studies but finding the money to pay the bills. She enrolled in courses that fitted her work schedule, cramming her classes into one day so that she could work the rest of the week—four days of full-time work—leaving her barely any time, let alone energy, for doing her studies. I met another student, also from Adelaide, studying for a double degree in management and finance. This is a particularly tough story. This young student is doing the right thing by his mother. His mother looks after two of his brothers, one of whom is intellectually disabled. He is trying to do his university course while juggling part-time work and trying to do everything he can to help his mother by paying for board and his other expenses. These are the students that desperately need additional financial support. They do not need to lose a scheme that provides some help to them.

All of us know that we should have a student support scheme that enables young people to focus on their studies to make sure that they are able to learn and acquire the skills that will help them become the business community leaders of the future. We do not want them falling asleep in class. How many times have we been told by university lecturers that the direct result of students being under so much financial pressure is that they miss classes and fall asleep in class because they just do not have the time to fit in the amount of paid work they need as well as sleep? While it is reasonable to expect students to do some part-time work—and I do not think anyone would say that was not reasonable—we cannot expect them to work to
the point of exhaustion or to take jobs that are compromising their studies. The picture is very grim for those students who are finding it difficult to make ends meet. It is having a serious impact on the quality of their education. This is certainly not a recipe for high-quality, rewarding learning or teaching.

It is no wonder that the number of Australians starting a degree has dropped for the second year in a row. This is a very serious state of affairs for a country that wants to build its future on a highly skilled workforce. Between 1995 and 2000, Australia had the second lowest increase in the rate of enrolment in universities in the OECD. Only Turkey performed worse. What an achievement by this government! This year alone there was a drop of 4.7 per cent in the number of Australians starting a university degree. You would think that these figures would be a wake-up call to the government, but instead the government wants to increase the financial burden on students. This government wants to make it even harder by reducing options such as this scheme that help students manage their living costs.

In contrast, Labor have announced that we will keep this voluntary scheme and will extend existing systems of financial support to relieve the burden on students. We will be moving substantive amendments to this legislation when it gets into the Senate to give effect to two important elements of Labor’s higher education policy, Aim Higher, our $2.34 billion plan for universities and technical and further education institutes. There are two particular amendments that we want to move in the Senate. We intend to move amendments, firstly, to extend rent assistance to Austudy recipients and, secondly, to progressively lower the age of independence for students on youth allowance from the current age of 25 years to 23 years. These substantive amendments will also maintain the Student Financial Supplement Scheme and require the government to provide students considering a loan with meaningful information about the effective interest rate on loans. We want to make sure that students are fully informed in the decisions they make about the scheme.

Today in the House I will move the second reading amendment which has been circulated in my name. The amendment calls on the government to adopt four important policies: extending rent assistance to Austudy recipients, lowering the age of independence from 25 to 23, making sure that students have the option to take out a loan under the Student Financial Supplement Scheme, and making sure that students are fully informed of the conditions of the loan. I say to the government that it is extremely important that they do more, not less, to help students who are struggling to cope with mounting costs while studying by supporting the amendments which Labor will move in the Senate.

On this side of the House we believe that students need better support if they are to get the best out of their study and, of course, if our country is to get the best out of them. Currently, students who receive Austudy are ineligible for rent assistance. This means that students are forced to work excessive hours as they struggle to pay their bills and find time to study. Under the current system, an unemployed person who rents gets more under Newstart than a student in similar circumstances gets under Austudy. Somebody who is 25 years or over gets more government support if they are unemployed than if they are a full-time student. This is a serious disincentive to older Australians—not that a 26-year-old is really old—undertaking study and, in our view, sends perversive and very conflicting signals to students and to prospective students as well.
Not only are prospective students faced with the additional costs associated with their studies, under the current government arrangements they also suffer an immediate cut of up to $90 a fortnight in their income if they decide to transfer from Newstart to Austudy, when they particularly want to equip themselves with the education and skills that they need to succeed. Not only is this incredibly unfair on those Australians trying to get ahead, but it is certainly working against our national interest. We must create incentives for people to fulfil their potential, not do what these arrangements do—that is, put barriers in the way of people who are trying to make the most of themselves by financially penalising them.

We also have the absurd situation where two students sitting next to one another on the same course, with the same income and the same living expenses, receive a different level of financial support because one is 24 and the other is 25. I would like the government to explain to the 25-year-old in the classroom why they need $90 a fortnight less than the student next to them. Labor’s amendment will make financial assistance fairer by extending rent assistance to Austudy recipients. This will benefit about 15,000 students a year at a cost of $70.5 million over four years.

We will be moving an amendment to lower to 23 the age of independence for students on Youth Allowance. As soon as this government was elected, it increased the age of independence for students on Youth Allowance to 25. We now find that far too many Australian families are feeling the strain of financially supporting their children well into adulthood while they are studying. This amendment will certainly ease that strain for tens of thousands of Australian families who are still supporting their children until the age of 25. It is absurd that the government expects parents to continue to support their children until they are 25 if they are studying. I do not think that anyone thinks that 24-year-olds are children any more.

Labor’s amendment will put our Aim Higher policies into practice—that is what we will be seeking to do. We are seeking to convince the government that these are good policies that Labor has put forward in the interests of university students. I say to the government: have a serious look at them; consider the needs of university students and make sure that not only do we not close the scheme that is a part of this bill but also that we take the opportunity to extend further assistance to students who are in desperate need of additional support. Unfortunately, the government is seeking to withdraw options for students to finance their studies. That is what will happen if the government is successful in abolishing the Student Financial Supplement Scheme. By contrast, Labor is putting forward proposals that would see additional support provided to students to ease the burden and would make sure that going to university is in fact more appealing, more rewarding and more possible for those students who are under significant financial pressure.

We are still waiting to see the bill with the government’s proposed university changes. We thought we might see it yesterday. We were told it was going to come out yesterday, but goodness knows where it is. Whether it is lost or whether the minister just cannot bring himself to introduce it because he has realised it is so shocking—whatever the reason is, we still have not seen this legislation. We know what the government want to do, of course. They announced it four months ago, even though they still have not got the bill into the parliament. The government want to increase the amount that can be charged to university students. They want to allow universities to increase their fees by up to 30 per
There has already been a massive increase in the HECS fees that the government charges to university students. If this gets through, a basic science degree at university will cost $21,000. Imagine as a 21- or 22-year-old starting your working life with a debt of $21,000. They also want to massively expand the number of degrees at university that cost the full amount. The Vice-Chancellor of the University of Melbourne came clean and said that a medical degree under this scheme of the government’s would cost $150,000. I gather the minister, who has a medical degree, said that he would not have been prepared to pay $150,000, but he is more than happy to make it possible for other Australian undergraduates to face those sorts of debts at the end of their university education.

Labor will of course not be agreeing to any of these measures that maybe one day the government will get around to introducing. We will do everything that we possibly can to prevent this government imposing further debts on Australian students and their families. Far too many senior secondary students are telling me that these fees will put them off going to university. None of us should kid ourselves that students are not put off by the idea of a $20,000 or $30,000 debt at the start of their working lives. They know what that means for them. They know how hard it will be to get a housing loan. Many raise such issues with me. In Launceston last week a young fellow talked to me about what it would mean to him starting a family. These are the serious implications that this government has to take responsibility for. They are the direct result of it continuing to hike up the fees that university students face. I cannot understand why we still do not have this legislation. It was announced in May, four months ago. The minister has had 18 months of consultation on the whole thing.

Ms MACKLIN—Maybe he is embarrassed. Maybe he had a look at the polling that was done by the University of Western Sydney that showed that half the people polled would take this into account at the next election. Maybe the government is starting to figure out that the people of Australia—actually the families of Australia, the mums and dads—want to make sure their children can go to university and not be loaded up with massive levels of debt, so maybe that is it. Maybe the government has realised how bad this legislation will be for Australian students and their families—we can only hope.

We have had one key Independent senator already signalling that the education minister’s disorganisation and delays have jeopardised full consideration of the legislation before the end of this year. This is an extremely serious development. Each and every one of us knows that universities are in desperate need of additional funding, even if it is the limited amount of funding that is involved in the government’s package. Let us at least try to get this limited amount of funding into universities, but at the rate at which the government is going they will not even get that. I notice the education minister is not even down to speak on this very important bill. It might be a family and community services bill but it is entirely about making sure that students are able to go to university and still pay the necessary bills that each and every one of us has to pay. So I would say to the education minister: ‘If you’re serious about caring about students being able to go to university and continue their studies, get down here and defend what this government is doing, which is attempting to close an important scheme that has given students the option to continue their studies.’ I would say as well to the minister, ‘For goodness sake, release the legislation on the broader changes that the government is seeking to make so
that we can at least get the desperately needed funding into the universities.’

We want the money to flow to universities. We certainly will not agree to any increases in fees for students but we, like the universities, want to see the additional money getting to the universities to relieve some of the pressure that they are under. Surely, as I would say to the minister for education and the Minister for Family and Community Services, the fact that many students are saying—and I am sure they are saying it to government members, as they are to opposition members—that they will have to stop studying if this bill is passed should rouse some support from this education minister. I know he does not get out and talk much about higher education because he knows how unpopular his policy is, but even this minister should be roused into some sort of response to what will be a very serious problem if this bill gets through and the Student Financial Supplement Scheme is abolished. Minister, listen to what the students are saying: they are saying that they will have to give up their studies if they are not given the opportunity to take up loans as a result of this scheme; make sure that they can at least continue their education; have another think about the very serious implications of hiking up university fees because of the impact that it will have on students in the future and on their families, who of course try to do everything they can to support their students; and support the amendments which Labor will move substantively in the Senate.

I certainly call on government members to support the second reading amendment which I now move:

That all words after “That” be omitted with a view to substituting the following words:
“the House rejects the Bill and calls on the Government to:

1. maintain the student financial supplement scheme in recognition of the hardship faced by struggling students and their families;
2. reduce the age of independence for Youth Allowance from 25 to 23;
3. extend rent assistance to Austudy recipients; and
4. provide meaningful information to students on how the supplement compares to commercial loan products including the full range of effective interest rates applying to the supplement”.

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

Mr Swan—I second the amendment and reserve my right to speak.

Mr LINDSAY (Herbert) (9.58 a.m.)—So why is it that I am not surprised that the Australian Labor Party is opposing the closure of the student financial supplement scheme?

Ms Macklin—Because you’re out of touch.

Mr LINDSAY—Why is it that I am not surprised? I think there is a key point, that the loans provided under this scheme to students have an effective interest rate of 16 per cent. Sixteen per cent—starting to get the picture now? Who is the party of high interest rates? The Australian Labor Party. Who had home loan interest rates up at 17 per cent? Who had student loan interest rates at 16 per cent? The Australian Labor Party. Well, the member for Jagajaga says I am out of touch but I can tell you that students do not like interest rates of 16 per cent.

The interesting thing is that the Labor Party claims doom and gloom if this scheme is closed, but what it does not recognise is that students, in reducing numbers year by year, are not taking out the loans: they are deciding that they do not need them and that there are other ways that they can provide for themselves. One of the reasons this particular piece of policy is being withdrawn by the
government is because the demand is not there out in the market. More than that, it is bad public policy for the taxpayers because half of the loans are not being repaid at all. We have a piece of public policy which says to a student: ‘We will give you a loan. Here are the terms and conditions of repayment,’ and then it does not get repaid. A responsible government would not allow that kind of public policy to continue and that is one of the reasons why this particular piece of legislation is before the parliament this morning.

The government announced and gave warning to students and the higher education sector on 24 April this year that it would be closing the Student Financial Supplement Scheme. It will be closing it because it is not giving good outcomes for students or for Australian taxpayers. The Labor Party does not seem to worry about that. I think that to be a responsible member of the Australian parliament or a member of the government you have to have legislation that does deliver good outcomes for students and for Australian taxpayers. The current repayment arrangements under the bill will not be affected by the closure of the scheme. The scheme is scheduled under the bill to close on 1 January next year and the government is closing the scheme in response to increasing levels of bad and doubtful debt and the reduced take-up of the loans. I note that, since the introduction of Youth Allowance in 1998, the take-up of the scheme has declined by one-third and, on the latest available figures, it continues to decline.

It is instructive to see what others say about this particular piece of legislation. The National Union of Students—not a group that is normally terribly supportive of the Howard government—have reacted positively and they have indicated that the government is heading in the right direction with this particular bill, and so have the Australian vice-chancellors. Again some could argue that at times they are not particularly supportive of the government, but currently, with the higher education reform package, they are extraordinarily supportive of the government.

I find the position of the Australian Democrats very interesting. Senator Natasha Stott Despoja, who is the higher education spokesman for the Democrats, said that she has previously expressed concerns about this scheme because of its inequitable nature. She said that it is poorly designed policy that increases the debt of students who are in the worst financial position. She said that many students have been forced to take out these loans because student income support is too low and access is highly restricted. If that is the case then something positive should be done about that; we should not just stay with a piece of policy that is inequitable. Senator Stott Despoja concluded that the answer to student support has never been loans; it has been about providing meaningful income support that is above the poverty line. What the Australian Labor Party is suggesting to the parliament today is that they want to stay with the loans. They do not agree with the Democrats, they do not agree with the government; they want students to continue to be forced into taking loans at an interest rate of 16 per cent. As I said in my opening remarks, why does that not surprise me?

The member for Jagajaga took some time in her contribution this morning to talk about the government’s higher education reform package, indicating that it has not yet been presented to parliament. My concern as a regional member and a member who represents the James Cook University of North Queensland is that, if Labor gets its way and votes this particular piece of new legislation down—that is, the higher education reform package—James Cook University is going to lose $30 million over the next three years. The university is beside itself. It cannot un-
understand why the Australian Labor Party would take $30 million away from James Cook University. Staff and students cannot understand; management and the council cannot understand. There will be dire consequences for JCU if it loses this money, and that will be the consequence of the Labor Party voting down the higher education reform package in the Senate. I can tell you that every single student, when they see and understand the consequences of that action on their university, will not be voting for the Australian Labor Party at the next election. The difference made to the quality of education that JCU can offer by not having that money will be extensive indeed.

I think that the Australian Labor Party needs to be more relevant these days to the needs of students and the needs of higher education. Regional universities are the backbone of the higher education system in vast areas of Australia. James Cook University has proved itself to be one of the finest regional universities in the country, but it is going to have quite some difficulty if it does not have access to the very significant funding that Dr Brendan Nelson has wisely provided for regional universities—because they do suffer disadvantage compared to the sandstone universities. It would be extraordinarily disappointing to my community and to the university that I represent if Labor voted down this package in the Senate.

In relation to the closure of the Student Financial Supplement Scheme, it is high time that this country moved on and that we closed a scheme that is not delivering equitable or proper outcomes for students. It is time that the Australian Labor Party got relevant and supported the government instead of voting against everything that the government puts up. It cannot be wrong all the time. I think people are beginning to well and truly understand that. I appeal to the Australian Labor Party to review its decision to vote against this legislation and to support the bill, which is good public policy.

Mr SWAN (Lilley) (10.09 a.m.)—The Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003 and Student Assistance Amendment Bill 2003 are further examples of why this is a tired and mean-spirited government. That was very much demonstrated in the contribution from the member for Herbert. There were no alternative ideas, no creative contribution, no commitment to students and no commitment to our universities whatsoever. The Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003 is a mean-spirited bill because it attempts to close access to the Student Financial Supplement Scheme without any replacement policy. That is the point. We know that there are problems with the supplement, but the government is closing it down and not putting in place any replacement policy for students to bolster their income. This bill will only increase financial pressure on a group of people who are already struggling. It is a tired government because, although the operation of the scheme may need a makeover, this government would rather abandon it completely than think creatively about improving its operations. That sums up the approach of the Howard government: tired and mean-spirited without any innovation or initiative. We need only to look at Minister Vannstone’s recent handling of issues like the carer allowance and the ongoing family tax benefit debacle to see further evidence of that. I will expand on those matters later.

I would like to talk briefly about the student loan scheme, which was introduced by Labor in 1993 in response to a need for additional financial support to help students to undertake their studies. It is a voluntary loan product whereby students may bolster their income to help them better meet the costs of
living and studying. There are two different types of supplement loan, depending on whether the student is in receipt of an income support payment, such as youth allowance or Austudy, or none at all. Those receiving an income support payment may trade in part of their entitlement in order to receive a financial supplement of twice the amount. This supplement is a loan that becomes repayable—albeit with very flexible repayment terms. Those who do not receive an income support payment but who do meet other means test requirements may obtain a supplement of up to $2,000, which is repayable—again, with very flexible repayment terms.

The scheme has proved to be very popular since its introduction, with between 40,000 and 60,000 students taking up the supplement each year. It is not for everyone, but clearly it serves a useful purpose for many students who require a greater income than the basic youth allowance or Austudy payment provides. In particular, it is a useful resource for those students who do not necessarily want to undertake unreasonable amounts of part-time work in order to keep their heads above water. Discussion about the merit of the scheme essentially falls into two broad areas. The first issue is the adequacy or inadequacy of income support payments and thus the need for some students to take out a supplement loan to meet their financial shortfalls. The second issue relates to the design of the scheme and the information provided to students who are considering taking out a supplement loan.

We all know that being a student is not easy, although I do not think the member for Herbert understands that. The current range of income support payments for students is not especially generous, particularly if you are aged under 25 and your payment depends on a means test of your parents’ income. The parental means test for the youth allowance is punitive and restricts payments to students whether or not parents actually provide some financial assistance to them. We would all be aware that when the government introduced the youth allowance it increased the age of independence from 22 to 25. It is in circumstances like this that students often need to consider taking out a supplement loan. Accordingly, in its higher education policy, Aim Higher, Labor has committed to reducing the age of independence to 23. This will provide a substantial boost to many students and will mean that many may not have to consider a supplement loan in the first place. Many students would like the age of independence to be lower again. Whilst it does become progressively more costly to do that, Labor will consider reducing it further as the budget allows.

In addition to lowering the age of independence, Labor has also committed to extending rent assistance to Austudy recipients. This move will greatly assist older students who rent. I would challenge the government to dispute its merit. Despite these two measures and many other improvements that may be made to basic income support, there will always be a need for some students to obtain additional financial support. That is why Labor argues that the supplement still serves a useful purpose.

The financial supplement is not for everyone. Unfortunately, some students are not fully informed about the nature of the product before they take out a supplement loan. This is due in part to the poor materials provided by Centrelink. In particular, some students do not necessarily understand the impact of the trade-in amount and the fact that what was once an entitlement becomes a repayable loan. The booklet for the supplement makes the claim that the loan is interest-free. This is somewhat misleading, as, in the instance of category 1 students, the sup-
plement amount repayable is twice the net amount that the scheme provides.

Further, the loan amount is indexed to CPI. Commercial loan products effectively factor indexation into their gross interest rate. In the case of the supplement loan, the effective interest rate over five years is in the order of 16 per cent per annum. This may be reduced if voluntary payments, which attract a repayment bonus, are made. Despite this, the supplement loan still compares favourably to commercial loans, particularly in light of the flexible repayment terms. Nevertheless, the material Centrelink provides to those seeking a supplement loan ought to be clearer and express in clear terms how the supplement loan compares to commercial loan products and what effective interest rates may apply. Accordingly, Labor has moved some amendments to address these concerns.

The government has argued that the scheme should be closed because many loans are not being repaid. Unfortunately, the government’s assertions are very shaky. Information provided to Labor about loan acceptances and amounts outstanding indicates that repayments in excess of $500 million have been made. These repayments have resulted in the total loans outstanding being worth some $467 million less than the loan amounts issued. In other words, almost 25 per cent of the value of all loans issued has been repaid. This is equivalent to almost 50 per cent of the value of all loans which have matured. This does not point to a scheme that is under collapse. Nevertheless, improvements could be made.

Rather than axing the scheme, why does the government not reform the structure of the scheme to change the ratio of the trade-in to supplement amount so that it is more favourable and improves incentives for voluntary repayment? Unfortunately, these tasks are far beyond this tired and mean-spirited government which simply has not bothered to examine such changes. This is not surprising, I guess, given that Minister Vanstone is in charge of this portfolio. We have seen Minister Vanstone lurch from crisis to crisis ever since she was installed as Minister for Family and Community Services. Upon coming to the job, she said she would bring to the job the same vigour she used in her old job as minister for customs and excise. She is fond of blowing the trumpet about welfare cheats but she has shown no skill whatsoever in administering this very sensitive portfolio. For example, hardworking mums and dads now have debts of almost $1.2 billion in family tax benefits under her flawed family payments system yet she will not close loopholes that allow millionaires to claim these benefits. She is not concerned about it. This hard-hearted minister has not thought twice about stripping the carer allowance from some 30,000 families who are looking after kids with serious illnesses and disabilities.

I continue to ask myself what makes this minister tick. I found some answers in a feature article in the *Age* on 30 August written by Frank Robson. I would recommend this as compulsory reading for all members of parliament. It really does say something about the nature of this minister and the nature of her policy approach. In this piece, Frank Robson compares the minister to the queen in *Alice in Wonderland*, describing her as both ‘jolly and menacing’. In *Alice in Wonderland*, the Queen of Hearts is out there screeching ‘off with their heads’ to anyone who displeases her. This is the same approach that Senator Vanstone takes to charities, it is the same approach she takes to parents who are caring for disabled children and the same approach she takes to anyone, for that matter, who seeks to defend themselves against her cruel onslaught. Frank Robson goes on to describe the Minister as ‘Rose-
anne the Rottweiler’. This is a woman who never forgives. There is a real insight into her policy approach in this article, where she talks about how she deals with her enemies. The article says:

Expanding on—
her approach—
at lunch, Vanstone admits that she never forgives. “But you don’t have to cross the street to fix someone up. You just keep it in your memory … and one day your [enemy] will lay open his belly, waiting for it to happen.”

That is the approach of Minister Vanstone. She never forgives and she is out there fixing up anyone with the temerity to oppose her mean-spirited policies. She has been out there stabbing the carers, the aged and the disabled. There is a consistent pattern here.

The interview that produced this article was conducted over five hours at lunch somewhere in Adelaide. Mr Robson said:

Lunch lasts almost five hours, and—far from holding back—Vanstone seems keen to confirm her reputation for being able to drink just about anyone under the table.

This minister is, of course, well known for her love of red wine. While she is taking $87 a fortnight off 30,000 families who are caring for profoundly disabled children or children who are seriously ill, off she goes to lunch for five hours. Let us say that would be a bottle of wine an hour—five bottles for five hours. I was down at Manuka the other day where I checked out a good wine, Elder-ton Command Shiraz, which costs $79 a bottle. Five times that amount is about $400. That is roughly what the minister pays a person on a disability pension per fortnight. So we have a minister who spends more on red wine at lunch than she pays a pensioner in two weeks.

Mr Ruddock—Mr Speaker, I rise on a point of order. I do not wish to draw undue attention to the comments that the former shadow minister is making but I think it is a reflection upon a senatorial colleague. I think the comments are unreasonable and that they are traducing a person’s reputation in a way that is certainly not related to the substance of the bill. I would ask that you direct the member to return to the content of the bill rather than traduce people’s personalities.

The DEPUTY SPEAKER (Mr Jenkins)—On the point of order, I am sure that the honourable member for Lilley is aware of the requirement to have his comments couched in a manner that is not unparliamentary and to be careful that he does not, to use the minister’s words, in any way traduce the reputation of the minister. I will listen carefully to the honourable member for Lilley and I am sure that he will continue to be relevant to both the bill and the second reading amendment.

Mr SWAN—Thank you, Mr Deputy Speaker. I am merely quoting the minister’s own words in a discussion that she had over lunch. I am doing that in the context of the government’s initiative in this bill to take away a supplement loan from struggling students. I am pointing out that her extravagant lifestyle and expenditure are completely at odds with the practice of public policy when it comes to taking $87 a fortnight off parents who are caring for disabled children, or taking away a supplement loan for struggling students.

In this profile piece, the author, Frank Robson, chronicles this double standard very clearly. I was simply pointing out that she spent about the same amount on red wine at that lunch as she provides to a pensioner in a fortnight. It is a double standard. It is not my problem that the minister cannot remember how many bottles of red wine she had at lunch.

The DEPUTY SPEAKER—Order! The honourable member will be very careful.
Mr SWAN—If you had one an hour, it would be five. That is about $395 in terms of Elderton Command Shiraz. The point is this: the minister is out there saying to struggling students and parents looking after disabled children that they can just go and eat cake. She has absolutely no idea about the daily struggles of families—people who are labouring under her family payment debt, people who are out there struggling to make ends meet—none whatsoever.

This article goes to the heart of the minister’s policy approach, because it demonstrates how hard-hearted the minister is when it comes to vulnerable people in our community and that the minister has not got a shred of compassion for those people that are finding it hard to get by. She is quite happy to put her dog, Freddy, the weimaraner, into the Commonwealth car. She is quite happy to live high when it comes to her own lifestyle but not to provide some basic level of support for struggling Australians. It is just a pity that she cannot muster some sort of support for ordinary people in our community.

Because of this bill, students will suffer. There will be fewer options for financial support, and many students have contacted me to say that, as a result, many will abandon their study completely. We have put forward a credible alternative. Only modest changes need to be made to the supplement to improve its fairness. We have also put forward our proposals to reduce the age of independence and on the need to pay rent assistance to Austudy recipients. These are all positive measures and they contrast with the mean-spirited, tired and lazy approach of this government and, particularly, the minister responsible for this portfolio, Senator Vanstone.

She is quite happy to take away $87 a fortnight, or $2,260 a year, when it comes to the carer allowance, which has been paid to people who have not been blessed by Lady Luck in the lotto of life. Contrast that with a Prime Minister who spends $10,000 a night for a hotel in Rome, who has stocked up the Lodge with wine to the tune of $120,000 of the good stuff, who struts around the world spending extravagantly. And we come in here and constantly deal with bills which are taking away small amounts of money from people in substantial need.

This is a government that always finds it easy to spend money when it comes to the military, but it cannot find a little bit of extra money for people caring for disabled kids, for example. There was $300 million for the Solomons intervention and half a billion dollars for Iraq, but there is not $44 a week for the carer allowance. The point is that this government remains mean and tricky. When Shane Stone penned that famous memo about this government—‘mean and tricky’—a more honest assessment was never given. It is mean and tricky. A leopard never changes its spots; this government remains mean and tricky, and it is increasingly heartless. That is what is at the heart of its social policy approach, whether we are dealing with income support, students or health. That is why the extravagance of this minister in her own personal lifestyle, as documented in the article by Frank Robson, just shows not only how out of touch she is with the daily struggle of Australians but also how mean and cold-hearted this government is.

Mr MOSSFIELD (Greenway) (10.27 a.m.)—I rise to oppose the Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003 and the Student Assistance Amendment Bill 2003 and to support the second reading amendment moved by the Deputy Leader of the Opposition. The Student Financial Supplement Scheme was introduced in 1993 in response to student demands for additional income support to help them undertake their
studies. The way the scheme works is that, if a student receives Austudy or youth allowance, they can trade in an amount of up to $3,500 in order to receive a loan to the value of twice what they trade in, up to a maximum of $7,000. Repayments are discretionary for the first five years. You can, of course, if you want to, pay the loan off over that period but, after that, the loans are repaid through the taxation system in a manner similar, though not identical, to the HECS system.

If a student is not eligible for Austudy or youth allowance because of the family means test involved with both of these systems, then a loan of up to $2,000 can be obtained, which of course is subject to the same repayment process. This is a system of income support that has helped thousands of young Australians access tertiary education, and now the government wants to close it down. In his tabling speech, the Minister for Children and the Youth Affairs, the member for Richmond, indicated the reasons for closing the system, which included a fall in the take-up rates of the system, bad and doubtful debts and the availability of commercial loans at commercial rates.

At the time the scheme was introduced, some 10 years ago, it was nearly impossible for a student to obtain a bank loan, particularly for a small amount of only a few thousand dollars. This system filled that void. In his speech, the minister said:

Today students have access to commercial loans at competitive interest rates ...

This government do not believe in giving students interest-free loans, indexed only to the CPI. They believe that students should be paying commercial interest rates to the private banks. The minister said that the bad and doubtful debt rate could be as high as 56 per cent. Three minutes later, when introducing the second of these bills, he said the rate of bad and doubtful debt was as high as 84 per cent. According to the government, this is another reason to shut the system down.

There are a number of points to be made on this. Firstly, these are income contingent loans and, much like HECS, there is no requirement to repay them unless and until the graduate reaches a certain income threshold. If the loans are not being repaid then the reason is that the graduate is simply not earning enough money to pay back the loan. The minister would have somebody in this situation beholden to a bank and forced to repay regardless of their capacity. Such a system would leave more students vulnerable to financial stress than the current system. Secondly, the government has never been backward in coming forward in forcing people to repay a debt to the Commonwealth. Tax returns are taken, the baby bonus is raided and legal action is taken in order to recover debts to Centrelink. If there is a debt, the government will, more often than not, take its pound of flesh. If there are debts not being repaid under this system then there is good reason for this.

Another reason given for the need to close this system down is the falling number of students accessing it. Again, I refer to the minister’s speech—he pointed out that, since 1999, when the common youth allowance was introduced, the number of students accessing the supplementary loan system has fallen by one-third. Although the number of those accessing the scheme has fallen, quite frankly it is still providing a service. There are still over 40,000 students each year who take up the scheme. That means 40,000 students are helped by this scheme. So why do away with it?

In September 2001, the Australian Vice-Chancellors Committee published a report called Paying their way: a survey of Australian undergraduate university student fi-
nances 2000. I urge members to get a copy of this report—it makes for some very interesting reading. Over 34,700 students right across Australia were surveyed and it follows on from surveys conducted in 1974, 1979, 1984 and 1991. The executive summary of the report regarding this particular scheme says:

Students were very positive about the financial supplement loan scheme.

The report goes on to quote from some of the student survey returns. Students say:

University loan scheme is great.

And:

If I was not able to receive the supplementary loan I would not be able to attend uni.

Another student comments:

Could not have done this course without the assistance of the $8,000 government loan.

The numbers may have dropped off, but the system is still extremely valuable to those who access it. That number, as I have said, is just over 40,000 each year. The full report makes a couple of interesting points not covered in the executive summary. Firstly, it says:

The deferred income-contingent character of repayments reduces the risk associated with acquiring debt.

Of course, that is not what the government are interested in. As I have said, they want students exposed to the market and paying commercial interest rates, regardless of their capacity to repay. Another important point is made in the context of the government’s argument about falling numbers of students accessing this particular scheme. The report says:

In their comments a number of students asked for the introduction of a scheme like the financial supplement loans. There may be a need to publicise its availability.

Quite clearly, a lot of students are not aware of this loan, which may be one of the reasons that there is not such a high take-up. The numbers have fallen, but that may be because the government has done little to promote the scheme. If more students knew about it then maybe more students would access the benefits that the scheme offers.

Of course, this scheme is not for everybody. I will not argue that, as it stands, the scheme is perfect. No scheme ever is. But, for many students—40,000 each year—the scheme is a valuable one that helps them obtain a university degree. This is simply one of what should be many options that enable young Australians to access our tertiary education institutions. If there are perceived problems with the scheme then make changes and improvements—do not simply abolish it and leave up to 40,000 students without this option. The government has no plan for these students. No replacement scheme is being put in place here. It is simply one more option being removed from the table and one more obstacle being placed in the path of those without the finances to pay.

A 30 per cent increase in HECS, loans at commercial rates and up-front $100,000 degrees—that is what this government is all about when it comes to our university system. Unless you can pay, and pay through the nose, you will not get into university.

The Vice-Chancellors Committee report highlights another problem facing current students. In 1984 just under 50 per cent of full-time students worked during the semester. In the latest survey that figure had increased dramatically to 72.5 per cent. The cost of living and the assistance provided by government mean that more and more students are forced to work and study. This is having a detrimental effect on grades and students’ ability to perform well in their chosen courses. Nearly 30 per cent of respondents claimed that they were forced to miss
classes, either frequently or sometimes, due to their paid employment. We are talking about over 130,000 students being forced to miss classes because there is not enough financial support available to them and they have to take one and sometimes two jobs just to make ends meet. That cannot be good for educational outcomes in the longer term.

Again I would like to quote some of the students’ comments from that survey. They say:

It is hard for me to be as committed to my university work as I would like to be. Mainly because I find work commitments a burden, but it is essential for me to work in order to attend school.

Another student says:

I am working so I can afford to study, but working drastically affects my attendance and revision. It feels like my job is full time and university is casual.

This is not a good outcome. Another says:

My university marks suffered because I had to work late nights and hours to supplement my youth allowance. I get the full benefit—I don’t know how other students cope!!

With the cost of living on the rise and government support for students not covering these costs, students are forced to work and in doing so their education suffers. The loan scheme that the government is trying to abolish with these bills is one small option for many students that allows them to access university and helps to alleviate the financial burden that they face. The arguments it has given for its abolition simply do not stand up. The minister said in his tabling speech that the system was administratively cumbersome. That may be so. The answer is to streamline the administration; not to simply abolish it. He said bad debts meant that a lot of loans would never be repaid, but the loans are income contingent like HECS. It is not as if people simply are not paying—and let us not forget that this government is always quick to recover debts to the Commonwealth regardless of circumstances.

The minister said that students have access to commercial loans at commercial rates so there is no need for a government scheme like this. Wrong. Commercial loans at commercial rates increase a student’s debt far more than any government loan and create financial stress when repayments are forced regardless of capacity. Fewer people are accessing the system—again, this is not a reason to shut it down. Over 40,000 students still access it and more probably would if they knew it existed. Finally, closing the scheme serves no purpose other than to make it tough on the disadvantaged to access tertiary education. Therefore I will be opposing these measures, as will be the Labor Party, and I support the amendment moved by the Deputy Leader of the Opposition.

Mr SIDEBOTTOM (Braddon) (10.40 a.m.)—I rise to speak in this cognate debate on the Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003 and the Student Assistance Amendment Bill 2003. The Student Financial Supplement Scheme was introduced by Labor in 1993 in response to student demands for additional financial support to help them undertake their studies, especially in the climate of high interest rates then, and when commercial loan packages were available for students. The Student Financial Supplement Scheme provides a voluntary loan whereby eligible category 1 tertiary students trade in $1 of their income support for a $2 loan up to a maximum of $7,000. Category 2 students are those dependent young people not receiving youth allowance as a result of their parental income or family actual means test and whose family income is below a prescribed threshold that is less than $64,500 for 2003.
Category 2 students are able to apply for a loan of up to $2,000. For those category 1 students taking a loan, the income support traded in becomes part of the loan, all of which is repayable. Students can make voluntary repayments on the Student Financial Supplement Scheme loan at any time after they begin receiving a loan and receive a 15 per cent repayment bonus for doing so. However, students do not have to commence repaying a loan until after the end of the contract period, and then only when their income reaches average earnings. The contract period ends on 31 May of the fifth year after their loan is paid. 7.6 per cent of loans are partially or fully repaid voluntarily, I believe, in the first five years. The government asserts that its proposal to close the scheme is in response to increasing levels of bad and doubtful debt and reduced take-up of loans. Further, the government claims a study by the Australian Government Actuary has estimated that more than 50 per cent of total loans may never be repaid.

Since the introduction of Youth Allowance in 1998, the take-up of this scheme has declined by one-third, yet it should be pointed out that 40,000 students made use of the scheme in 2002. This amendment bill seeks to close the Student Financial Supplement Scheme to new loans from 1 January 2004, and we on this side oppose this amendment and have moved an alternative amendment. The Student Financial Supplement Scheme provisions have been retained in the Social Security Act 1991 to provide existing and previous loan customers, officers managing the scheme and review bodies immediate access to the relevant legislative provisions. The repayment provisions of the scheme will continue to apply. The scheme is still attractive to students, particularly those in immediate need. That is its great benefit—to those students in immediate need. I think there is enough evidence on the public record that there are many students in need and many students in immediate need. You would not mind so much if the scheme could be replaced by greater enhancement of student financial incentives and student financial assistance but such is not the case under this government, and that is the point at issue here. There is no replacement and people are still in considerable financial need. There is strong support amongst those who rely on this loan scheme for its retention as a voluntary option for students. That has been evidenced again on the public record, both by students themselves and by the Australian Vice-Chancellors Committee in a number of its reports.

Despite concerns about the operation of the scheme, we on this side and many of those who benefit from it believe the government’s proposal to abolish it in its entirety is not warranted. Indeed, it appears it is very much the application of a hammer to crack a nut. It is the view of this side of the House that, with greater information and education surrounding this scheme and greater finessing of its administration, the scheme can be retained and some of its rough edges, so to speak, and challenges can be ironed out. Forty thousand students per year still make use of the scheme. That is a lot. The government is not proposing any replacement scheme, as I mentioned earlier, or additional financial assistance to students in its absence. Thus, that is its need. As I say, you would not mind so much if there were a replacement or alternative for it for those particularly in immediate need. Government concerns about bad debts appear to be overstated. That is not denying that there is an issue with that but it is our belief that, with greater finessing and greater educative processes surrounding this loan scheme, those bad debts can be recovered and certainly reduced in the future. Informa-
tion provided to Labor about loan acceptances and amounts outstanding indicate almost half the total value of the loans which have matured between 1993 and 1997 have indeed been repaid. We accept that that is not good enough, but they have been repaid and this can improve.

As outlined by the shadow minister for education in this House, Jenny Macklin, concerns about the scheme would be better addressed by providing improved information for students about its operation and/or reforming the structure of the scheme to change the income support trade-back amount and improve incentives for voluntary repayment. As part of its Aim Higher education package, Labor has announced it would oppose the closure of the scheme and, indeed, that was announced and is contained within the amendment moved by the shadow minister for education, the member for Jagajaga.

Funds generated from the scheme remaining open have indeed been committed in our innovative Aim Higher education package to provide greater assistance to Austudy allowance recipients, worth up to $90 a fortnight for over 15,000 people, and to reduce the age of independence for youth allowance for students—that is, recipients—from 25 years to 24 years on 1 July 2004, then to 23 years from 1 July 2006, worth up to $310 a fortnight for around 12,000 people.

The Labor Party, most of those people participating in the scheme, many students and their families and, indeed, higher education institutions and their administrators believe that, on merit and on balance and without the alternative of such a scheme, this scheme should continue, given the fact—and we accept that—that there can be greater finessing of the administration and greater information surrounding it, as outlined in the shadow minister’s amendment.

This is not the only amount of financial assistance to students that this government is looking to abandon. In actual fact, if we look at the current 2003-04 budget in Family and Community Services, there are punitive cuts outlined which will affect the ability of students, particularly struggling students, to gain financial assistance to help them invest in their future, get them through their courses and steer them away from what is going to be—as the alternative—the longer term need for social security.

I note that the community services budget showed total cuts amounting to $664 million over the forward estimates—$217 million more than the government had committed to new spending measures. Whilst we accept savings measures enhance compliance to ensure benefits only go to those entitled—and rightfully so—other measures, such as the cuts to the pensioner education supplement, will reduce support for people trying to enhance their skills and education, just like the Student Financial Supplement Scheme that exists now and the attempts to close it.

The pensioner education supplement cuts will leave sole parents in particular, disability pensioners and carers who study up to $350 per year worse off by denying this benefit in the break between academic years. It may not seem a lot of money to people who receive an income similar to ours or even a little lower, but $350 means a lot to people who are struggling, living marginally or below. For this government to contemplate cutting this really shows how miserly, mean and mean-spirited it can be.

For many pensioners, particularly those with disabilities, study costs already outweigh the $31 per week of the pensioner education supplement. The pensioner education supplement savings, which, as outlined in the budget forecast, amount to $36.2 mil-
lion over four years, are mean-spirited and will almost certainly lead to many pensioners abandoning study completely, just as the attempt to close the Student Financial Supplement Scheme will put more and more pressure on students without any other alternative means to forgo their studies or, indeed, to suspend them. In some cases, they just give up.

The pensioner education supplement was introduced by Labor in the 1980s. We have a commitment to it and we will fight hard in this place—and in the Senate when the time comes—to retain this important and helpful scheme. But, so that you do not think that here is another whingeing opposition member bringing up a point of financial clarity for the government, I would like to share with you an email that was sent to me by one of my constituents off their own bat, in fact informing me of the proposal to cut the pensioner education supplement. It is relevant: it is the same department, working with the same budget. I will talk about the constituent just as ‘Robyn’. The email reads:

Dear Sid

I am a full time student studying a Bachelor of Tourism with the University of Tasmania at the North-West Centre—

a study centre which is almost like a campus of the University of Tasmania, with support from the Commonwealth, and I must congratulate both sides on their support for this campus in order to help increase retention rates from year 12 to tertiary education in my beautiful neck of the woods—

and currently achieve distinctions.

I am also a single mother who greatly appreciates any assistance—

this is not a moaner; this is someone who is grateful for the assistance—

from the government to help with my studies.

However, I am greatly concerned with the proposed reductions of the Pension Education Supplement. As a result of any reductions I will no longer be able to continue my studies and be forced to rethink my goals of being able to fully support myself.

I have no other access to funds to assist me with my studies and rely on them greatly.

If I were to not complete my studies and depend on partial or full government assistance then I will be a greater liability to the government and to the nation state.

The Pension Education Supplement assists me in many ways:

- Baby-sitting fees
- After school care
- Transport to and from uni
- Photo copying
- Textbooks
- Internet access research for assignments in the evenings
- Stationery
- Registration fees

There are many things I already go without so that I can support my daughter and myself...

She lists a number of these. She goes on:

I don’t smoke and I don’t drink. Even with all these ‘do withouts’ it is still a struggle to make ends meet.

I am an intelligent woman who can give back to the State in the long term if it can assist me in the short term.

That, colleagues, is the whole rationale behind providing financial assistance to students. Whether it be through the Student Financial Supplement Scheme or the Pensioner Education Supplement Scheme, that is what we are here about: to support these people in order to allow them to invest in their future and hence invest in our country and our communities. But when you talk about it in this place it is never seen an investment; it is seen as a cost—the economic bottom line. It is always a cost. That is what we talk about. We do not talk about people like Robyn who make it real; we talk about the bottom line and the cost. Of course we must
be accountable; that is only right. Taxpayers must know that we have an efficient and effective way of administering taxpayers' funds. But if we can finesse that administration and better inform those people who are engaging in these activities then we must. But in the end we are about investing in people and them investing not only in themselves but in our community. In the long term it must benefit us all; it must benefit the taxpayer.

That is why we are moving our amendment to maintain the Student Financial Supplement Scheme in recognition of the hardship faced by struggling students and their families and to reduce the age of independence for youth allowance from 25 to 23. The implications of that reduction are quite profound. How that ever slipped through this House and then slipped through the Australian community I do not know to this day. I do not think people really understood the implications of having their children dependent on them to the age of 25. It is quite extraordinary. But, of course, we had a plethora of these types of bills bombarding the community. Now people are almost bombarded into accepting things. They are desensitised and depersonalised. The spin that goes with it is spinning out of control. It is no wonder some people now are talking about when we can put the brakes on and start to have a look at what type of community we really want. We want a community where we invest in education and in people, not just see them as a cost all the time.

We on this side also want to extend rent assistance to Austudy recipients. It seems to be a question of equity: why wouldn’t you? Again it is an important incentive to continue their education and thus invest in our community. We want to provide meaningful information to students on how the supplement compares to commercial loan products, including the full range of effective interest rates applying to the supplement.

I would like to conclude with what I think is one of the best summaries of this whole issue—and I do recognise, and I have said this before, that there are some rough edges on this scheme and they need to be ironed out; I accept that—from the Bills Digest, which, to be fair, presented this issue very well. I certainly gained from reading it. I would like to finish with some of the comments from that. It says:

The reactions to the closure of the scheme ... vary on the value of the scheme itself but generally support the need for enhancements to student income support especially if the scheme is closed. In the absence of any enhancements those students who still use the scheme will have one less income support option available to them. Students who cannot readily access part-time work may be particularly affected. They may be parents—such as Robyn—people with disabilities, those living in regions of low employment opportunities—particularly where I come from—or those studying courses with high levels of contact hours. The proportion of students receiving Austudy Payment, Pensioner Education Supplement or Abstudy who take out loans appears to be rather higher than is the case for recipients of Youth Allowance. These students are more likely to be parents (sole or partnered), people with disabilities or indigenous people than are Youth Allowance students.

We should retain this scheme, soften the rough edges and look at other means of enhancing the financial support of our students so they can invest in themselves and in the future of our community.

Mr ORGAN (Cunningham) (11.00 a.m.)—The Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003 and the Student Assistance Amendment Bill 2003 are two more nails in the coffin of tertiary education in this...
country. Indeed, they would be more appropriately entitled the ‘student poverty’ bills because that would be the effect of taking away this significant element of student financial assistance. Make no mistake, the issue of income support is central to considerations of equity and access to higher education in Australia. Both bills are a slap in the face to students in that they will bring an end to the Student Financial Supplement Scheme as at 1 June 2004.

As we have heard, this scheme, which was introduced in 1993, allows students to trade in $1 of their income support, such as via Austudy payments, and to receive in return a $2 loan for every $1, with interest rates adjusted according to the CPI. The timing of the introduction of the bills to remove the scheme shows the distinct lack of concern for student welfare on the part of the government. As members may be aware, we currently have a parliamentary inquiry into poverty being carried out in the other place, with student groups from throughout Australia making submissions to that inquiry. Those submissions send a clear message to the government—namely, that income support for students is inadequate and that there is a student poverty crisis in this country. The abolition of the Student Financial Support Scheme just rubs salt into the student poverty wound—a wound which already is deep.

Up to 40 per cent of Austudy recipients have been identified as living below the poverty line. Student poverty is at such a significant level that it threatens the viability of our higher education sector. The government needs to wake up to this and to take appropriate action. The University of Tasmania Student Association, in its submission to the poverty inquiry, concluded:

Given that students suffer financial hardship, we feel there is not enough incentive for them to further their education and, by implication, their employment prospects.

This is a sorry assessment indeed by our current generation of students. If this is not an indication of a poverty crisis facing many students in this country, I do not know what is.

So what has been the cause of this? That is relatively easy to answer: the imposition of increasingly higher fees, less student financial support from government, the abolition of the scheme by these bills, increases in the cost of living, mounting HECS debts, the lack of substantial scholarships, inappropriate tax regimes, and the difficulty of finding traineeships and other such financial support. All this means that going to university is becoming more and more difficult for Australian students, especially for those from poorer families without access to financial support.

It is telling that at a regional university such as the University of Wollongong 2003 marks the first year in which income from overseas students is the single largest funding source for that institution. So are we going to see the debt burden exclude more and more Australian students from their local universities in coming years to be replaced by ever-increasing numbers of overseas students? If this is the path this government is dragging us down—that is, rich students, whether local or overseas, kicking out poorer Australian students—the government has its priorities wrong, to put it mildly. This parliament needs to address the issue of student poverty and student financial assistance as a priority. The bills before us do not do that.

If the government does not believe that there is a poverty crisis amongst our student population, it only has to listen to Swinburne University student representative council’s access equity officer, Vicky Kasidis, who summarised the issue in the follow terms:
Many of us know how hard it is to live on a student income but it seems that the government is still oblivious to the problems of poverty.

It is unacceptable that students are forced to survive on crumbs and spend more and more of their time in casual or part-time work to make ends meet.

I know from my own discussions with students from the University of Wollongong over recent months—they included undergraduate and postgraduate students—that they are facing ever-increasing financial difficulties: crippling HECS debts and the increasing costs of attending university; and the need to find work, with full-time students working on average two days per week, according to a 2000 survey. All of this distracts from their studies.

I refer to my own experience: when I went to the University of Wollongong in the late seventies and early eighties I had to live at home and survive frugally on support from Austudy, from my family and from work during the summer breaks. People of my generation were not forced to take out loans or to work two, three or four casual jobs throughout the year just to survive. It was hard enough then, so I can only imagine how hard it must be for our current generation of students. They are clearly telling us how hard it is. They are being forced to rely more and more on family, friends and charitable institutions for support, when often the money just is not there. How ironic it is that the closure of the Student Financial Supplement Scheme, via this bill, comes within the context of the government’s so-called Crossroads education reforms, which the minister for education has trumpeted as Backing Australia’s Future. Backing Australia’s future where? I would suggest that it is backing it into poverty and mounting debt— that is where.

It seems that the link between education and employment opportunities is one this government is losing sight of, as it attacks income support schemes across the board. For evidence of this we need only to look to the government’s recent consultation paper, Building a better system to help jobless families and individuals, wherein it commented:

Too many people rely on income support for too long ... and ... the income support system does not always provide clear incentives to work.

The government fails to recognise that students deserve special consideration as their studies are directly related to their efforts to gain future employment. This may seem obvious to us all, yet the government’s failure to adequately support our students financially, and the further suggestion of imposing a five-year learning entitlement period, would indicate that it does not understand this important link. A recent Monash University study concluded:

At a time when the government is trying to maximise the skill level of the Australian work force, current policy discourages young people from entering university or studying full time.

So let us have a look at the rationale for dumping the Student Financial Supplement Scheme—or should I say let us attempt to have a look at the rationale, for the information coming out of the minister’s office and the department is confusing and conflicting, to say the least. The minister responsible for the scheme, the Minister for Children and Youth Affairs, would have us believe that, as he said in his second reading speech on 26 June, the scheme ‘is not delivering good outcomes for students or Australian taxpayers’. That is a very broad statement. The minister, who is in the House at the moment, told us that the closure ‘is in response to increasing levels of bad and doubtful debt and reduced take-up of loans’. He cited an estimate from the Government Actuary that some 84 per cent of total loans may never be repaid.

I will come to the reduced take-up of loans in a minute, but first let us consider the
breathtaking implications of the actuarial estimate. Here is a minister in a government which is forever telling us about its fiscal responsibility, openly admitting that it cannot manage its creditors. It beggars the imagination that 84 per cent of loans may never be repaid. And this is from a minister who, I understand, holds a commerce degree and a diploma of applied finance and investment; a man who once worked as an investment banker and stockbroker; and a minister whose electorate boasted the highest unemployment rate in New South Wales and the third highest in the nation just two years ago.

Given the demographics of the seat of Richmond, this minister should know a thing or two about poverty. Richmond was identified as Australia’s fourth poorest electorate in the 1996 census, with most of the population dependent on some form of social security. And here we have its elected representative casting a net which will consign more students to the poverty trap by denying them access to the Student Financial Supplement Scheme. But let us come back for a moment to the minister’s claim of an 84 per cent doubtful debt ratio. When the minister announced the closure of the Student Financial Supplement Scheme in a press release dated 24 April 2003, in part he said:

The structure of the scheme is fundamentally flawed.

And we have heard a number of speakers comment on this throughout the debate. The press release continued:

For example in order to receive a loan, customers—

and I invite you to note the choice of words—‘customers’, not ‘students’—

have to trade in a component of their income support payments. This means they can face effective interest rates significantly higher than market interest rates.

As a result of these flaws the loan scheme is creating high levels of student debts, many of which are not repaid. The Australian Government Actuary has estimated that more than 50 per cent of total loans may never be repaid. Clearly, for many customers—

there is that word again—

the Scheme works more like a gift than a loan.

So student assistance is a ‘gift’? I suggest it is more like a necessity of life in the current circumstances, and one which governments should have no qualms in allocating. And did you notice the minister state that more than 50 per cent of total loans may never be repaid? Yet just two months later, in his second reading speech at 10.37 a.m. on 26 June 2003, the minister told the House that the real figure is some 84 per cent, while just three minutes earlier at 10.34 a.m. we had been told that the doubtful debt rate may be as high as 56 per cent. So we have heard 50 per cent, 56 per cent and 84 per cent—who knows? So why won’t the loans be repaid? In the press release of 24 April the minister told us:

Some customers—

there is that word again—

have debts as high as $28,000. On an income of $35,000 per annum this would take 40 years to repay.

And that is put forward as a reason to close the scheme? It is a pity the government does not apply the same twisted logic to HECS. After all, a five-year degree at $6,000 a year comes to $30,000. By the reasoning of the Minister for Children and Youth Affairs, that too would take at least 40 years to repay. Perhaps the minister should let his colleague the Minister for Education, Science and Training into this reasoning. Indeed, while he is about it, perhaps he should inform all his ministerial colleagues, because some clearly do not even know that the Student Financial Supplement Scheme is closing. I notice that
the Minister for Ageing’s personal web site still lists the scheme as a source of financial aid.

But let us return to the main issue. In his second reading speech on 26 June 2003 the minister told honourable members that the take-up of the Student Financial Supplement Scheme has declined over the years by one-third, according to the explanatory memorandum which was presented at the time. I do not know where the minister got the figure of one-third from, but it does not gel with the information his department gave to the Senate Community Affairs Committee in answer to a question on notice about the 2003-04 budget estimates. Those figures show a climb in total acceptance amounts from $132.2 million in 1993 to a peak of $314.4 million in 1999, then a slow decline over the next three years to $184.6 million in 2002, down by 41 per cent from the peak. So from go to whoa there has been a 40 per cent increase but a 29.3 per cent fall since 2000.

The Australian Bureau of Statistics, on the other hand, paints a rather different picture. The Year Book Australia 2002 says that 36,128 students took up loans totalling $154 million in 1999-2000. The Year Book Australia 2003 reports 41,382 students taking up $158 million in loans in 2000-01. So which set of figures are we to believe—the minister’s, the department’s or those of the ABS? Perhaps there is another set of figures altogether. Maybe there is a set held in the Department of Education, Science and Training’s corporate strategy group file titled ‘Costing future student financial supplement options’. I am sure that file would make interesting reading, coming out of the education minister’s department.

Showing the speciousness of the minister’s rubbery figure argument is one thing but examining the effects of closing the Student Financial Supplement Scheme is quite another. Earlier I touched briefly on the problem of student poverty when I quoted Vicky Kasidis from Swinburne SRC and made reference to the Senate inquiry into poverty and the many submissions from student organisations around Australia. Late last month I joined University of Wollongong students and staff in the national day of action against this government’s so-called education reforms. One of the things I spoke about on that day was student poverty, and there is no shortage of information about the extent of the problem. For example, a study at La Trobe University revealed that almost half the students have their health negatively affected and 39 per cent eat inadequately due to financial hardship. Austudy and the common youth allowance have proved to be inadequate and difficult to access. And this is Backing Australia’s Future? I do not think so, and neither do students; nor does the Australian Vice-Chancellors Committee. In its response to the higher education reforms in the 2003-04 budget titled Excellence and equity: foundations for the future of Australia’s universities, the AVCC said:

... the government should restructure the student income support system so that it is effective in reducing the need for students to work excessive hours and so avert the detrimental effect on academic performance prompted by economic necessity.

All those in the sector—students and administrators—obviously recognise the problem. In the media release which accompanied that response, AVCC chief executive officer John Mullarvey said:

The concept of providing those students, who are eligible for income support, with subsidised loans, is a useful one that deserves a better scheme, rather than total removal.

But the government was unmoved, as is evidenced by these bills. No wonder the student union at RMIT says that many politicians either do not realise or choose to ignore the
fact that many students are living in poverty and hardship relative to others in Australian society. That is just not acceptable.

These two bills now before the House are a disgrace because they continue the student poverty cycle. They must be rejected, and I fervently hope they will be—if not here then in another place. The opposition amendment is to be commended, as it more clearly reflects the real needs out there in the community, although the reduction of the age of independence for Youth Allowance from 25 to 23 does not go far enough. I suggest that 21 years would be a more appropriate age for such a reduction.

The Greens support free education and appropriate financial support for students. It is clear from these bills that the government does not. The Student Financial Support Scheme is not ideal, but its wholesale abolition on 1 January 2004 is not the way to go. It will leave in the lurch many students who have planned their degrees around utilisation of the scheme. It is a deeply flawed scheme, but it is better than nothing. I therefore cannot support these bills.

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (11.17 a.m.)—I rise to speak on the Family and Community Services (Closure of Student Financial Supplement Scheme) Bill 2003 in this cognate debate. Firstly, I would like to acknowledge all those who have participated in this debate, and I would certainly like to address some of the comments made by the member for Cunningham in his analysis of the SFS Scheme. Before I do that, I will address some of the comments made by previous speakers, notably from the Labor Party. Today’s debate has highlighted that the ALP have a complete lack of understanding of the Student Financial Supplement Scheme. Labor say that they oppose the closure of the scheme because it will prevent students from accessing university studies. But the truth is that the scheme is structurally flawed and it is a debt trap. Even the National Union of Students acknowledged that it is a debt trap. It said:

The NUS opposes the student financial supplementary scheme because it places students in a debt trap.

It also said:

Students from disadvantaged backgrounds were even worse off when they finally graduated. It was a complete failure.

This is coming from the trade union movement—the NUS. Students who participate in this loan scheme can effectively pay interest rates of up to 16 per cent. Is that fair? This might have been okay back in the halcyon days when Labor were in government and interest rates were around 20 per cent—and I see the member for Cunningham nodding—but it is not okay in an environment where interest rates are substantially lower. An interest rate of 16 per cent is outrageous when this government’s good economic management has meant interest rates are at record low levels. The point is that the National Union of Students has called for the scheme’s closure because it is bad for students.

Labor are saying that they want students to be burdened by debt. The loan scheme is attached to the income support payment system and it falls, of course, into the Family and Community Services portfolio. What is interesting is that the shadow minister for education seems to have carriage of this bill. Worse still, it is clear that the shadow minister does not even understand the scheme. Today she has been talking about the government’s higher education package. This is about income support, not a higher education package. This bill is about income support for students. The truth, unfortunately, is that I think the ALP have not even bothered to do
their homework on this particular scheme. They have backed themselves into a corner, because their higher education reforms are partly funded by retaining this scheme—that is the bottom line. They neglected even today to recognise that the short-term savings are far outweighed by the long-term costs of this scheme. Short-term savings may be $159 million because students will not be trading in their income support payments to take their loan, but the long-term costs are potentially billions of dollars because more than 50 per cent of students do not repay their loans.

I would like to take up some of the points made by the previous speaker, the member for Cunningham. Looking at the repayment rates, I will just clarify the figures. There is a 56 per cent default rate by those on Youth Allowance, Austudy or perhaps DSP and a 84 per cent default rate by those on Abstudy. So this scheme is structurally flawed, and it is putting more and more students into poverty because they can never get out of that debt trap.

The Labor Party are not opposing the closure of the scheme because they say they care for students; they are opposing the closure of the scheme because they are desperate to fund their higher education package. This is the worst case of short-sighted, uninformed policy making that I think we have seen in this parliament for a very long time. When you look at the scheme, you can see it is fundamentally flawed and yet they are using these short-term savings to fund their higher education package. Is it any wonder that the member for Lilley is letting the shadow minister for education take the running on this piece of legislation, when he should be doing it? He knows bad policy when he sees it. He hears the band playing while the ship is going down or it could be that he knows the train is about to crash. He does not want anything to do with it because he knows this is bad policy. He does not want a bar of this billion dollar mistake, because that is what is happening: billions of dollars are being further accrued into a potential liability, not just for the Commonwealth but, more importantly, for those students who are desperate to improve their lot through higher education.

The one thing that Australia can be sure of, though, is that if the member for Jagajaga ever gets a grip on the Commonwealth budget strings—if she is ever on this side of the House—then this particular scheme, if it is still in place, will continue to impoverish those students and lead to real poverty traps for these individuals. Today she has outlined amendments to the legislation that will cost the government more than $80 million over four years. But the question that needs to be asked is: how will this be funded? The member for Jagajaga has partly funded her higher education policy on the assumption that the loans scheme continues. As I have said, I genuinely believe that Labor have backed themselves into a corner on bad policy—‘bad policy’ even coming from the NUS. The short-term savings might be $159 million, but they are far outweighed by the long-term costs, which are potentially billions of dollars because more than 50 per cent—54 per cent or 84 per cent depending on which category you are in—will not repay their loans, even though they had to trade in half their youth allowance to do that.

I must say that the member for Lilley’s contribution to this debate was quite extraordinary. It was really a diatribe of abuse on the Minister for Family and Community Services, and maybe he did that because he did not actually want to speak on the content of this bill. He talked about everything else but that, including family tax benefits, which he tagged onto this bill. But the reality is that he knows that he was rolled—I suspect in his own caucus—on supporting the government
on ‘a bad piece of legislation’ even where the NUS opposed the maintenance of this scheme.

Ms Macklin—He’s making it up!

Mr ANTHONY—I am so glad the member for Jagajaga has turned up because she might be able to explain the illogical step about using the retention of this to somehow fund their higher education package.

Mr Hardgrave—She now knows what Swan’s done to her!

Mr ANTHONY—Absolutely! I can only assume that the member for Lilley is trying to run away from this train wreck that is appearing, particularly in the area of the Student Financial Supplement Scheme.

Honourable members interjecting—

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order!

Mr ANTHONY—Now that everyone is so enthusiastic and I have regained their attention on this bill, I would like to get into some of the substance about why we believe it is necessary for this scheme to be closed. The government announced in April our intention to end the loans scheme because it is not delivering good outcomes for students or for the Australian taxpayer. I do appreciate that the member for Cunningham is showing respect and listening to the debate. The structure of the scheme is fundamentally flawed. In order to receive a loan, students have to trade in a component of their income support payments. This means they can have effective interest rates, as I mentioned before, of up to 16 per cent. The loans scheme is creating high levels of student debt, with some students—and it is a fact—having to pay debts as high as $28,000—or even up to $60,000—because they continue to take out those loans with no capacity to repay them.

As I mentioned before, the Australian actuary has estimated that 56 per cent of those on youth allowance will never repay these loans—worse still, for Abstudy it is 84 per cent—with more than $2 billion of debt outstanding since the scheme started in 1993. You can understand why the scheme was put in place in 1993: it was impossible for students in that period to gain access to short-term loans because interest rates were so high—because of the government of the day having a very poor fiscal and monetary policy—and, likewise, the youth allowance did not exist, so there were not other forms of income support as generous as they are today to help students back in the early nineties. So when we talk about more than $2 billion of debt being outstanding since the scheme began, that means around $1.2 billion of taxpayers’ money will never be repaid. For many students clearly the scheme works more like a gift than a loan. However, this is a gift that Australian taxpayers cannot afford. While closing the scheme appears to cost money, the reality is that neither the government nor the Australian taxpayer can afford to keep a scheme that has delivered a billion dollars in debt since 1993. This debt will continue to increase every year that the loans scheme continues to operate.

The Student Financial Supplementary Scheme is also a bad deal for students. Let us go through that. The design of the scheme requires students to trade in or give up $1 of their student assistance scheme entitlement for $2 of loan payment. But both the dollar traded and the extra dollar provided by the loan have to be repaid. How can that be a good deal? How can it be a good deal to trade in half of your youth allowance to take out a loan when you still have to repay it? Of course, many cannot do that. The government, in closing the loans scheme, is saying to students, ‘We want you to keep your student assistance entitlements, not accrue them as a debt to hang around your head for years before you have to repay them to the gov-
ernment.’ Around 8,000 students—this is interesting—have accumulated over $20,000 of debt under this scheme and yet the proposal by the ALP is to maintain this scheme, which will further impoverish students who have no capacity to repay. I reiterate that the National Union of Students, who you think would be supporting the political wing of their party, is against it. It is a rubbish scheme. It is structurally flawed, and yet Labor still blindly endorse it because it is really a de facto way—and the member for Jagajaga knows this—of funding their flawed higher education policy.

Someone with a debt of $28,000 who earns $35,000 a year is going to have that debt for 40 years before it is fully repaid. So a graduate who finishes their studies at, say, 25 years of age, with a supplementary loan debt of this size, could be in debt to the government until they qualify for an age pension. Is that a good deal for students? I think not. By and large, students are recognising for themselves just how bad a deal the supplementary loan is. The take-up rate of the loan has fallen by more than 35 per cent since it was introduced in 1993. So, to answer one of the member for Jagajaga’s previous questions, the number of students taking it out has been diminishing quite dramatically because they know it is a bad deal for them and many of them will never have the capacity to repay it.

In a media release on 24 April 2003, in response to the government’s announcement of its intention to close the scheme, the Australian Vice-Chancellor’s Committee Chief Executive Officer acknowledged that the SFSS may have outlived its effectiveness in assisting students. That came from the Vice-Chancellors Committee. In a media release of 24 April 2003, the National Union of Students said that it opposed the Student Financial Supplement Scheme because it placed students in a debt trap. The NUS also said that this was a great victory for students and for the student union. The NUS opposed this loans scheme when it was introduced in 1993. It opposed it back then and it opposes it now because it is bad policy.

The government already provides—and this is important—adequate assistance to students. More young people than ever before are receiving assistance through youth allowance. I acknowledge that there is always a need for students to have as much assistance as possible to help them get through their studies. The final report, though, of the youth allowance evaluation highlighted the broad community support that exists for that program. The reality is that more students today who are funded through youth allowance go on to higher education. Over 380,000 young people receive youth allowance. They may not all be in university—I acknowledge that—but there are more students in higher education today because of the changes that were made to youth allowance. Rent assistance was attached to it, which they never received before, and that is very important for students who have to move geographically to seek higher education, and there are other benefits attached to it as well.

The interesting thing is that there have been substantial changes to try and improve the financial viability of students who are undertaking higher education. The other point is that, with access to higher fortnightly income-free areas and the student income bank, students are able to contribute to their own support and stay connected to the work force while they study. We acknowledge that for many—

Ms Macklin—They are certainly doing that now or they would starve.

Mr Anthony—We acknowledge that many students have to have part-time jobs and that is exactly why the income bank is at
$6,000, which is substantially higher than any other form, to provide that incentive. Youth Allowance is more flexible, with income support that removes the financial disincentives to study. We are unashamed about that. When we introduced youth allowance, under the old Austudy system it was easier to get the dole than it was to go on to higher education. Youth allowance was specifically put in place with extra financial assistance to encourage young Australians to go on to further education. It was to make it easier than the system under the previous ALP policy, where it was easier to get unemployment benefits—

Mr Hardgrave—Or get big debts.

Mr ANTHONY—or get big debts, as I am reminded, than it was to go on to further education. Youth allowance, as I said, is encouraging more young people and, indeed, more young people from disadvantaged backgrounds. Of course, it is a constant struggle for all governments to ensure that more people have access to further education. And that is the case whether or not they come from my electorate which, as the member for Jagajaga mentioned before, is not a prosperous seat, but even in that area we have a university campus, which we never had before in my local community, and more young people are going on to higher education and are staying in the local area.

Students receiving youth allowance—Austudy and Abstudy—are entitled to concessions that are not available for other income support recipients: there is a more generous income-free area of $236 per fortnight, as I mentioned; the $6,000 student income bank; and advance loans of up to $500 each year to assist them with the cost of enrolment or extra books et cetera. Students on youth allowance and Abstudy may—depending on their qualifications, the means test and where they live—have access to rent assistance of up to $93.20 per fortnight. When the Student Financial Supplement Scheme was introduced in 1993, that never existed. These things are in place now as a recognition that the marketplace has changed—in particular for young people—and other forms of assistance are required.

The fundamental problem with the Student Financial Supplement Scheme is that it encourages people to get further into debt, which can only disadvantage them as they try to put themselves through university to obviously better themselves and their career. They are left with the albatross of continuing debt because they physically have to trade in half their youth allowance. That is not fair. Legislation to close the Student Financial Supplement Scheme is about sound economic management. It is a better deal, no doubt, for Australian taxpayers, but, more importantly, it is a much better and realistic deal, particularly for students, and that is why the number of students taking it out has been falling consistently. When they analyse it they know that it is going to mean potentially further debt, as I have demonstrated—up to 54 per cent, if not more—and, with interest rates effectively at 16 per cent, they are better off getting a personal loan, even at nine per cent or 10 per cent.

The reality is, though, that Labor have backed themselves into a corner over this because they are using this smoke and mirror trick as a way to finance their higher education reforms. As far as higher education reforms go, the government does have a very good alternative—which is being spearheaded by the minister for education—and that is about providing more opportunities and more places for Australian students. But what we want to ensure, though, is that—

Ms Macklin—That's a lie!
The DEPUTY SPEAKER (Mr Lindsay)—Order! The member Jagajaga will withdraw that last comment.

Ms Macklin—I withdraw the comment.

Mr Anthony—I was reminded by the Minister for Citizenship and Multicultural Affairs that the Labor Party love debt. They cannot have enough of it. They left the Commonwealth debt—the black hole—for us, which we inherited. That is fine. We have done the right thing by the Australian taxpayer: we have repaid the debt through good economic management and yet the Labor Party want to continue to impoverish the next generation of Australian students by maintaining this scheme when even their own union, the National Union of Students, is opposed to it.

Here is an extraordinary situation, where the industrial arm of the Labor Party—their benefactors—are saying: ‘Come on, guys. Don’t support this. Member for Jagajaga, don’t perpetuate this scheme to fund your policies for higher education. Get rid of it. We agree with the minister; we agree with the government. Other areas, like youth allowance, have been far more successful.’ The proof is in the pudding. Of the students who take out these loans, with effective interest rates of 16 per cent and default rates of 54 per cent or higher, the vast majority will never repay them. (Time expired)

Question put:

That the words proposed to be omitted (Ms Macklin’s amendment) stand part of the question.

The House divided. [11.42 a.m.]  

(The Deputy Speaker—Mr Lindsay)

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[11.42 a.m.]
Question agreed to.

Question put:

That this bill be now read a second time.

The House divided. [11.47 a.m.]

(The Deputy Speaker—Mr Lindsay)

**AYES**

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| 75 | McFarlane, J.S. | McFarlane, J.S. |
| 75 | McMullan, R.F. | McMullan, R.F. |
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| 75 | O’Connor, B.P. | O’Connor, B.P. |
| 75 | Organ, M. | Organ, M. |
| 75 | Price, L.R.S. | Price, L.R.S. |
| 75 | Roxon, N.L. | Roxon, N.L. |
| 75 | Sawford, R.W. | Sawford, R.W. |
| 75 | Sercombe, R.C.G. | Sercombe, R.C.G. |
| 75 | Smith, S.F. | Smith, S.F. |
| 75 | Tanner, L. | Tanner, L. |
| 75 | Vamvakianou, M. | Vamvakianou, M. |
| 75 | Zahra, C.J. | Zahra, C.J. |

| 59 | Abbott, A.J. | Adren, P.J. |
| 59 | Andrews, K.J. | Anthony, L.J. |
| 59 | Baird, B.G. | Baldwin, R.C. |
| 59 | Barresi, P.A. | Bartlett, K.J. |
| 59 | Billson, B.F. | Bishop, B.K. |
| 59 | Bishop, J.J. | Bishop, L.G. |
| 59 | Cadman, A.G. | Cameron, R.A. |
| 59 | Causley, I.R. | Charles, R.E. |
| 59 | Ciobo, S.M. | Cobb, J.K. |
| 59 | Downer, A.J.G. | Draper, P. |
| 59 | Dutton, P.C. | Elson, K.S. |
| 59 | Entsch, W.G. | Farmer, P.F. |
| 59 | Forrest, J.A. | Garanbro, T. |
| 59 | Gash, J. | Georgiou, P. |
| 59 | Haase, B.W. | Hardgrave, G.D. |
| 59 | Hartley, L. | Hawker, D.P.M. |
| 59 | Hull, K.E. | Hunt, G.A. |

| 16 | Adams, D.G.H. | Albanese, A.N. |
| 16 | Beazley, K.C. | Bevis, A.R. |
| 16 | Burke, A.E. | Byrne, A.M. |
| 16 | Corcoran, A.K. | Cox, D.A. |
| 16 | Crosio, J.A. | * | Danby, M. |
| 16 | Edwards, G.J. | Ellis, A.L. |
| 16 | Emerson, C.A. | Evans, M.J. |
| 16 | Ferguson, L.D.T. | Ferguson, M.J. |
| 16 | Fitzgibbon, J.A. | George, J. |
| 16 | Gibbons, S.W. | Gillard, J.E. |
| 16 | Grierson, S.J. | Griffin, A.P. |
| 16 | Hall, J.G. | Hatton, M.J. |
| 16 | Hoare, K.J. | Irwin, J. |
| 16 | Jackson, S.M. | Jenkins, H.A. |
| 16 | King, C.F. | King, C.F. |
| 16 | Lawrence, C.M. | Lawrence, C.M. |
| 16 | Macklin, J.L. | Macklin, J.L. |
| 16 | McFarlane, J.S. | McFarlane, J.S. |
| 16 | McMullan, R.F. | McMullan, R.F. |
| 16 | Mossfield, F.W. | Mossfield, F.W. |
| 16 | O’Connor, B.P. | O’Connor, B.P. |
| 16 | Organ, M. | Organ, M. |
| 16 | Price, L.R.S. | Price, L.R.S. |
| 16 | Roxon, N.L. | Roxon, N.L. |
| 16 | Sawford, R.W. | Sawford, R.W. |
| 16 | Sercombe, R.C.G. | Sercombe, R.C.G. |
| 16 | Smith, S.F. | Smith, S.F. |
| 16 | Tanner, L. | Tanner, L. |
| 16 | Vamvakianou, M. | Vamvakianou, M. |
| 16 | Zahra, C.J. | Zahra, C.J. |
Third Reading

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (11.50 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

STUDENT ASSISTANCE AMENDMENT BILL 2003

Second Reading

Debate resumed from 26 June, on motion by Mr Anthony:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (11.52 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FUEL QUALITY STANDARDS AMENDMENT BILL 2003

Second Reading

Debate resumed from 26 June, on motion by Mr Griffin:
That this bill be now read a second time.

Mr GRIFFIN (Bruce) (11.53 a.m.)—The Fuel Quality Standards Amendment Bill 2003 is a relatively simple bill that adjusts the system to establish a regulatory framework for fuel labelling in Australia and to permit state and territory laws to be overridden where the Commonwealth has made fuel quality information standards, and creates strict liability offences for the key offence provisions of the act. That is the easy part of the story. What this bill in fact does, in the context of the current political debate in this country, is provide an enabling system or a regulatory framework, if you like, for the establishment of labelling for fuels. In the context of the current political debate, this is about ethanol.

Ethanol has been a subject of considerable debate within this chamber and within the Australian community over the last year or two, and this bill is absolutely relevant and germane to that debate. In the context of that, and because of the bill’s wider implications in that area, I move:
That all words after “That” be omitted with a view to substituting the following words:
“whilst not denying the bill a second reading, the House notes:
(1) the failure of the Federal Government to protect Australian consumers by delaying the implementation of a mandatory national labelling regime for ethanol blended fuel despite the repeated public assurances of the Minister for the Environment and Heritage;
(2) the decision by the Howard Government to continue to protect the interests of the ethanol industry by continuing to subsidise the industry while failing to provide adequate protection for consumers;
(3) the inadequacy of the proposed labelling regime to provide consumers with a sufficiently informed choice when purchasing ethanol blended fuel;
(4) the failure of the Federal Government to release the proposed regulations that will determine what labelling information consumers will be given;
(5) the Government’s general conduct in developing its ethanol policy behind closed doors in a clandestine manner; and
(6) calls on the Government to release the regulations immediately to ensure public scrutiny of their proposals”.

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

Mr Griffin—The purpose of this amendment is to highlight some of the key issues in this debate, which has been going on over the last 12 months or so. In the context of that and in relation to the issue of labelling and other matters with respect to ethanol, I would like to go to the history of the debate and why we find ourselves here today.

The first point I make is that we find ourselves here today a long time after we should have been here, because this is not a new matter. It is something that has been a subject of discussion and debate in the community, as I said, for quite some time. Calls for labelling for ethanol on a national basis are not new. In fact, the member for Wills—who is sitting to my left—and the member for Fraser, in September last year, almost 12 months ago, released Labor’s policy with respect to this issue, which made it very clear that we should be labelling. The press release at that time said:

Labor today announces two policies to protect motorists and other users of petrol:

• a limit of 10 per cent on ethanol blending in petrol; and
• mandatory labelling of ethanol in petrol where content is 5 per cent or more.

Labor is concerned about the potential damage to cars, boats, engines and other petrol-powered equipment from the unregulated use of ethanol in petrol. Consumers have a right to know what is in their petrol, and they have a right to know that the Government will regulate to ensure the petrol they buy will not damage their equipment and will not void their warranties.

Motorists and other petrol consumers face serious damage to their engines and the voiding of their warranties from the current totally unregulated system. Consumers are completely in the dark while the Government continues to allow retailers to secretly sell petrol containing very high ethanol blends.

Every major car manufacturer in Australia has written to the Government calling for a 10 per cent ethanol limit in petrol, and warning that car warranties will be voided if higher blends are used.

So the key question is not why Labor is proposing these policies, but why the Government is not. There has never been a satisfactory explanation for the Government’s failure to act, and we will continue to pursue the issue.

We can no longer afford to wait for the outcome of the Government’s flawed processes. Labor is taking the lead, and we call upon the Government to implement these proposals immediately.

The policy has the support of major motoring and consumer organisations, and the body representing the major motor-vehicle manufacturers.

Labor will put the interests of motorists and consumers first—why won’t the Prime Minister? I read that press release in total to show very clearly what our position was at that time—and what our position has consistently been since that time with respect to this issue—and to highlight that we are not dealing with something that is new. We are dealing with something that has been the subject of discussion and debate publicly, to a degree, and internally with this government for a long time now. And yet we find ourselves now, 12 months later, finally considering legislation in this place to set up a labelling regime on a national basis and in a situation where the minister responsible, the Minister for the Environment and Heritage, is trying to blame Labor for the fact that we do not have a system in place at this time. He says that Labor are holding things up because we have had the nerve, the temerity, to ensure that the legislation we are currently considering will be considered briefly at a Senate committee. What a terrible thing to do!
The fact of the matter is that, in the other place, legislation is considered by committees on a regular basis. The fact is that this issue has been a matter of significant public concern for a long period of time. It is entirely appropriate for a Senate committee to hold a hearing on these matters to consider the detail and the implications for the system. The fact that the minister sat on this matter for the best part of 12 months and now squeals because it will take a couple of weeks to consider is absolutely unbelievable. We have to understand that this has been an issue not just over the last 12 months. The fact is that the government has had information regarding the need for capping and labelling for ethanol for much longer than that. You can go back to an Environment Australia report of some two or more years ago—in fact, it is nearly three years ago now—which basically talked about the need to set a 10 per cent cap on ethanol levels in line with international standards. That was supposed to be implemented with new fuel quality standards that took effect in May 2001, but a decision on ethanol was deferred by 12 months and has since been deferred again.

You have to ask yourself why that is the case. There has been ample speculation about what has been occurring in this policy area within government. There have been numerous reports of problems concerning the direction being taken by National Party ministers on the one hand, and the Deputy Prime Minister in particular, and some of the economic ministers—for example, the Treasurer and the Minister for Finance and Administration—on the other. The debate on how this industry should be handled has been going on for quite some time. We have heard rumours about it, but little of that has been corroborated on the public record.

When we go to the question of the need for ethanol limits and, following on from that, labelling, a range of points have been made over time about it. I mentioned earlier Environment Australia’s report, which called for a 10 per cent limit. In addition, a press release from the then shadow Treasurer, the member for Fraser, says:

- In November 2000, Environment Australia proposed a limit of 10 per cent on the ethanol level in petrol, consistent with international standards.
- In March 2001, the government referred the issue to the ACCC, citing motorists’ concerns.
- In May 2001, the government deferred a decision on setting a standard for the ethanol limit for 12 months.
- In December 2001, the ACCC wrote to Environment Minister David Kemp, calling for a 10 per cent limit on the proportion of ethanol in petrol, and urging consumers be warned whenever they were sold high ethanol blends.
- In May 2002, instead of setting a standard, the decision was delayed again, and the government announced its intention of exploring an ethanol limit of up to 20 per cent.
- In September 2002, Cabinet rejected advice to set an interim limit of 10 per cent ethanol while yet another study is prepared.

That has been the basic line from the government on this issue. A literature search was done which said that the position internationally was inconclusive, but the position internationally is not inconclusive. The fact of the matter is that, where we see ethanol in operation overseas, other than Brazil, it is invariably at a 10 per cent maximum level. That has been the state of play for quite some time.

A range of groups across the entire spectrum within this country came out and said there should be a 10 per cent limit, so that is just absolutely clear cut. Yet the government and the ethanol industry said that more studies were required. They said that international experience was not that clear and they did not want to move on it at that time. That
has occurred all the way through this. We are dealing now with labelling. As with the issue of capping—and those two are linked quite clearly—we are in a situation where either this whole debate has been held in a clandestine manner behind the scenes within government or, as those issues were raised, the government has had to be dragged kicking and screaming to move forward step-by-step to a logical conclusion—a conclusion that was clear to practically everybody else a good 12 months ago.

I will go to the question of various relevant dates and issues around this. In December last year the minister initially blamed the states for not acting, saying that labelling was a state power and, in those circumstances, the states should act, even though we have the Fuel Quality Standards Act designed to deal with these issues. He said at that time that it was up to the states to act and, if the states did not act, he would act in February. That was on 12 December. The states rejected that position—they did not believe that it was their responsibility in the circumstances and they basically believed that the government was not serious about dealing with fuel quality issues. They turned it back on the federal government and said, ‘You take national action.’ Labor federally has always had the view that this is a national issue and it requires a national response. Therefore, the national government should in fact take action to ensure that motorists are protected and informed.

In February the minister again commented. He said that uniform labelling should be in place by March—that was his plan—and that legislation would be introduced when parliament resumed on 4 February. That was on 1 February. The point to remember about that is: it was very clear at that stage, at the beginning of February, that this minister believed he was ready and in a position to act. He was actually planning legislation, to be introduced in a matter of days and implemented a matter of weeks later. So any issue that might be raised about the complexity of this matter is, I think, ridiculous, because it was clear at that stage—at the beginning of February—that the minister was in a position to act. He stated publicly that he was in a position to act. Then what happened—absolutely nothing, even though, at the beginning of February, it was announced that legislation should be in place by March.

On 19 February an Environment Australia report was released, which showed concerns about the use of ethanol in non-automotive engines. That actually led the government to start moving on this issue. At that stage—and we are now up to 19 February—in a press release, the Minister for the Environment and Heritage, Dr Kemp, said:

Nevertheless, I expect to be making an announcement shortly and hope that motorists will see labels on petrol browsers within the next couple of months.

As we can see, at 1 February it was expecting it to be introduced within a matter of days and to be enacted by March. Nothing happened. On 19 February the Environment Australia report came out and the minister stated that he expected to make an announcement shortly and hoped to see labels in place in the next couple of months. So, we are off to April as being the time when he expects labelling could go ahead. Other developments that occurred around that time included the continuing concern from industry, from car manufacturers, from petrol companies and from consumer groups about what was happening and the fact that the capping was not in place. So we had the situation where those sorts of concerns had been ongoing and, yet, again nothing had been happening.
So we had gotten to April at this stage. On 7 April I issued a press release, which stated: Over 6 weeks ago Dr Kemp announced the following on ethanol labelling.

“The Commonwealth will now take action ... I expect to be making an announcement shortly and hope that motorists will see labels on petrol bowser within the next couple of months.”

With less than two weeks to go on his self imposed deadline for implementation, there has not even been an announcement about what action will be taken.

Since Dr Kemp’s grandstanding on this issue, the Victorian Government has announced and implemented regulations to protect Victorian motorists in less than two weeks.

The only news on ethanol federally has been leaks about the impasse in government regarding the future of the industry.

Dr Kemp promised a national labelling system would be in place by mid April. It’s about time he let the public know just what he is going. And he did not—he still did not let anyone know what he was doing. If we move ahead, on 11 April we finally had an announcement of a 10 per cent cap after reports had come back which showed clearly that there was an issue around the question of engines and, again, a reiteration on the issue of labelling. But, again, there was still no real detail and no real commitment about the future on that issue of labelling.

It has just gone on and on like that. What did we then find? We finally had this bill introduced in the parliament on 26 June. So we have gone from April, through May, through to the end of June and finally this bill—the enabling legislation—is introduced. For those who are not aware, 26 June was the last sitting day of this parliament for some six weeks for the winter break. It is one thing to introduce it on 26 June, but we were in a situation where there could be no opportunity for debate on the legislation for a further six weeks, and that is what happened.

Now, finally, the government has listed the bill to be heard in this place at this time.

In the Senate, the introduction of the bill resulted in it being referred very quickly to a Senate legislation committee to allow an inquiry into the detail of the bill, which, as I mentioned earlier, is a standard practice, particularly in contentious areas, even if the bill itself should not be particularly contentious given the clauses and the fact that it is enabling legislation. But the fact that it was referred to committee points to a key issue around the question of what the labelling regime will be, and that is that this legislation—should it be passed as it stands and I suspect it probably will—sets up the framework which then allows the labels to be established.

To use an example, it is almost like this establishes the building code which allows you then to build the building. This establishes the basis by which you can then act by providing labels. We come to the crux of it there: where are the proposed labels? When we asked in the last few days, and again of this minister in the parliament yesterday, ‘Where are the labels?’ the response was, ‘We don’t have any yet,’ the reason being that we the opposition are holding this legislation up at a Senate committee. This is just disingenuous rubbish. It is quite usual in a situation where a piece of legislation is enabling—it sets up a system where the result will be quite contentious: that is, the actual labels—to release the regulations as proposed at the same time or during the time the bill itself is being debated so that the opposition, the public and interested parties can examine not only the legislation as it is proposed but also the regulations as they are proposed in order to look at the issue in total and decide whether it is reasonable to consider. That is not what we have seen. We actually have the minister on the record as saying they do not have proposed labels yet.
Following inquiries and information provided to the opposition in the last few days, it was brought to our attention that the ethanol confidence working group within the Prime Minister’s department was considering labels and had in fact come down with a preferred label, which had been passed on to the government as their view. That in itself has not been refuted; what has been refuted is the allegation that the minister has agreed to them. The fact of the matter is that there was—and, as we understand it, there is—a proposed label that is suitable to go ahead with, and I have that in front of me now. It basically provides very little information for consumers to make them aware of the sorts of concerns they need to address, depending on their car, in using ethanol blended fuel.

They are at odds with the current labels in operation in Victoria as produced by the Victorian government. They are also at odds with the current labels being utilised by Caltex in their trial that is under way in northern Queensland. That is a really important issue because part of the concern from within industry allegedly is: if you provide too much information, you will scare people off and therefore be in a situation where the fuel will not be used. But the interesting thing—as I understand it and as I am led to believe—is that the Caltex labels, which provide a lot more information in North Queensland, have been very successful in the results of the trial so far, interim as they are. So it appears on the face of it that, by providing that information, Caltex have in fact not only protected themselves from liability around the question of any problems or concerns that may occur with particular vehicles as a result of the use of ethanol but also have not stopped people being prepared to use it. So the argument from industry that too much detail will kill the industry is, I think, a furphy.

When you come to the question of information in these circumstances you have to provide consumers with the information, where you can. Sometimes it will be difficult and sometimes it will be too complex, but certainly a lot more information can be provided than what is being proposed by these labels by the ethanol working group, as we understand it. The Victorian government’s labels also provide additional information. At the conclusion of my speech, I intend to seek leave to table those particular documents so that they are on the public record—so people can see them, examine them and evaluate them themselves and be clear about the sorts of differences we are talking about as to what we believe is occurring behind the scenes within this government.

The fact of the matter is that the minister is saying that he does not have a position on this. How do you hold something up when the government have said, ‘We don’t know what we are doing yet’? That is a pretty difficult thing to do. If you want to develop some consumer support for this issue and if you want to get away from some of the hype that has gone on with respect to the development of this industry, it is about time you went a bit more public and became a bit more transparent about what it is you intend to do.

The opposition are prepared to cooperate with the government on the consideration of this legislation in this House and also in the Senate, but we need to see what the government’s position is with respect to what those labels will be. Otherwise, we will find that we pass this legislation and, some time after that, the government will make a decision about what its labels are and they will be produced as regulations, which are disallowable in the Senate. We will then be faced with a situation where either we accept the labels or, if we disallow them, there will be no labels. It is designed to be a gun to the head of the opposition with respect to ensuring information to consumers on this particu-
lar issue. We are not happy with that. We do not think it is reasonable or just and it is certainly something that this government has all the capacity in the world to fix because all it has to do is show us what it is it requires.

But, as we said, the minister does not seem to know. He has been promising labels since late last year. He has been in a situation where he has set three deadlines, that we are aware of, earlier this year around the question being considered and yet here we are in September and he still does not know what he wants. There is no reason why that information cannot be released. It needs to be released. It needs to be part of the scrutiny process of the Senate committee. If it is, we can hopefully get to a conclusion on this matter. If it is not, there will be increasing difficulties, and the concerns that consumers have will continue.

Following on from that, with respect to the overall issue beyond labelling we have seen additional information that has been leaked in recent days about the potential for vehicle damage to vehicles in the fleet beyond 1986. Essentially, it was generally accepted that, for vehicles that are pre 1986, there was a concern about ethanol usage because of its impact, potentially, on engines. Having sought information from manufacturers, it has now become clear there is a range of other vehicles post 1986 from a range of manufacturers where concerns have been raised. Those concerns have not been raised by the opposition; they have been raised by the manufacturers. The manufacturers have been asked, ‘Is E10 fuel okay for your vehicles? Can you please evaluate it with respect to your engines and come back with an answer?’ They have come back with an answer and that answer is, ‘There are many more concerns here than what we first thought.’ It is the manufacturers who are raising those concerns. We understand they have been raising those concerns for some months now. Maybe that comes back to the question about why we have been dealing with this issue over this period of time.

The reason I have gone into some detail with some of the concerns that have been raised in this area is to show that, right the way through, the government had to be dragged to capping and it had to be dragged to labelling. It had to be dragged to accepting the international standard on engine protection and it had to be dragged to ensuring consumers have the information that they need to make informed choices. When you look at that combined with the way that policy in this area has been run privately and all the allegations that have been made about the disputes within government—within the coalition—about pursuing this industry and all the problems that have come up around the question of the activities of Manildra and others in the industry, when you look at all those issues in a global sense this finally does start to make sense.

The government have sought continually to frustrate the setting up of a viable industry by ensuring that the regulatory environment provides some certainty to all. They have refused to move on a range of points unless they have had to because, if they do that, it affects their mates in that industry in terms of their particular operations. That is why we have seen this happen over time. It is a pretty sorry case.

Then we have a situation where the government say, ‘No, it’s your fault because you’ve run a fear campaign.’ When it comes to a fear campaign, you have to look at what has occurred. You had international experience which was clear and you had all the groups across industries talking about a 10 per cent cap. Yet the government have said, ‘More research is needed,’ and they have stalled and stalled. That caused public concern. It was their actions that caused that
public concern. On the question of labelling, we have had the government, for 12 months now, saying, ‘Yes, there needs to be labelling and we will act.’ Only now are we seeing that occurring. At the eleventh hour, after they have taken the best part of 12 months to actually do something, they are saying to us, ‘Hurry up, you’re holding things up.’ It is ridiculous. It is absolutely unbelievable in the circumstances.

The government has to start to come clean on ethanol. It has to start to be more public about what it is doing. It has to be in a situation where it shows some sense of public policy development that is about building an industry and not about trying to stall the understanding of what is really occurring with that industry. If it does not start doing that, we are going to continue to have problems. Labor believes there is scope for a biofuels industry in this country, but if we continue to have a government and an industry stalling on ensuring consumers have the information they need to make a decision, stalling on releasing labels, stalling on releasing the detail of where engines can be affected and stalling, as it were, on the question of a cap, we are going to have a situation where there is a lack of trust and a great deal of concern about what is really going on within this industry.

There is a range of other points that can be raised, and I certainly intend to be raising them in the weeks to come. I want to get an answer from this minister about where these regulations are. We want to see the regulations so that we can be sure that consumers will get the information they need to ensure that their engines are being looked after. They have a right to know, and this minister has a responsibility to ensure that they are provided with that information. If we are provided with that information to scrutinise and review, we will undertake to do everything we can to ensure that it is dealt with efficiently and effectively but with the interests of consumers coming first and foremost. That is the challenge for this government. If you are fair dinkum about trying to get this system in place quickly then come clean on the detail, because you have been sitting on it for so long now it is absolutely unbelievable.

In the context of what I said earlier, I seek leave to table a copy of the labels in operation in Victoria, a copy of a Caltex label and a copy of what the opposition believes was the label being proposed by the ethanol working group, which I think makes it very clear that this government is moving towards a position where consumers will not get the information that they require to ensure that their interests are being looked after.

Leave granted.

Mr GRIFFIN—I thank the House. (Time expired)

Mr BILLSON (Dunkley) (12.23 p.m.)—It is my pleasure to speak on the Fuel Quality Standards Amendment Bill 2003 and it is particularly my pleasure to follow the member for Bruce, the shadow minister for consumer affairs. What you have heard today is more of what I would call the ethanol fuel fog that the Labor Party have maliciously sought to create, have perpetuated through untruths and misrepresentations and now seek to continue through what could only be described as the most duplicitous and deceitful campaign I have seen in relation to any fuel or transport issue for some time.

Let us look at the genesis of this subject. The reason for this bill coming before the parliament was hysterical claims in the media in 2002 that vehicles in Sydney had been damaged because there was ethanol in the fuel. The member for Fraser was coming in here every day saying, ‘There is a crisis. Vehicles are being damaged. Cars are having expensive repair work done to them because of the evil ethanol that happens to be in the...
fuel.’ That was the concern; that was the claim. That was the scare campaign that started this ethanol fuel fog that has been perpetuated even further today.

What arose at that time was day after day of questioning from the Labor Party about what the federal government was going to do to intervene, to override the states and territories that have the lawful responsibility to require the labelling of products at the bowser. ‘What is the federal government going to do? It must act!’ was the call from the Labor Party as this ethanol fuel fog started to build. They were looking for the federal government to do what their Labor state and territory governments had not done—that is, to intervene and to put labelling relating to fuel onto bowser and to introduce a cap that would guard against this damage to vehicles that had been so hungrily embraced by the Labor Party with claims of expensive repair costs and so on to back up their claim.

But what was proven to be the case in the end? The particular cases of supposed vehicle damage because of ethanol were not because of ethanol at all. There was no ethanol in the fuel. The cause of the damage was other fuel additives. It was a claim that has been disproved and found to be a fraud that represented the basis of the Labor Party ethanol fuel fog. It has been exposed to have been a lie and to have been deceitful, and the campaign has caused unspeakable damage to the industry and to those fuel blenders who quite rightly want to offer the marketplace a fuel that has a component of renewable energy in it. That was it. It is something that has been going in this country probably for longer than I have been alive. Ethanol has been added to fuels in rural and regional Australia and other parts of the country as a fuel extender which has done no damage to vehicles. It has been quite widely accepted in the marketplace and understood to be quite an appropriate thing to do. That history has been wiped out.

The opportunity for the further embrace of ethanol has been damaged—irreparably, in some people’s eyes—because of the ethanol fuel fog created by the Labor Party, based on a false claim. It was a deceitful campaign alleging that there were vehicles in Western Sydney requiring expensive repairs because of ethanol additives. It proved not to be that at all; it was not ethanol in the first place. It was some fuel additive, not ethanol, and the Labor Party have not come in here and apologised. They have not come in here and said to the industry and the working men and women that are part of producing ethanol in different parts of the country and in regional centres in New South Wales and Queensland, ‘We are sorry for compromising your industry. We are sorry for being deceitful and duplicitous in order to create this ethanol fuel fog that may have damaged the long-term viability of the industry.’ The Labor Party have not done that. They have sought to extend the fog further.

The Labor Party have sought to extend the fog further by making allegations, as the member for Kingston would know well, about what the federal government should be doing while they have been ignoring the simple fact that the pure action and intervention that they are looking for requires a legislative power and that the existing legislative power with the states and territories has not been exercised in all but one case. The member for Bruce locks on like a doberman to this one example in Victoria, because that is the only state where something had happened. What happened in New South Wales with the call for labelling? Premier Carr and the New South Wales government said, ‘No, we won’t do that. We’ll leave it to the feds.’ What’s the point in having separate regimes around the country when motorists move from one state to another coming through
different fuel labelling regimes at the bor-
ders?"

What happened in Queensland? They had a voluntary code. They had only one supplier, Caltex, putting these trials out, which the member for Bruce was talking about. But that is it. That is all that the states and territo-
ries have done to address the calls, born out of the ethanol fuel fog created by the Labor Party, to do something in relation to fuel la-
belling—and the states and territories already had the power. In order for the Common-
wealth to do something, it actually needed a legisla-
tive basis. We are criticised in this place today, as part of the ethanol fuel fog argument, that that has taken too long, yet here we are today debating the legislative framework to give the Commonwealth the power to do what the states and territories have not done—that is, to put in place a la-
belling regime.

The criticism, as part of this duplicitous and deceitful campaign by the Labor Party, extends even to the heart of their amendment to this bill. Let us have a look at it. They criticise the federal government for failing to act to implement a national labelling regime. Yet the very head of power existed with the states and territories—Labor governments—and they did nothing, other than in Victoria, after some considerable delay, and in Queens-
land, with its ‘suck it and see’ road test, which is a voluntary scheme. So concerned were the Labor Party that their state and ter-
ritory comrades did nothing. The Common-
wealth has acted and the legislation is in the House today.

The way Labor’s amendment goes on it could be called irony, if this were not such a serious issue. It is irony that the Labor Party seek to criticise the Howard government for not protecting the interests of the ethanol industry when the ethanol assassins in this place are the Labor Party. They created the bogus campaign. They created the ethanol fuel fog. And they have the gall to call upon the House to move a motion condemning the Howard government, when it is the Howard government with the industry plan that has acted to restore public confidence. It is the government that has acted to put labelling and consumer information in the hands of motorists when the states and territories, with the consumer affairs head of power, did nothing about it.

You can see a pattern emerging here: amongst the ethanol fuel fog, the Labor Party will say anything. They have been exposed as deceitful, duplicitous and damaging to all interests relating to ethanol. The Labor Party go on to complain about the inadequacy of the proposed labelling regime. They say that sufficient choice has not been provided to consumers. Yet at a time when the regula-
tions that bring in the working nuts and bolts behind this legislation are being developed in consultation with all the stakeholders—including the state and territory govern-
ments, the petroleum and fuel blending in-
dustry, the motorists association and the ve-
hicle manufacturers—there is criticism that the consultation is being done in secrecy—in some clandestine manner. Yet they parade around here with snips of information that are being discussed by the very consultative forum that the government has put in place. Can you imagine why motorists are confused when you hear this doublespeak from the Labor Party? I am surprised that people still consider the Labor Party credible on any policy issue. Here is more evidence of why people must take with a grain of salt some of the things that the Labor Party say.

The consultative process is moving for-
ward. The discussion is about what level of information is useful to the consumer. The government has conducted scientific trials that conclude that E10—10 per cent of etha-
nol—is okay for the Australian vehicle fleet.
Why were those scientific trials needed? It was because the Labor Party went around and created the perception in the minds of consumers that any kind of ethanol would damage your car and cost money to repair. We know that is false. We know that is a lie. We know that that has been deceiving motorists. The science was called upon to put the facts into this debate and to find some facts to get through this ethanol fuel fog that the Labor Party has created. There is a reason why that science was required.

If you look through the history of blended fuels involving ethanol, you will see a vast variety in the blends that are being used. You will see 10 per cent blends in North America. You will see 2½ to three times the amount of ethanol in Brazil. You will see examples of different standards in Europe as well. You will see in Australia practices where the actual amount being used is far more than 10 per cent and it has been used that way for decades. But the argument was: let us have some science. Let us have some science to work through and conduct scientifically verifiable trials to make sure that a nationally consistent framework actually works for the whole vehicle fleet.

You still have some manufacturers of vehicles, whether or not they are high-performance cars, that do not even like you using standard unleaded petrol—the 91 octane version. They say, ‘No, we want the grunt of the high-performance stuff for our cars.’ They recommend a 98 per cent octane. You can see that even in the regular unleaded fuel area that some manufacturers have different specifications on how to optimise the performance of your car and how to get the most grunt out of your performance vehicle. That is the advice that goes to motorists. The advice the science gave us was that that might be true, but a 10 per cent blend of ethanol will not damage the car. That is the message that is going out through the E10 policy of the government.

You can see that is a classic example of how, even in unleaded petrol, manufacturers might say, ‘Unleaded petrol is required for this car, but if you want to get the maximum performance out of it, if you want to optimise the response of the vehicle to engine technology, go for the high-performance fuel, go for the 98 octane.’ It does not mean that if you use the unleaded petrol, the 91 octane, that the world is going to come to an end. It means that that fuel might be preferred for performance. It is the case, and it has been identified through the consultation process backing up the legislation that is before the House, that some manufacturers have made that same point: it is not that the E10 is bad—although they might prefer that you use other fuels for your car—but that the E10 will not void your warranty and it will not damage your car.

What we need to get through in this ethanol fuel fog are the various competing interests that exist here. It has suited some of the major oil companies to allow the concerns about ethanol blended fuels—unplaced, unjustified, undeserved concerns—to run. They felt that they did not have to source the product and that that might have suited their market positioning. I have seen pamphlets from major oil companies operating in this country that have been, shall we say, less than enthusiastic about their support for E10. They have produced glossy pamphlets in North America for their North American market where they say that E10 is the best thing since sliced bread. The slogan ‘put some vitamins in your car’ appears on some of those pamphlets. They think it is the bee’s knees in North America. Why is the position different in Australia? It is because of the ethanol fuel fog and the deceitful, damaging campaign of the Labor Party. The oil companies are not responding to the science. They
are not responding to decades of history. They are not even responding to practice within their own corporations overseas. They are responding to consumer sentiment created by the undeserved concern that the Labor Party created. That is why you see some of those confusing and conflicting messages out there.

What this legislation seeks to do—not only in highlighting and seeking to address the scare campaign that the Labor Party has perpetuated but also in order to restore public confidence in ethanol—is to put in place consumer information at the bowser. As I mentioned earlier, to do so you need a legislative head of power. The Constitution gives consumer affairs power to states and territories. One of them has played with it, others are taking a ‘suck it and see’ approach, and New South Wales has said, ‘We’ll leave it to the feds.’ There is not a lot of ethanol in South Australia. I do not think they have even turned their minds to the subject. In Western Australia they are probably more interested in what is happening at Gorgon field.

Even within our own country there are different levels of engagement with this subject. Most of that depends on being close to the central and north-eastern seaboard sources of ethanol production. We are looking for a nationally consistent scheme. The bill seeks to do that by amending the Fuel Quality Standards Act 2000. This amending bill will establish the legal framework that does not exist now for fuel labelling in Australia. It will still permit state and territory laws to be overridden by the Commonwealth where the states and territories have actually done something but, as I have evidenced—I am not just saying it—the states and territories have failed to act. It will also create a strict liability offence for breaching the act. What does that mean? That means that if you put a sticker on your bowser saying that there is E10 but there is not, you have a problem. And shouldn’t that be the case in order to provide motorists with the confidence that it is there?

The legislation does not introduce point-of-sale labelling but it does set in place the framework to require the labelling of fuels, and there is work going on there at the moment. The member for Bruce asks, ‘What does the label look like?’ How many cars are there in the Australian car fleet? There are hundreds, probably thousands. To have a label that is meaningful to all motorists, whilst recognising that some of the technical specifications of different vehicles may be different, you need a label that not only has the utility of informing motorists but also draws motorists’ attention to the fact that their owners manual might have some more information—that is the conversation. But that has been criticised by the member for Bruce as all the key stakeholders work through that complicated issue.

You do not want to end up with one of those big stickers you see on the back of a hotel door that basically says, ‘If you lose your stuff in here, too bad; how sad.’ And it takes 25 small, tightly typed paragraphs to achieve that. Can you imagine going to fill up your car and having to sit there and think, ‘Can I have a chair to sit down and read all this before I fill up my car?’ Of what value would that be? That would just add to the ethanol fuel fog. You want something that cuts to the car chase and says, ‘E10 will not damage your car, but have a look at the rest of the detail in your owners manual, because at the end of the day it is your car and you should know something about it.’ If you have a Tickford Ford and they want you to put 98 octane fuel in it so it goes like the clappers, you do not want that little bit of information on every label at every bowser around the country.
It does not seem very complicated. But what is difficult is finding a consensus within the industry and amongst the various players about what is useful consumer information without spooking people, given that they have already been spooked by the ethanol fuel fog and the deceitful campaign that the Labor Party perpetuated and accelerated in late 2002 to give ethanol additives a bad name. The legislation provides the infrastructure for the form and content of the label, to be introduced after consultation with the ethanol industry and other stakeholders, and it puts in place the consultative framework to achieve that. It also provides that the labelling provisions will be used and will allow the minister, when it is in the public interest, to provide additional information to ensure that consumers are well informed of what is going into their vehicles.

Let me wrap up. The blending of ethanol for petrol attracted a lot of unhelpful, damaging and needless media attention and public comment late in 2002 because some motorists in Western Sydney—in my view, abused and taken advantage of by the Labor Party—were seen to be claiming that their cars required expensive repairs because of ethanol. What was actually wrong with their cars was caused by a fuel additive, not by ethanol. That has never been apologised for by the Labor Party. An apology would be a step forward for them in building some credibility on this matter. Engine manufacturers have said that ethanol levels of more than 10 per cent at that time may pose some warranty problems. That is why E10 has been set as the benchmark.

Ethanol’s octane-enhancing properties and benefits to the sugar industry have been recognised, and the government has put in place an industry support package that is timely and appropriate—another area of this policy debate that the Labor Party should get behind. At the end of the day, this bill seeks to clear the ethanol fuel fog. It seeks to work cooperatively to put useful and meaningful information in the hands of motorists so they know what is going into their vehicles when they buy fuel at a service station.

The best thing the Labor Party could do, given their tawdry and appalling history with this whole question of ethanol blending for transport fuels, is simply to get out of the road. They have added nothing so far. They have confused the debate. For their own political purposes they have come into this place and run completely contradictory arguments over the last 12 months because it suited them politically, but they have achieved nothing in public policy terms, they have done nothing to assist motorists and they have done a terrible disservice to anybody with an interest and involvement in the ethanol industry and fuel blending industry. I encourage the parliament to support this bill and reject the Labor Party’s amendment outright. (Time expired)

Mr KELVIN THOMSON (Wills) (12.43 p.m.)—The member for Dunkley does not love it very much, but there is only one party in this parliament that supports the interests of consumers—the Labor Party. We have dragged this government kicking and screaming to do something to protect the interests of consumers—the Labor Party. We have dragged this government kicking and screaming to do something to protect the interests of consumers. The Fuel Quality Standards Amendment Bill 2003 that we are debating now—the labelling bill—and the limit on ethanol which the government has been dragged kicking and screaming to implement were policies that we announced back in September last year. The member for Dunkley says that the Labor Party have not achieved anything. The Labor Party have acted in the interests of consumers and have acted to drag this government, I repeat, kicking and screaming to do something in the interests of consumers in relation to ethanol.
Most people think that Operation Helpem Fren is about Australian troops going to the Solomon Islands to deal with the problems of lawlessness, gangs and police corruption. In fact, Operation Helpem Fren is a more appropriate name for the excise slapped on importers of ethanol by Prime Minister Howard to advantage his friend Dick Honan. Maybe it should be called Operation Helpem Dick!

Isn’t the Howard government supposed to be totally in favour of the benefits of free trade?

Time and time again, we have heard that efforts to protect Australian jobs and production are nothing more than an unfair burden on Australian consumers and a barrier to increased efficiency. So why is it that the government was persuaded by the need to protect Manildra from the menace of competition from cheap Brazilian ethanol?

The issue of why a free trade, free market economic rationalist like the Prime Minister is willing to protect an Australian firm against imports has gone largely unremarked. For years we have heard that there is no long run benefit to Australians by protecting jobs in the manufacturing industry. I dare say this would be a view that the member for Parramatta would endorse. Indeed, hundreds of thousands of Australians, including some in my own electorate, have paid a high personal price as a result of the implementation of just such a view. We are in the middle of negotiating a free trade agreement with the United States, and people talk about driving up the price of medicines in Australia to secure greater exports of beef or lamb. We are told that this is in the name of increasing trade and efficiency. But when it comes to Manildra and the production of ethanol, it seems that the government’s preferred approach to economic policy no longer holds true. All of a sudden protecting jobs and developing new industries is what the government’s policy is all about, rather than the usual preference for low trade barriers and market forces.

There are good reasons from time to time for adopting a strategic approach to industry and trade policy. We are all aware of that infant industry argument, but this government has generally been a staunch critic of such protectionism. Beneath the rhetoric, however, the economic rationalist veneer of this government has always hidden some rather more pragmatic realities. We all remember the Prime Minister’s determination to assist his brother’s textile firm. And while workers in the rail and electricity sectors lost tens of thousands of jobs with the introduction of competition policy, in the dairy industry the government said that it was unfair to impose the cost of deregulation on milk producers, so they got a multibillion dollar assistance and transition package which unemployed rail workers could only dream about.

While the government relies heavily on the rhetoric of free trade, deregulation and market forces, in practice it is always willing to step in and help out its preferred firms and industries. Low-income workers in the Australian textile industry—some of whom are in my electorate of Wills—no doubt hope that the Prime Minister will extend to them the same favour when Australia’s textile tariffs come up for review.

The Australian newspaper—a notorious supporter of the Prime Minister and opponent of Labor—had an editorial on 12 August titled ‘Ethanol: a tale of favouritism’. It said:

The Government’s decision last September to protect Australian ethanol producers against imports—a policy that costs taxpayers $150 million a year, and that the May federal budget extended to 2012—was only one more episode in the long attempt to deem an ethanol industry in Australia. The history of the effort to kick-start ethanol is littered with tax exemptions, subsidies, tariffs and...
bounties ... Nor was the decision in September the final cave-in to ethanol’s voracious rent-seeking: last month, the Government detailed new assistance to the industry of $47 million.

The Australian asked the question:

And has all of this given us a viable ethanol industry? Forget it. The day after the latest announcement, ethanol producers had their hands out again, crying poor because the package did not give them “long-term certainty” ...

As if that is something that any industry which does not happen to have the government’s ear could claim to have. The editorial went on to say:

Because of motorists’ fears about the damaging effect of ethanol on car engines, the Government has capped ethanol content in petrol at 10 per cent and introduced a stringent labelling regime, creating an absurd situation where it is simultaneously bankrolling ethanol production and limiting ethanol consumption.

The Australian editorial also pointed out:

... the fact that subsidising ethanol props up un-economic sugar producers is a mark against its claim to environmental friendliness, given that run-off from sugar farms is blamed for polluting the Great Barrier Reef. And last, as with all forms of industry feather-bedding, the protection of ethanol blights industries that do not enjoy the same patronage.

It concluded:

It is this whole sorry mess ... that damages Mr Howard’s credibility.

Similarly, the Financial Review—no friend of Labor either—recently produced an editorial about the sugar industry which went through the history of handouts to the industry. It said that three years ago the industry received an $80 million handout—half of which was for industry restructuring, which never took place—and that last year it received a further $150 million, $120 million of which was funded by a levy on domestic sugar consumption. The Financial Review editorial said:

The latest twist in the farcical campaign to featherbed the sugar industry is John Howard’s attempt to bully the Beattie government into withdrawing plans to partially deregulate the Queensland sugar industry, by threatening to withhold the $120 million in funds being collected by the levy.

The Financial Review also pointed out:

... even if a viable local ethanol industry could be established at a cost to taxpayers of hundreds of millions of dollars in forgone fuel excise revenue ... it would do nothing to lift sugar prices.

It said that, because of the prevailing world price:

... ethanol producers would be unwilling, at best, to pay more than the world price if they were to buy sugar as an ethanol feedstock ... the price received for sugar would remain the same and, overall, sugar farmers would be no better off. This is not just about the government’s hypocrisy in its handling of this industry; it is about questions of honesty and integrity. We have had the stories about ‘children over-board’ when the government sought to cover up the truth about those dodgy pictures of asylum seekers that it released during the last election. Then we had truth overboard in relation to the war in Iraq and the existence or otherwise of weapons of mass destruction. For MPs to mislead the parliament is to break a high principle, and certainly the Westminster tradition has been that when ministers mislead the parliament, they resign from the ministry.

Dick Honan is the head of the Manildra Group, the nation’s major ethanol producer. He is a major donor to the Liberal Party. One of his competitors, Trafigura, decided to import cheap ethanol from Brazil last year after it had unsuccessfully sought to negotiate with Mr Honan to purchase his own product.

At about the same time, Dick Honan sought a meeting with the Prime Minister. The Department of the Prime Minister and Cabinet record of their meeting on 1 August last year
refers to Manildra’s concern about cheap imports from Brazil. The document says the meeting focused on two issues, one of which has been blanked out in the copy released to the opposition under freedom of information legislation. The other issue was the Australian ethanol industry, and Dick Honan requested a government subsidy to protect his company from imports. He requested, according to the record:

... the payment of a producer credit to ethanol producers to enable Australian ethanol producers to compete with the cheaper Brazilian product. Mr Honan provided a copy of a preliminary report into the Australian fuel ethanol industry to the Prime Minister.”

Later on, in late August, Australian embassy staff in Brazil were instructed to make inquiries about a shipment being loaded by Trafigura for Australia. On 12 September Mr Honan had a great victory and Trafigura suffered a severe blow. Despite the free trade rhetoric of this government, the Prime Minister slapped an excise of 38c a litre on ethanol. He gave a subsidy of 38c a litre to local producers. The Trafigura shipment instantly became uneconomic and was sold at a loss of a million dollars. A week later, we asked the Prime Minister, in the parliament:

... was the government contacted by the major Australian producer of ethanol or by any representative of his company or the industry association before its decision to impose fuel excise on ethanol? If so, when? 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 Prime Minister said:

... I did not personally have any discussions, from recollection, with any of them.

Indeed, he responded to a subsequent question on this issue saying:

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.

Extraordinary! He was asked on 17 September whether he had met the ethanol industry representatives before cabinet’s decision to impose the excise. He said he did not have any discussions with any of them. He said he had not spoken to Dick Honan on this issue. But the subsequent Labor freedom of information request revealed that he had met Mr Honan on 1 August, and the censored notes of the meeting reveal that they spoke about ways of strengthening the domestic industry. It seems that the Prime Minister’s truthfulness has had a Brazilian.

Slapping excise on imported ethanol effectively delivers a $2 million a month subsidy to Manildra at the expense of importers, Neumann and Trafigura Fuels. You have a situation where Manildra’s donations to the Liberal Party totalled $241,000 in 2001-02 alone. So Labor have been mounting the case that the Prime Minister misled parliament by failing to disclose the meeting that he had with Mr Honan last August before cabinet made a decision favourable to Manildra. We are also warranted in asking why the government decided in September to drop excise exemption for ethanol and start giving subsidies for local production, thereby disadvantaging Manildra’s rivals and rendering their ethanol operation uncompetitive. We are further concerned about the way in which the Australian Embassy staff in Brazil were effectively used to spy on the operations of these rival companies. The companies said they were contacted by embassy staff at least five times in August and September last year seeking details of their plans to import ethanol, and they described these conversations as ‘a bit weird’. I think this tawdry affair has been best summed up by Mike Carlton in a couple of verses he penned in the Sydney Morning Herald to a very familiar tune. One of them goes:
Waltzing Manildra, waltzing Manildra,
Howard’s gone a-waltzing Manildra, you see
And he squirmed and he fibbed
As he tried to wriggle out of it
But he gave his mate a huge subsidy.

That is about where this sorry situation stands.

As my colleague the shadow minister for consumer affairs has pointed out, we have been pursuing this issue since September last year, when we announced policies to protect motorists and other users of petrol. We announced two policies. The first was a limit of 10 per cent on ethanol blending in petrol and the second was a mandatory labelling of ethanol in petrol where the content is five per cent or more. We did that in response to calls from every major car manufacturer in Australia, which had been warning that car warranties would be voided if higher blends were used, and in response to concerns being expressed by consumers. The government have now adopted these policies, yet all the while they had been trying to accuse Labor of acting badly on the ethanol issue. If those two policies that we announced in September last year were wrong, why have they adopted them? If you do not believe in it, why are you moving the bill that you are moving now? When you hear some people going on about ethanol, you would think we were the government. They always say, ‘Labor’s got no policies.’ In this instance we had the policies, we announced them and the government have finally adopted them, so we have acted as the friends of consumers.

It is the government which have acted badly in relation to this matter, and not simply for the reasons I have described—the secret meetings and the special deals done for mates and done for donors to the Liberal Party. It has also been the case that they have not come clean with consumers about ethanol issues. For example, they commenced a fuel sampling program in April 2002. They tested 520 fuel samples from service stations across Australia, and some 42 of those samples contained ethanol levels above 10 per cent. Several of those were above 20 per cent; most of the results above 10 per cent were from New South Wales.

They did this testing and they were in a unique position to know that ethanol in levels in excess of 10 per cent was out there in the marketplace. Did they tell anybody about it? No, they did not. The only way we found out about it was in response to questions asked by the opposition at Senate estimates hearings. We also found out through the Senate estimates process that two ethanol related projects had been funded under the Greenhouse Gas Abatement Program for a total of up to $16 million. Those answers also advised us that a CSIRO study carried out in 2001 concluded that there is no greenhouse benefit in a 10 per cent ethanol content in premium unleaded petrol compared with premium unleaded petrol without ethanol.

Mr McGauran—That is not exactly what they concluded.

Mr KELVIN THOMSON—That is what they found—

Mr McGauran—No, it is not.

Mr KELVIN THOMSON—and that is what they advised us through the Senate estimates process. You had better review your own answers, Minister.

The DEPUTY SPEAKER (Mr Wilkie)—Order!

Mr KELVIN THOMSON—We have a situation where the bill before us involves labelling of ethanol. Back in December last year, the Minister for the Environment and Heritage promised to introduce nationally consistent labelling in February 2003. He said:
If the States do not move immediately to institute this labelling the Commonwealth Government will introduce legislation when parliament resumes to give it the power to require all petrol retailers to label the ethanol content of their petrol at the pump.

However, rather than fast-track implementation of a national fuel quality information standard via the act, he chose to put the onus for labelling onto the states. He defended this inaction on the basis that the federal government did not have the power to require labelling of fuels. Of course, now we are getting the opposite. In February, he said:

The Commonwealth will now take action. … I expect to be making an announcement shortly and hope that motorists will see labels on petrol bowsers within the next couple of months.

It was not until 26 June that this legislation was finally introduced. It has now been six months since the original promise was made and labels will only appear once the legislation is passed. On 1 August the government agreed to a deadline of 31 October for a uniform national labelling regime to enforce mandatory labelling at petrol stations selling ethanol blended fuel.

All the way along, throughout this whole unhappy saga, the government have had to be dragged, kicking and screaming, to do the right thing on ethanol and to protect consumers. All the way along, they have been much more interested in protecting a single company, with whom they have a close relationship and from whom they receive electoral donations, than in looking after the interests of consumers. It is Labor’s policies from September 2002 which the government are putting into effect—finally, belatedly, and under duress; you can still hear them bleating, whingeing and whining about it—and consumers will be better off when these policies are fully put into effect. I urge the House to support our amendment. (Time expired)

Mr PROSSER (Forrest) (1.04 p.m.)—I am pleased to rise in support of the government’s Fuel Quality Standards Amendment Bill 2003. This bill amends the Fuel Quality Standards Act 2000 and will allow the government to follow through on its commitment to require the labelling of fuels at the point of sale or otherwise where such labelling would be considered to be in the public interest.

A national regulatory framework for controlling and improving fuel quality was established for the first time in this country by the Howard government’s Fuel Quality Standards Act 2000, which enables the Commonwealth to increasingly lift standards to improve environmental and operational results and which, with the amendments under this bill, will allow for uniform national fuel labelling where such labelling is needed in the public interest. This will not only complement the technical fuel standards but also ensure motorists are kept informed about the nature of the fuel they are purchasing.

The push for the use of ethanol fuel blends came from some industry groups eager to maximise their industry’s economic potential by increasing ethanol production from agricultural crops, including wheat starch and sugar cane, coupled with the argument that Australia’s resources of crude oil are considered to be low. Indeed, studies by Geoscience Australia indicate that Australia’s reserves to production ratio of crude oil is below 10 years. Although this does not mean Australia’s crude oil reserves will be exhausted within 10 years, because production is offset by successful exploration and development, such a low figure indicates Australia’s resources of crude oil will begin to run out in the not too distant future.

The government thought it important, for the reasons I shall outline later, to properly label fuel. Proponents of ethanol put forward
the view that for fuel security purposes alternative fuels should be considered that can in part replace petroleum based fuels and so reduce the dependence on petroleum imports and the vulnerability to external supply disruptions. Of the total domestic output of 135 million litres, around 50 million litres of ethanol are used for blending with fuels. Most industry stakeholders have agreed that setting a maximum 10 per cent ethanol content in blended fuel is the most optimal and efficient level because it requires no engine and vehicle modifications. There is broad consensus that damage may occur to vehicle fuel systems and engine components without modifications if blends are above a 10 per cent cap by volume of ethanol use. Such damage could include possible perishing and swelling of elastomeric and plastic materials making up the fuel systems, particularly if you look at the fuel pumps and carburettors used in older vehicles—which I know Deputy Speaker Wilkie is aware of—as well as the potential for corrosion of metal components within vehicles.

The ethanol content in fuel will be the first to be labelled under these amendments, with provisions to set fuel quality information standards whenever it is in the public interest, such as to label biodiesel blends when greater volumes of these come onto the market at a future date. The content and conditions of ethanol labelling will be set in line with the current mechanisms used for petrol and diesel standards. It is being welcomed not only by the petroleum and vehicle industry but also by consumer groups keen to inform the purchasing public about the content of fuel and thus restore consumer confidence in this renewable fuel product. These amendments acknowledge that there are situations where consumers have a right to be informed about the attributes of the fuel they are buying and, in such cases, their need to be confident that this information is considered to be reliable, even as they travel across state borders. This is something that cannot be achieved by relying on the labelling powers of state governments.

Fuel ethanol has been marketed in New South Wales since 1994 and BP began marketing 10 per cent ethanol blend in south-east Queensland in 2002. However, the task of developing and marketing fuel ethanol, even at a generally acceptable 10 per cent ethanol by volume, has been made more difficult by negative press and public comment of late. This has centred on the high ethanol blend fuel being sold in New South Wales by some independent retailers. Where the specific terms of unleaded petrol, ULP, premium unleaded petrol, PULP, and lead replacement petrol, LRP, have been, until recently, sufficient to describe these grades of petrol, individual refiners and marketers have introduced other petrol products that fall outside these parameters—such as Optimax, Ultimate and Synergy 8000. These have been accompanied by promotional campaigns and bowser labelling that clearly distinguish these more specialised fuels.

However, there are some circumstances where a particular fuel blend may change the performance and behaviour of that fuel in vehicles. Perhaps the most familiar example of this is the use of ethanol in petrol. Ethanol has a lower energy density, about two-thirds that of petrol refined from crude oil. This can ultimately translate into lower levels of fuel economy. For example, a blend of 10 per cent ethanol in ULP can result in as much as a 3.5 per cent loss of fuel consumption. This may be masked by driving habits and even factors such as tyre pressures and road conditions. However, a 20 per cent ethanol blend that produces a seven per cent energy loss becomes more of an issue, particularly when the user is unaware of the penalty and where there is no commensurate price differential.
Although countries such as Brazil use ethanol blends higher than 10 per cent, their vehicles have specific fuel line and engine component modifications that allow their cars to run on lighter blends. Mr Deputy Speaker Wilkie, again I recall your experience and knowledge of the automotive industry. You will recall when Holden first introduced their red motor Holdens—the 149 and the 179. In those days there was only standard and super petrol. The 149 ran on standard petrol and the 179 ran on super petrol, thus creating the need to know what vehicle engine designs are about. Engines and engine systems are now designed from the fuel tank to the exhaust pipe. Every component of the combustion chamber, the injection and even the catalytic converter needs to be designed around the fuel quality that is put into that motor vehicle. Virtually every stakeholder in the motor vehicle industry has stated publicly that warranties on motor vehicles and pump dispensing equipment could be put at risk if ethanol blends above 10 per cent are used—and I share that view.

The participants of the Australian and New Zealand Minerals and Energy Council—ANZMEC—downstream petroleum working group who met in 2001 were in agreement on the importance of labelling fuel contents due to the possible ramifications that fuel products, such as ethanol blended petrol and higher sulphur diesel and biodiesel, may have on fuel economy and, of course, the performance of engines and where fuel of a particular additive or a particular source could void vehicle engine manufacturers’ warranties.

Much of the recent controversy was related to the use of blends in the range of 20 per cent ethanol marketed by independent outlets in New South Wales. A large part of that controversy related to the non-labelling of petrol containing ethanol and the fact that customers could not determine what, in fact, they were buying. The Howard government is committed to the necessity for fuel labelling that will not only maintain fuel quality standards, but also enable consumers to be confident about the quality of fuel they are purchasing and thus eliminate any future possible incidents of ethanol blends being described as dirty fuel or car-rotting additives being supplied to the market. Therefore, in maintaining those standards, this bill allows the government to enforce substantial penalties for non-compliant fuels.

Ethanol is an alcohol and contains the hydroxyl group, which gives it an affinity with water. If water content of the fuel supply system, distribution system or vehicle storage tank exceeds a threshold content of a couple of percentage points, then phase separation of the ethanol, water and petrol mix can occur, leading to the subsequent vehicle delivery problems and potential engine damage.

Some ethanol blends are unsuitable for non-automotive use, particularly in aviation, boats and a range of hand-held devices such as chainsaws and even the humble lawn-mowers. I note the Boating Industry Association of New South Wales, in its advertising campaign last year, warned boat owners that the use of ethanol petrol blends above 10 per cent in outboard motors was considered a marine safety hazard. The penalty provisions contained in this bill are necessary. There are potentially large profits to be made from fuel adulteration, tax evasion notwithstanding. The penalties also avoid direct cost to the community that can arise from noncompliant fuel, such as the costs of repair and replacement of engine and fuel components of motor vehicles—buses, trucks and the like—and equipment. This government’s commitment to uniform and enforceable national fuel standards will ensure best practice within the industry, and the combined efforts of the petroleum industry, the motor vehicle industry and consumer groups will ultimately
and consumer groups will ultimately enable consumers to be confident about the quality of fuel they are purchasing from the bowser. I commend the bill to the House.

Mr ZAHRA (McMillan) (1.15 p.m.)—I want to begin my contribution in this debate on the Fuel Quality Standards Amendment Bill 2003 by thanking the member for Forrest for his very considered contribution. It is nice to follow someone who is obviously very interested in cars and motors and who, I would say, knows a great deal about this subject. I thank the member for Forrest for his considered contribution, and I am sure that other people in the House do too.

The member for Forrest made a point that I have not heard much about in this debate, and I am going to make some comment on it now; that point is how ethanol fuels affect boats. We are in a completely different circumstance when we talk about the risk involved in using marine engines that are running on a fuel with ethanol in it from when we are talking about cars that might be running on fuel with ethanol in it. If something goes wrong in a car—if it is an ethanol related issue with the fuel—then the car will lean out, there will be engine damage, and there might be some risk in terms of the circumstances in which that happens; it might happen in traffic and so on. But mostly a car can pull over pretty safely. When you are out on the water it is a much more difficult and much less safe situation. I met with a local marine mechanic, a bloke named Peter Studd. I had a talk with him, along with the shadow minister for consumer protection, Alan Griffin, a few months ago. I would like to read to the House what his thoughts were about the risk that is involved in ethanol in petrol being used in a marine context. He said:

The main issue for marine motors is that they’re not used regularly and if they’re sitting around full of fuel with a high ethanol content, you start to get a process where the ethanol mixes with water from condensation and then separates from the petrol. This means that when you start the motor next it gets a surge of water and ethanol instead of petrol—and this can cause all sorts of potentially dangerous problems. If you were out on the water, for example, and your motor started running very poorly, or even failed completely, you’d have to be towed back or rescued.

Some of these comments are very similar to what was mentioned by the member for Forrest in his contribution. I make the point that, if you are out on the water and something goes wrong with your engine, you cannot just call the RACV or the NRMA. You are in a difficult set of circumstances. If you are in difficult waters, it may be that you place yourself and your crew at substantial risk. If you do have to put out an emergency call and get some assistance, you may well be putting people who come to your assistance at risk as well. These are very serious considerations for us to bear in mind when discussing this legislation. It is my view that the Boating Industry Association were right to be as concerned as they have been in relation to the impact of ethanol in petrol in marine applications. I support their campaign and their attempts to try to promote awareness about the risks of ethanol in petrol used in marine applications.

I make this point: people who have got boats have often worked very hard in their lives to have those boats. Thinking about the Gippsland region, we have got a lot of workers who have worked pretty hard in their lives to have their boats. They head down to Port Albert to do some fishing—or to McGauran’s Beach, even—

Mr McGauran—Ha!

Mr ZAHRA—and do some fishing down at McGauran’s Beach. This is a very common thing for people in the Gippsland region. We are very fond of our coastline, we like to go fishing, and the people who have
got boats have worked pretty hard in their lives to have those boats. I think that we in this parliament should pay a bit of regard to that and show a bit of respect to those boat owners who have worked hard, bought their boats and like to use them. We have to have some consideration for the importance of protecting their investment in their boats and the enjoyment that they get from their boats as well when we are making these types of decisions and debating this type of legislation in the parliament.

I have heard only a few people in this debate talk about the risk of ethanol blended petrol for older cars. I do not mind admitting that I like old cars; in particular I like old Holdens. I do not mind at all saying that the first car I ever had was a 1962 EK Holden ute. According to the list which I have seen, you would not be able to safely use an ethanol blended petrol in an EK Holden ute. And so it goes for a whole lot of other cars which are older and which are in pretty common use by motorists across the country. I would like to read out for the benefit of the House some of the cars mentioned in a list which is published in the *Herald Sun* today, following an excellent article on this issue written by Gerard McManus. He points out, ‘All petrol engine vehicles since 1986 will operate satisfactorily on E10.’ The inference obviously is that all vehicles older than that would not operate satisfactorily with an E10 blended petrol.

I make the point that the last car I had before getting elected to parliament was a 1985 Commodore sedan. According to this list, that is a car that would not be able to use ethanol blended petrol—at least not without causing substantial damage to the vehicle. I reckon I was a pretty typical sort of bloke driving a pretty typical sort of car before getting elected to parliament. There are a lot of people who drive older Commodores in our community. These people are potentially being placed at risk in relation to the use of ethanol blended petrols. That also goes for a whole lot of other makes of car which are in regular use right across the Australian community. The article in the *Herald Sun* today points out:

... almost 40 per cent of the Victorian fleet of cars could be damaged by using fuel with ethanol in it.

About 616,000 cars in Victoria built before 1986 cannot tolerate ethanol.

Now, 616,000 cars is a lot. The article continues:

But the Government’s secret list shows an additional 486,000 vehicles made since then, including Ford Falcons and some later model Toyotas, Mazdas and Hondas, can also be harmed.

So we are talking about a lot of vehicles; we are talking about a lot of people being affected by this. We have a duty in this parliament to try and protect those people from what might happen if they use ethanol blended petrol. That is how it relates to people who, in general terms, have older cars.

But the group of people who are being forgotten about here and who are not really having their interests represented in this debate properly are the people who are what you might loosely call ‘car enthusiasts’. These are people who buy a HQ Holden Monaro, spend $5,000 or $10,000 putting a 350 Chevrolet engine into it and do a lot of work on the engine making sure it goes the way they want it to go. They take a lot of pride in their workmanship and in the performance of their vehicles. These are people who are well represented in the Gippsland region and I am sure are well represented in the western suburbs of Melbourne and in plenty of other places where there are people in large numbers who take an interest in getting performance from older cars in particular.

Just imagine that you have bought, for example, a 1969 or 1970 HT GTS Monaro, you
have a 350 Chev engine in that car and you have spent $5,000 or $10,000 bringing the engine specification of that car up to as good as it can be and you have spent a lot of money on the car more generally to make it as good as it possibly can be and then, inadvertently, somehow, you end up with ethanol in your car and you wreck your engine. Your $5,000 or $10,000 is down the tubes, and you have got no claim at all in terms of being able to recover those damages which you have incurred to your vehicle.

Quite apart from the fact that a lot of the work which car enthusiasts do on their car cannot be easily done by someone else, because it is a real labour of love and done in many cases over several years, you are talking about a circumstance in which that person would suffer a large loss. I make the point that it is all well and good for some people here to think those people are hoons or petrolheads or what have you, but the fact is that they are people who pay their taxes in Australia. They are entitled to protection for their property against the risk of damage through using ethanol blended petrol. We need to have regard for their concerns in relation to this issue.

There is no information before us at the moment that indicates that there is going to be a communications campaign to make sure people understand the risks that are associated with ethanol blended fuel. There is no information at all before us about making sure that those groups I have talked about—those people who might use ethanol blended fuel for marine applications or people who might have older cars or people who have cars which they have modified and on which they have spent a great deal of time and effort repairing and rebuilding—have the information in relation to the risks of ethanol blended fuel.

It would be pretty easy for the government to communicate with these people. There are plenty of clubs and associations. They are organisations which have a large membership. There are also a number of publications which have a very wide readership in Australia which I think need to be targeted in distributing information associated with the risks of ethanol blended fuels. We need to have regard for that. We should have proper consideration for those people’s interests when we are making a determination in relation to the safety or otherwise of ethanol blended fuels.

We are not talking about a small minority of people who stand to be badly affected by something which is in the national interest. It is very questionable as to whether ethanol blended fuels are in the national interest. I have yet to hear a satisfactory argument put to me that an ethanol blended fuel being widely used in Australia is in the national interest.

It is all well and good for people who represent various vested interests, or who have some developer or lobbyist in their electorate who is keen to see this happen, to stand up in the parliament and speak on behalf of those people, but there has really been no case put to me that going down this path is in the national interest. It seems to me that there is a lot of risk associated with it. The article in today’s Herald Sun estimates that about 40 per cent of our cars in Victoria may well be damaged as a result of this. Really, I do not think there is much of a national interest argument.

I think that we should have proper concern and consideration for those people who stand to be adversely affected by ethanol blended fuels. Again, it is all well and good for people here to perhaps wryly smile at the idea of someone having a boat and using it once a month or once every three weeks, but
it might be their pride and joy. Some people might think that that is not the sort of pastime they want to encourage, but I say to those people that, personally, I think you are wrong and you do not have any right to judge what pastimes other people pursue. If someone has worked hard all their life, saved up and bought a boat, and they like to take it down to Barry’s Beach, McGauran’s Beach or Port Albert, somewhere in South Gippsland or East Gippsland, we should have regard for their livelihood and for the investment they have made in that boat, as well as for the safety of their family when they are out on the water.

The provision of information to those people—about the risk that they are exposing themselves to if they use ethanol blended fuel—has been very poorly done up to this point. In this *Herald Sun* article, the RACV described the way the federal government have gone about bringing in ethanol blended petrol in Australia as ‘a giant botch-up’, and RACV spokesman David Cumming went on to say:

“The introduction of ethanol fuel into Australia had been so badly botched that the public had lost confidence in the product. We don’t want to see it in Victoria.”

“The public have lost confidence in it, and don’t want to buy it. It is as simple as that.”

The government have done a pretty appalling job on this issue. They have not shown due consideration for the interests of consumers; they have been driven by their desire to try to deliver a financial benefit to Dick Honan, who—as everyone in this place knows—runs the ethanol industry in Australia. Dick Honan is a bloke who just happens to be a good friend of the Prime Minister’s and just happens to have given thousands of dollars to the Liberal Party. I wonder if he has given any money to the National Party as well.

What has probably happened here is that the government have not had proper regard for the consumer interest because they have been looking after a vested interest: someone who has given them a lot of money in the past. I think that we should have proper regard for people’s cars and boats, especially those belonging to people who do not have a lot of money. They start out in their life and get their first car; it is their pride and joy and it is probably the only one they are going to have for a little while. But that car is at risk of being substantially damaged by ethanol blended fuels. And not everyone gets a brand-new car—not everyone gets a brand-new car for their 18th birthday. I might just make the point again, Mr Deputy Speaker, that my first car was a 1962 EK Holden ute. I bought it in Fernbank for $1,000. I ask the member for Gippsland: what was your first car, Peter? What was Julian’s first car? I want to know. What was your first car, Peter?

Mr McGauran—A farm utility.

Mr ZAHRA—No, what was your first car—what did daddy give you?

Mr McGauran—It was a farm utility.

Ms Gillard—Was it a sports car?

Mr ZAHRA—I think that is right. I am still waiting for the answer. Peter, we want to know!

The DEPUTY SPEAKER (Mr Wilkie)—Order! The member for McMillan will refer his remarks to the chair. The minister will cease interjecting.

Mr ZAHRA—I am sure we would all like to know, Mr Deputy Speaker: what was the first car that daddy gave Peter McGauran? What was the first car that daddy gave Julian McGauran?

Mr McGauran—It was a beat-up utility.

Mr ZAHRA—I reckon it might have been a sports car. It is just a guess—just burning around the mean streets of Traralgon
in a sports car at age 18! Could it be possible? Could it be possible that daddy gave the McGauran boys brand-new cars when they turned 18? I think it is possible, I think it is likely and I think there is probably a fair bit of evidence to support it. This may well help explain why those on the other side do not have much regard for the people whose car engines stand to be damaged by this fuel. If daddy bought you a new sports car when you were 18 then, if something goes wrong, you just go and see daddy and he gets you another one! That is what happens when you have lots of money. But for everyone else it is a real battle, and that is why we need to have regard for those people first and for the McGauran family second.

Mrs HULL (Riverina) (1.35 p.m.)—I have never heard more ignorant comments in this House than those from the member for McMillan. Labor have chosen ignorance as their weapon for the purposes of attacking their chosen target: Dick Honan from Manildra. Labor have the member for McMillan coming into this chamber armed with a daily newspaper as the basis of his research and objection to this amendment. What a disgrace! The member for McMillan, in his lack of research here today, has only lent more credibility to the view that the Labor Party are hell-bent on destroying a man of integrity who has built himself an empire. The member for McMillan, by his very comments across the table to another member of the House about that member’s wealth or his personal assets, shows he is absolutely ignorant and makes it absolutely obvious that Labor hate anybody who has had any success in business or any other enterprise. What a disgrace! Your personal attacks are a disgrace to this House.

Let us get to the issue of the amendment. The amendment is of great significance to my electorate of Riverina, particularly the community of Coleambally. Coleambally has been selected for the construction and development of an ethanol plant primarily because industry and the community there decided that their future was less secure in water rights because of the way the New South Wales state Labor government has attacked their property rights and water allocations. This has not enabled them to go forward with a secure future in the growth of rice and other crops that they may need to irrigate, and they needed to look into another industry. They decided that they could accommodate another industry and that they were prepared to put in millions of dollars in order to bring a secure employment future for their area. Indeed, they did pursue the issue of ethanol and found that Coleambally would be a great place to manufacture this type of renewable fuel.

It will provide a significant boost to the town’s economy and the creation of new jobs. I congratulate Coleambally Irrigation, the Murrumbidgee Shire Council and all of those people associated with the proposal to develop an ethanol plant in Coleambally—in particular, the community for getting behind it personally with their hard-earned future savings in order to invest in an industry for the future.

The bill before us today will assist in the development of this plant and many others in regional areas right across Australia. Educating and informing the Australian public about the content of ethanol in the fuel that they purchase will go a long way to strengthening this developing industry. It is obvious from the opposition they do not want the public to be educated on the benefits and uses of renewable fuels, in particular ethanol. They have a distinct desire to hate and to bring somebody down. It is a personal vendetta.

Our growing passion to look at renewable energies and renewable fuels is justified.
This bill will have an enormous effect on ensuring greater information for vehicle owners concerning the content of ethanol in their fuel. By amending the act, the government will be able to legislate so that petrol stations must label their fuel accurately. The guy with the old Monaro, the HK ute or the EK ute and all of those people with such vehicles will be able to go to a fuel bowser and understand what is actually in the fuel coming out of the bowser. If it is labelled accurately, how are we going to destroy all of these Victorian cars? But, then again, I assume that the Victorian cars are a great deal different from the rest of the cars across Australia. The member for McMillan has no understanding of how it is going to affect cars in other states of Australia.

By labelling these fuels accurately, the general public will be able to develop an interest and an understanding of the biofuels industry and will give their support to a growing ethanol industry in Australia. Through the passing of this legislation, the government is able to follow through on its commitment to label the ethanol content of fuel. The amendment will give the government the power to require labelling of fuels at the point of sale or otherwise where labelling is considered to be in the public interest. When drivers pull into a service station—whether it be in their $6,000 family wagon, the $1,000 first ute that they buy when they first enter the work force or their new $50,000 or $150,000 luxury vehicle—they all place a great deal of trust that the fuel that they put in their car is genuine and will not cause damage to it.

Victoria is a case in point of fuel causing damage to vehicles. I recall a process some years ago when methanol was supposedly causing damage in Victorian cars. However, nobody ever questioned that dirty fuel might have been imported into this country and provided to stations and, when mixed with something else, such fuel might create an adverse reaction. Nobody was interested in that component at all. The opposition is not interested in the fact that at times you do get dirty fuel brought into this country that is provided through the bowser. The family car or the luxury sedan is in many cases the second most expensive item a person purchases, after their house. It is crucial that consumers can be secure in the knowledge that a $40, a $50 or a $60 tank of petrol will not damage their vehicle or void any manufacturer’s warranty.

Environment Australia will enforce the labelling standards through the existing national fuel monitoring program. No doubt the petroleum industry, vehicle industry, consumer groups and state governments will welcome these amendments that will provide increased information for vehicle owners. The government will consult with the ethanol industry and the stakeholders before deciding on the form and content of the labelling. Consumers do have a right to know what their petrol contains, and they do need to be confident about the petrol they purchase as they cross state borders—perhaps out of Victoria or into New South Wales. They need to be confident that when they cross over the border they are able to buy petrol containing a safe amount of ethanol. A uniform labelling system across the states and territories will make educating and informing Australian consumers simpler and ensure that any changes made will be applied across the board.

To address public concern about the supply of unlabelled ethanol fuels and what was contained in fuel being purchased at a number of petrol stations in New South Wales, the government announced these amendments earlier this year. However, the opposition has used this to attack personally a man of integrity and others who have—
Mrs De-Anne Kelly—It is a disgrace!

Mrs HULL—It is an absolute disgrace as the member for Dawson says. They have used this bill, which was about setting out a position for the Australian public to be confident in knowing what they were putting in their car, to attack personally a man of integrity. It is an absolute disgrace. Due to the failure of the state governments—including the Victorian government—to initiate proper labelling, this government, and this government alone, has had to act to give itself power to implement labelling to better inform and protect consumers.

The federal government has moved to set a 10 per cent limit for the blend of ethanol in petrol. The 10 per cent limit combined with mandatory federal labelling of ethanol blends will assist in restoring confidence in its use amongst consumers and the industry. Consumers are able to use ethanol blends up to 10 per cent without fear of voiding their car warranties. A quarter of motorists are already purchasing fuel containing 10 per cent ethanol. In the past they have purchased fuel that had much more than 10 per cent ethanol. This is evidence of the willingness of Australians to support a local industry, while making their contribution to helping the environment and improving the air that we all breathe through the reduction of emissions. It is crucial that these measures to label fuel and inform customers restore consumer confidence in this exciting new industry that has the potential to offer so much, not only to rural and regional Australia but also to the entire Australian economy.

Ethanol is an exciting development, and it is one that the member for Dawson has been very much involved with. She has put an enormous amount of time and energy into ensuring that ethanol is seen as a viable fuel alternative for the market, thus ensuring jobs in rural and regional Australia. But that is not something that the Labor Party would be interested in; they personally attack people who are actually out there providing jobs in rural and regional Australia.

Mrs De-Anne Kelly—Like jobs at Altona.

Mrs HULL—Exactly. They just get out there and attack the people who have the audacity to provide and support jobs in rural Australia—‘Let’s get rid of them.’ As I have said, the member for Dawson has done an enormous amount of work in connection with this industry. As I have said, ethanol is an exciting development. It is commonly made from grain or sugar cane. It is a renewable resource that produces environmental benefits by reducing greenhouse and vehicle exhaust emissions. We need to work towards restoring public confidence in environmentally friendly biofuels—not to come into this House with a whole heap of rubbish and unresearched and unprepared material that not only ensures the ignorance of people in the House but also gets conveyed out to the public.

We certainly know that our domestic oil reserves will no longer exist within approximately 11 years and that Australia requires a renewable energy resource for both economic and security reasons. Nations like the United States, Brazil, Germany, India and Canada are already leading global developments in ethanol production and its commercial use. If we were to look at the way vehicles operate in those countries, I think we would find the use of ethanol being advocated, promoted and enjoyed. Also there are the benefits derived from the use of ethanol which go back to communities, particularly rural communities. But again that is something that the opposition does not want to know about. As I have said, these countries and their oil companies strongly promote
ethanol for its benefits to the environment and for the health of the population.

By adopting this new environmentally friendly fuel, Australia can also lead the way in this exciting development. The adoption of ethanol for commercial use will reduce the reliance Australia currently has on imported fuels. Oil supplies to Australia and many other nations may be threatened should further conflict arise in the Middle East, with its oil producing and oil exporting countries. Once Australia has an established ethanol industry, we can export it to overseas markets—yet another exciting opportunity for Australian companies which will see further expansion of rural and regional jobs. But, I guess, in this House it is really only National Party members who are looking for these sorts of job prospects and job opportunities and who are willing to fight for the rights of country people.

Because ethanol has its own oxygen content, it should burn cleaner than petrol and generate less carbon dioxide, thus lowering overall emissions. So we are not only interested in jobs for rural and regional Australians; we are also interested in the health and vitality of city people—so we can spread ourselves a little further rather than just being one-eyed in this process. Ethanol is being used as a renewable fuel in increasing volumes in countries around the world. It assists in reducing greenhouse and vehicle exhaust emissions which affect the environment and contribute to pollution. Historically, ethanol has been used for fuel during times of international crisis, like World War II, and instability in the Middle East. But now we have an opportunity to maximise our use of ethanol, offering many benefits to the environment and providing enormous expansion in our rural and regional communities—which have certainly faced some tough times.

Ethanol plants are proposed for various localities throughout regional Australia—and, as I have said, one is proposed for Coleambally. These plants will offer exciting new job opportunities and an economic base for our communities that really need this new development and investment opportunity. These regional communities where ethanol plants are proposed have a great deal to offer and their residents have welcomed these investment and development plans. These plans will create jobs while increasing the viability of many farm industries, including the Queensland sugar industry—which concerns the member for Dawson’s electorate—due to a demand for agricultural products required to produce ethanol. According to statistics from the Australian Biofuels Association, Australia currently produces 60 million litres of ethanol for fuel use from wheat and sugarcane; indeed, the production of ethanol from rice stubble and a whole host of other areas in my electorate is being looked at. In the United States production of eight billion litres of ethanol from corn has created more than 195,000 jobs in rural American communities. What could be done in rural communities if we could create 195,000 jobs? What a boost that would be for us.

Mrs De-Anne Kelly—The Labor Party’s not interested in jobs.

Mrs Hull—Exactly; the member for Dawson is right. It is estimated that a 150 million litre capacity ethanol plant in America will mean a $110 million expansion of the local community’s economic base, generating a further $19.6 million in household income and creating more than 690 permanent new jobs in that capacity. Well, roll it on; I look forward to having that in my electorate. As I mentioned, Coleambally has been selected and developed as a location for an ethanol plant by Coleambally Irrigation and the Coleambally community. Such a development will provide an enormous boost to
that community’s economy, with substantial flow-on effects to the rest of our region. The impact on local communities in terms of employment, investment and a boost to morale by ethanol plants is truly exciting and one that should be supported by this whole House. The figures I have just mentioned about ethanol plants in the United States are extremely encouraging and they are evidence of what ethanol will mean for the Australian community.

The National Party has always been an advocate of the ethanol industry and recognises the great many benefits that it has to offer. The government has stated that the fuel industry should aim to produce 80 million litres of fuel ethanol and biodiesel for use in the domestic market by June next year, with an objective of 350 million litres by 2010. To date, this government has announced short-term assistance for the ethanol industry of $10 million. This funding is in addition to the $37 million for capital subsidies for projects that provide new or expanded biofuel capacity—and in the face of these figures, again I would say that the opposition used this great incentive, this great government boost, to go out and attack one man. This government has also continued to support the industry by retaining the ethanol production subsidy of 38.143c a litre, which goes a long way in assisting the further growth of this great ethanol industry. I commend the ethanol industry, I commend the bill and I believe that all Australians should get behind this bill and the promotion of ethanol for the ethanol industry.

Mr MARTIN FERGUSON (Batman)
(1.52 p.m.)—I am delighted to speak in support of the second reading amendment moved by the member for Bruce, Alan Griffin, to the Fuel Quality Standards Amendment Bill 2003. In doing so, it is appropriate that I acknowledge this afternoon that the government has finally introduced legislation that aims to inform the motoring public about the level of ethanol in the fuel they purchase. My problem is that this legislation is long overdue, and the failure by the government to produce this legislation earlier clearly reflects the Howard government’s contempt for ordinary motorists and Australian consumers. These amendments to the Fuel Quality Standards Act 2000 importantly seek to ensure that information about fuel is provided at the point of sale. When you think about it, that is pretty fundamental. When a person goes into a service station to fill his or her car up with fuel, they are entitled to know the composition of the fuel that they purchase as consumers. That is what this bill is about. The real question which the government must answer in response to the debate at its conclusion is why it took the government so long to accept that it is its responsibility to inform consumers as to the composition of the fuel that they purchase.

I look back over the last 12 months. In that 12 months, I have seen Australian motorists surprised and alarmed to learn that the fuel that they are purchasing for full tote odds may contain high concentrations of ethanol. Why was it such a big ask to request that the Howard government bring in legislation to put beyond any doubt information which consumers can avail themselves of to inform them as to the composition of the petrol that they purchase and whether it contains any ethanol? Consumers have unfortunately learned in these 12 months that some of the fuel they have purchased—without any detailed knowledge of the composition of that fuel, because of the failure of the Howard government to act—contained in excess of 20 per cent ethanol. I know these types of things alarm people such as the member for Corangamite, because he is also about choice and proper information being available to consumers. He only hopes that in the forthcoming Liberal Party preselection
for the seat of Corangamite they make the right choice and he is selected for his final term in the federal parliament.

Australian motorists, boat owners and farmers have learnt that they have been given no information or choice about what they are putting into their engines. For some strange reason they were not given a choice about purchasing fuel containing high concentrations of ethanol. They were given no information on the impact of such petrol on their engines. I notice in the media today that some people are attacking the fact that information has been made available by the media indicating which vehicles may be affected by ethanol in fuel. Why shouldn’t they be informed about the potential damage to their motor vehicle? You have to understand that, for a lot of these people, purchasing a motor vehicle represents a large commitment financially and, for a significant number of people, often involves paying off that commitment over an extended period of time.

It is very important that, as consumers and as purchasers of motor vehicles, people are informed at the point of purchase of the nature of the motor vehicle, of the fuel that should be used in the operation of that motor vehicle and of whether fuel that contains ethanol can damage that motor vehicle. That is about what we call consumer choice. I personally do not think this is any different to debates we have had in the past in Australia, such as about the labelling of food. People are entitled to know the composition of the processed food products that they purchase. They also seek information from time to time about whether they are Australian made or whether they contain produce from Australia which is actually processed in Australia or outside Australia. It is about proper information being made available to consumers on the basis of which they are able to make informed choices.

Our problem is that we know that ethanol does not produce the same performance as petrol. That is important, because, if a consumer is confronted with purchasing petrol with or without ethanol, they should make their purchase not only in the knowledge that ethanol can potentially damage their motor vehicle but also in the knowledge of the potential impact ethanol can have on the performance of their motor vehicle—given that, based on all the available evidence, petrol which contains ethanol is not as high-performing as petrol without ethanol. A consumer filling up their tank with an ethanol fuel blend is paying the same price as they would for petrol without ethanol but is getting significantly less performance.

We know why the coalition government has been so consumed with looking after, for example, the representatives of Manildra. All the available evidence clearly indicates that you can buy the coalition in terms of government policy and decision making with donations to the coalition political coffers. That is why the Howard government was so tardy in bringing this bill before the House. Basically, the representatives of Manildra who made significant donations to the political slush funds told the government that this legislation should not be brought forward. In essence, government policy was available for purchase, provided that the donations were large enough. These issues need to be placed before the House so as to ensure we can have an informed debate about money influencing the Howard government decision-making processes. On that point, it is appropriate that I adjourn to enable question time to proceed.

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

Mr HOWARD (Bennelong—Prime Min-
ister) (2.00 p.m.)—On indulgence, could I
address a few remarks, today being the sec-
ond anniversary of the terrorist attack on
New York and Washington on 11 September
2001. Millions of words have been written
about this incident and there has been plenty
of analysis of what it represented and what it
meant. This House, both in the wake of the
attack and also on the first anniversary, had a
very moving debate on the issue. It brought
together all of us in a united condemnation
of that barbaric act of terrorism, it united the
Australian people through their national par-
liament in a resolve to do all we could in the
future to fight the scourge of terrorism, and
today I want to simply reiterate those two
things.

I want to express on behalf, I know, of the
Australian people and of all of the members
of this parliament our continuing horror and
revulsion at all forms of terrorism; our belief
that terrorism is the enemy of societies which
are open and free, such as Australia; our be-
lief that terrorism is about intimidating peo-
ple from embracing and practising freedom;
that no perceived political injustice or denial
can warrant or authorise or sanction in a
moral way the indiscriminate taking of the
lives of innocent people; and remind this
parliament that acts of terrorism are inflicted
regardless of the individual faiths, beliefs
and political values of the victims.

It is a sobering reality that the terrorist at-
tacks in recent months have claimed the lives
of more Islamic people than they have peo-
ple of the Christian or Jewish faiths. It is a
reminder to all of us that it is obscene that
these acts are done in the name of Islam, be-
cause these acts prostitute and degrade the
values of Islam. The values of Islam are not
violence, terror and intimidation; they are
values which encourage men and women to
aspire to peace, liberty and harmony amongst
people of different faiths and different na-
tions.

The parliament will have an opportunity
as the anniversary of the attack at Bali,
which claimed the lives of 88 Australians,
approaches. It will be then proper that a mo-
tion be presented to this parliament. But it is
appropriate today, as we remember the
events of 11 September and as we under-
stand again how much our world has
changed, that we particularly—

An incident having occurred in the gal-
tery—

The SPEAKER—Order! Remove that
man from the gallery.

Mr HOWARD—One thing can be said:
the terrorists have not denied this country
free speech. It is a remarkable thing and it is
something that is worth preserving and de-
fending, consistent with taking all necessary
steps to protect ourselves against attacks.

The other thing I want to do, particularly
on behalf of the Australian people, is to ex-
tend our very warm thoughts towards our
friends in the United States. Although Aus-
tralians and several hundred people of differ-
ent nationalities died in the World Trade
Centre and in Washington, the great bulk of
those who died were of course citizens of the
United States. The United States, being the
only superpower in the world, is often at-
tacked and criticised. It seems that if, in in-
ternational terms, you are the big bloke on
the block, you cop all of the criticism. The
reality is that, whatever people may think of
the United States, it has always been a force
for liberty, decency, freedom and openness in
the affairs of the world.

I posed a question in an article I wrote for
the Australian newspaper this morning, and I
will repeat that simple question: if the world
is to have a superpower, would we wish it to
be other than a country that aspires to and endeavours to practise the values of the United States? For all its faults, I think the United States is a nation which has not only saved this country from invasion—which is something that Australians should never forget—but it is also a nation that has stood unambiguously for good and it has stood unambiguously for liberty, openness and the freedom of people.

In concluding my remarks, I would like to read a brief letter I received this morning from the President of the United States. It is marked ‘11 September’, and it reads as follows:

On behalf of the American people I would like to extend to you our solidarity and support as you remember your citizens who died in the terrorist attacks in the United States on the 11th September 2001. This barbaric act of murder took the lives of innocents from many countries as they peaceably conducted their daily business.

It concludes by saying:

Our struggle to rid the world of terror continues and it is a living monument to our fellow countrymen, mine and yours, whose lives were taken on the 11th September 2001. It is our shared struggle and, as we go forward, the memory of the victims of the 11th September attack will remind us that we fight for high principle, but we also fight simply so that our people can be safe from fear and violence.

I am sure they are sentiments and words with which all members of this House would wish to be associated. We will not forget the terrible things done in the name of terrorism to the people of the United States on 11 September, and we will, as common lovers of freedom, continue with them the fight against terrorism.

The SPEAKER—*I will of course extend the same indulgence to the Leader of the Opposition and, by arrangement, to the Minister for Foreign Affairs and to the member for Griffith.*

**Mr CREAN** (Hotham—Leader of the Opposition) (2.07 p.m.)—I thank the House. On this second anniversary of September 11 and those dreadful attacks, we remember all the victims of that act of terrorism, but, significantly, we also use it to recommit our efforts to rid nations everywhere of the scourge of terrorism. Last year in this House, on the first anniversary of September 11, I said that September 11 was an attack on not just America but all of us. It was an attack on the universal values of tolerance and freedom. I said this because, among the thousands of people who were killed in those attacks, from more than 90 nations, 10 were Australian citizens. It prompted us as a nation to look at what happened on that terrible day and to ask if it could happen here. Tragically, a month later that question was emphatically answered for us in the most horrible fashion when terrorism struck again, not this time in some faraway location but on our doorstep, in Bali. The toll was terrible. It was one of the nation’s blackest days, with the pain and trauma still felt across the country to this day.

So today we pause to remember not just the victims of September 11 but all victims of terror everywhere, especially the 99 Australians who we know have died as a result of terrorism or fighting it: the 10 in New York, the 88 in Bali and one Australian soldier in Afghanistan. As recently as yesterday, three more Australians were injured and many Israelis killed by yet another Hamas bombing in Israel. Last year we remembered the victims of September 11. Today, with this important gesture by the parliament, we are saying to the families and friends of all those murdered: ‘Your loss will never be forgotten.’ It is a point that the Prime Minister and I will reinforce when we travel to Bali next month.

Terrorism did not begin on September 11, but it reached a new level with the rise of
international terrorism networks like al-Qaeda and Jemaah Islamiah. It is now an assault on democracy, freedom, tolerance, decency and respect for human life. These are basic human values—Australian values—that terrorism wants to destroy. This new terrorism cloaks itself in the Islamic faith. But as Bali, Jakarta and Baghdad have shown, these terrorists have no respect for any religious faith. They hate Muslims who refuse to endorse their extremist views of the Islamic faith as much as they hate the West. Let us never forget the many innocent Muslims who have died in Bali and Jakarta and at the World Trade Centre, along with victims belonging to other faiths. In countries like Indonesia, the vast majority of the population in fact abhors the fanaticism and extremism of those who use violence to achieve their political ends.

In a recent meeting with the former mayor of New York, Rudy Giuliani, I asked how he had coped with those first moments after the attacks on the World Trade Centre. He said that he had had to put aside the doubts and fears, and try to deal in a calm and composed way with the mayhem around him. As mayor, he recognised that the immediate reaction to September 11 could be violent and uncontrolled. He quickly moved to calm the city and especially to ensure that Muslim Americans were not attacked or vilified. This was a critical act of leadership and one that meant that the people of New York were able to come together as a city and respond by helping each other, not turning on each other.

In the same way that the American community has responded with appropriate understanding of the Muslim faith, I want to pay tribute to Australians for not victimising the Australian Muslim community. It has been a victory for the Australian values of tolerance and a fair go. There have been other victories. Amrozi, Samudra and their co-conspirators have been tried and convicted. Many members of al-Qaeda have been hunted down. The Taliban has been toppled. But we still have a long way to go. The Afghan government in Kabul is now threatened by a resurgent Taliban, the road map for peace in the Middle East is on the brink and terrorist networks remain in the region. But perhaps most worrying is that Iraq has become a haven for international terrorists seeking to ply their deadly trade. This was all too evident when, on 19 August this year, criminals bombed the UN headquarters in Baghdad, killing 20 people, including Sergio Vieira de Mello—a man of peace and a good friend of Australia. The House recognised that dreadful tragedy on the day.

Here in Australia, we now have strong antiterrorist laws that protect our security without surrendering the freedoms that we are fighting for. Together, in this parliament, we achieved the right balance. But there is much more that needs to be done to secure our airports and ports, to protect our secret intelligence information and to boost cooperation with neighbouring governments to defeat terrorism. That is why, Prime Minister, at the APEC meeting next month, I urge you to seize the opportunity of having the leaders of all the Asia-Pacific countries together—including the leaders of the United States, China and Indonesia—to find a common agreement and common purpose in the fight against terrorism. Our lasting memorial to the Australians murdered in the war on terror must be this pledge: we will never waver in our defence of democracy, freedom and tolerance, and we will never surrender to those who seek to overturn those values through terrorism.

LINDH, MS ANNA

Mr DOWNER (Mayo—Minister for Foreign Affairs) (2.14 p.m.)—With your indulgence, Mr Speaker, I would like to speak
briefly on the attack that has taken place in the last few hours on the Swedish foreign minister, Anna Lindh. I want to say how much the government regrets this terrible attack, which took place yesterday. Anna was stabbed by an unknown assailant while she was shopping at a department store in Stockholm. I telephoned the Swedish ambassador earlier today and he informed me that she has been undergoing microsurgery for the last few hours. His latest information was that her condition was stable but serious.

I know Anna Lindh personally and I think that other members of the House have met her from time to time as well. She is a good friend of Australia and highly respected not just as foreign minister but more broadly as a politician in Sweden. Her attacker has not been arrested and the motive for the stabbing is therefore quite unknown at this stage. I understand from my conversations with the Swedish ambassador and also with our embassy in Stockholm that Sweden is in a great state of shock and sorrow. We do not know whether the attack was politically motivated; we clearly hope it was not. This incident will trigger traumatic memories for the Swedish people of the tragic murder in 1986 of their Prime Minister, Olof Palme. So we wish the Swedish people courage at this time.

It speaks well for Anna that she is a well-respected politician of the people and one of Sweden’s most popular ministers. It is noteworthy that she was attacked while unprotected in a fairly ordinary department store in Stockholm, while mixing freely with Swedish citizens. On behalf of the government, I offer my best wishes to Anna and her family for a speedy and full recovery and a return to the world of international affairs where she still has a great contribution to make.

Mr Rudd (Griffith) (2.17 p.m.)—On indulgence, Mr Speaker, I join the Minister for Foreign Affairs in expressing the united sentiments of the parliament on this appalling stabbing of the Swedish foreign minister, Anna Lindh. When we think of Sweden we do not automatically think of political violence; we think of a progressive democracy constituted on the principles of consensus and compromise, although, as the Minister for Foreign Affairs has just said, we are reminded of the murder 15 years ago of Olof Palme, a great social democrat, a great statesman and a great internationalist.

I have to say that when the office of the Minister for Foreign Affairs rang my office just before question time to tell me about this I was stunned. Like the Minister for Foreign Affairs, I have met Anna Lindh. She is a good person and a great representative of her country. She does great things, on behalf of Sweden and the European Union, across the world. It was just last night that I was talking to the Swedish ambassador in my office about her and about my last discussions with her in Stockholm, and then today this appalling news comes. As I said before, Anna Lindh is a good person and a great representative of her country. On behalf of the parliamentary Labor Party, and I think on behalf of all members here, I express our hope and our prayer for her complete recovery.

QUESTIONS WITHOUT NOTICE

National Security

Mr Crean (2.18 p.m.)—My question is to the Minister for Foreign Affairs. Will the minister inform the parliament whether any members of his office had contact with Mr Bolt in the fortnight prior to the publication of his article on 23 June this year? Can the minister detail which members of his office made this contact and when? If the minister cannot provide this information now, will he undertake to check with his office and, if contacts had been made, report back to the House before the end of question time?
Mr DOWNER—In relation to the claims made about intelligence going to Senator Macdonald and to Mr Bolt of the Herald Sun newspaper, these matters have been referred to the Australian Federal Police. I have instructed my office to cooperate fully with the Australian Federal Police, which I know they are perfectly willing to do. They will obviously deal with the Federal Police as the Federal Police conduct the investigation. Let me make a couple of other points about this. The first is that I have, during the course of this week, had a look at the material raised by both Mr Bolt and Senator Macdonald. I note that that material had already been discussed by Mr Wilkie in the media before the beginning of the war in Iraq.

Mr Crean—Bolt said he had a copy of that report.

Mr DOWNER—Yes, but I read nothing in Mr Bolt’s article or indeed in Senator Macdonald’s questions that seemed to me to be substantially different from anything that Mr Wilkie had been saying in the media, including in an article in the Bulletin on 18 March. So I do find it a rather curious thing that this is such a preoccupation for the opposition. I also think it is a very ironic line of questioning from the opposition, bearing in mind their liberal use of top-secret documents during the East Timor crisis when the member for Kingsford-Smith was wandering around the press gallery with Defence Intelligence Organisation documents and was even talking about these documents in a speech at a Labor Party fundraiser.

Finally, there is one other point I would like to make about this. I am struck by comments the opposition have been making during the course of this last week. I have reflected on this. They referred to a top-secret AUSTEO code word document. If the opposition have not seen the document or been briefed on the document, how would they know that it was a top-secret AUSTEO and code word document? The hypocrisy of this, the suggestion that somebody has given the document to Andrew Bolt while the opposition do not know anything about the document, is I think just a little too transparent.

Employment: Statistics

Mrs MAY (2.21 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister inform the House of the labour force outcomes for August which were released by the Australian Bureau of Statistics this morning?

Mr HOWARD—I thank the member for McPherson for this question. Today is a great day for the workers of Australia. Today we have seen the lowest unemployment rate for 13 years. Today the Bureau of Statistics told us that unemployment in Australia had fallen to 5.8 per cent, and this is despite a rise in the participation rate. As the Treasurer pointed out earlier, it is despite the fact that there has been a significant fall in exports due to the combined effect of the drought and the sluggishness in the world economy. But the thing that is really significant about this golden figure for the workers of Australia is that getting Australians into jobs is what good economic policy is all about.

We have this number because of the courage of the government’s economic policies over the last 7½ years. We have it despite the attempts of the Australian Labor Party, year after year, to prevent us from implementing good economic policy. They stood in the way of industrial relations reform. They stood in the way of tax reform. They even, through the current Leader of the Opposition, said that tax reform would drive up unemployment in Australia. That is what they said. They warned that inflation would go up. They warned that economic growth would stagnate. They warned that unemployment would get worse. They taunted us about it.
The Leader of the Opposition’s predecessor said that he was going to surf to victory not on the back of good policy but on the back of the public’s discontent with the new tax system. But, as is typical of the character of the Australian nation, it took tax reform in its stride, despite the drought. And let me take the opportunity of saying, through the parliament, to the Australian people that, although there have been some good rains in recent weeks, we should not pretend that the drought is over. There are many country people all around our nation who are still very severely affected by the drought and, unless there are good follow-up rains, some of those harsh conditions could return. We must preserve a sense of perspective.

But I repeat that this is a wonderful number. The unemployment rate was last below six per cent in March 1990. Unemployment reached 10.9 per cent in December 1992 as a consequence of ‘the recession we had to have’. In getting ready for question time, I recalled the fact that the Leader of the Opposition was once the Minister for Employment, Education and Training. He was the Minister for Employment, Education and Training for no fewer than 26 months in the Keating government. I wonder what unemployment in Australia averaged over this period. Was it five per cent?

Government members—No!

Mr HOWARD—Was it six per cent?

Government members—No!

Mr HOWARD—Was it seven per cent?

Government members—No!

Mr HOWARD—No, it averaged 8.8 per cent, which is a full three percentage points above the present figure. This is the former president of the ACTU, and the unemployment rate was three percentage points above the present figure. In my quick research, I just happened to come across an answer to a question without notice on 10 February 1994 by the then employment minister, now Leader of the Opposition. He started off—and they are really wonderful words—by saying:

The labour force statistics that have been released today are very good news for job seekers.

He then went on to say:

The unemployment rate has fallen to 10.6 per cent …

In a phrase, that says it all. To Labor, it is good news if unemployment is at 10.6 per cent. To us, any unemployment rate is too high. I do not pretend that there is not volatility and I do not pretend that the numbers will not bounce around in the months ahead, but I do remind those opposite that we have created 1.2 million new jobs since we came to office. We created 365,000 new jobs in our first term and 500,000 in our second term, and we have created 334,000 so far in the current term, with more to come.

The final thing I would say is that we can have even lower unemployment in this country if we get off the back of small business, if the Labor Party summons the courage to tell the trade union movement to get lost and allows the unfair dismissal laws to pass through the Senate. If we could get those laws passed through the Senate, we could, on private sector assessments, add 50,000 to 80,000 more jobs a year to the Australian work force, and that would drive our unemployment rate down even further. Good economic policy has its reward, and the greatest reward for this government is to have 1.2 million more Australians in work over the last 7½ years.

National Security

Mr RUDD (2.28 p.m.)—My question is to the Prime Minister. Prime Minister, is it the case that, following the resignation of Mr Wilkie from the Office of National Assessments, the Prime Minister’s private office
attempted to discredit Mr Wilkie by peddling the line to the press gallery that Mr Wilkie was unstable? Prime Minister, is it the case that your office apologised to Mr Wilkie for this behaviour? Is the Prime Minister now aware that the Liberal Party’s Senator Johnston last night engaged in the same behaviour by describing Mr Wilkie as ‘very unstable’ and that this followed the Prime Minister’s comments in parliament this week, with respect to Mr Wilkie, that ‘any member of the government has a right to retaliate’? Will the Prime Minister now publicly apologise for these vicious personal attacks on Mr Wilkie and for his government’s decision to play the man and not the ball?

Mr Howard—It is the case that a remark made by a member of my staff without my authority, which subsequently and immediately drew a reprimand, was interpreted by some members of the gallery—and I am quite happy to go through this—as reflecting on the character of the gentleman in question. When it happened I asked my chief of staff, Arthur Sinodinos, to contact Mr Wilkie. Mr Sinodinos had a half-hour conversation with him—and this was immediately after Mr Wilkie had resigned from the ONA—and he assured him that the remark and any interpretation placed upon it did not carry my authority, imprimatur or urging. On my behalf he conveyed an apology for any hurt that may have been occasioned. Indeed, Mr Wilkie himself acknowledged this fact in an interview on 22 July with Caroline Overington, in which he said, inter alia: ... a guy called me, around midday, and said he was from the Prime Ministers office, and he talked to me for about half an hour, very apologetic, saying that Howard was personally very sorry that this story had been leaked by a junior person on his staff. They told me that they would retract the story, and to its credit, the press did not follow the story or ask me about it.

That is the extent of that particular part of it. I made it very clear to my staff and colleagues that Mr Wilkie had a perfect right to resign from the ONA and there was to be absolutely no attempt to criticise him as an individual. I have no reason to believe that Mr Wilkie is acting other than in a conscientious fashion.

As far as the question of the retaliation I spoke of the other day is concerned, I was talking there of the self-evident right that I and other members of the government have to argue and hit back when we are called liars and fabricators. That is what we were called by Mr Wilkie at the inquiry being conducted by the member for Fadden’s committee. That was the language that was used. No man or woman in this parliament is going to stand by silently when somebody falsely accuses them of telling lies and fabricating intelligence.

Mr Rudd—What about Senator Johnston?

The Speaker—Order! The member for Griffith.

Mr Howard—Mr Speaker, the question has been asked. These are legitimate matters for discussion and I am quite happy to discuss them. But I want to get into context what I have said about Mr Wilkie. Whenever anybody, particularly somebody who claims the sanction and authority of having been an intelligence officer, makes claims about me and my colleagues that I believe are wrong, I will argue back and criticise that person. I will deny the allegations and I will do so very vehemently.

Let us understand this: he had a right to resign. I have never accused him of behaving improperly and I have not accused him of leaking any intelligence information. I accept fully that he has a right as a citizen of this country to have a go at me, but I do not give him the right to call me a liar or a fabricator.
without rebuke. That is essentially it. We will go on rebuking, attacking and criticising him in defending our own reputations. As far as the remarks of my colleague in the Senate are concerned, they were made off his own bat. As soon as I heard about them I sent a message to him that they should not be repeated. They are not views that I hold and they are not views that I endorse.

International Relations: Terrorism

Mrs ELSON (2.33 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of Australia’s contribution to the international campaign against terrorism since September 11?

Mr DOWNER—I thank the honourable member for Forde and I appreciate the interest she shows in international relations. As the Prime Minister and the Leader of the Opposition have pointed out, this is the anniversary of the terrible and evil events of September 11, 2001. That day did not so much change the world as change the way we view it. Issues such as the threat of terrorism, the proliferation of weapons of mass destruction and the problem of failed states had all been issues before September 11, 2001. But, after that terrible day, a lot of us around the world understood that those issues needed to be dealt with more decisively and effectively than had been the case in the past.

Two years after September 11, Australia is at the forefront in the global fight against terrorism. No fewer than 100 Australians have been killed in acts of terror in the last two years. Our resolve is firm. Terrorists hate all we stand for, they have no respect for the religion they purport to uphold and they have no respect for moderate Islamic governments. In the two years since that fateful day, over 3,000 al-Qaeda suspects have been detained in 90 countries. In excess of $A220 million in terrorist assets have been frozen. In Afghanistan, Australia has helped to remove the Taliban from power, destroying terrorist bases and disrupting al-Qaeda operations. In Iraq we helped to ensure that the brutal regime of Saddam Hussein would never again be able to use weapons of mass destruction against its neighbours and its people. The threat of weapons of mass destruction falling into the hands of terrorists is greatly diminished without Saddam Hussein.

Australia responded very strongly to the threat of terrorism in our region. We were instrumental in listing Jemaah Islamiah with the United Nations. That has led to the freezing of Jemaah Islamiah assets and restriction of the movement of Jemaah Islamiah members. About 200 members of Jemaah Islamiah have been arrested in the region since that time. We have established a network of bilateral counter-terrorism arrangements that have strengthened practical, operational level cooperation. This cooperation is seeing terror attacks prevented, terror networks disrupted and charges laid against 24 Jemaah Islamiah members for the Bali bombings. We have helped countries to build their capacity to fight terrorism through law enforcement, border and transport security, intelligence cooperation and antiterrorist financing.

We have taken a lead role in forums like APEC, which brings together the heads of government of the countries of the Asia-Pacific region, and also a lead role in the ASEAN Regional Forum to drive the counter-terrorism agenda. Early next year we will be co-hosting with Indonesia a regional ministerial summit on counter-terrorism.

Finally, I think it is important to accept that we still have a great challenge in the war against terrorism, and the Prime Minister has made that point very clearly. Of course we do have a long way to go, but my point is that we are making progress. We do not underestimate the terrorists. The audio and video footage of bin Laden and his No. 2, al-
Zawahiri, shows that al-Qaeda remains intent on further terrorist attacks, although those statements do not require a change to our existing threat levels here in Australia. This is not a new struggle. This is the age-old clash between moderates and extremists; between tolerance and intolerance. It will be a long struggle but the government will sustain action with both purpose and vigour.

DISTINGUISHED VISITORS

The SPEAKER (2.38 p.m.)—Order! I notice in the gallery on my right former senator Michael Beahan, a former President of the Senate. On behalf of all members of this House I extend to him a warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Transport: Security

Mr CREAN (2.38 p.m.)—My question is directed to the Minister for Transport and Regional Services. It relates to his open-door security policy as revealed yet again at Melbourne airport with another screening breach. Can the minister confirm that an off-duty police officer was allowed to board an international flight at Melbourne airport on Tuesday inadvertently carrying a clip of bullets? Wasn’t this only brought to light because the police officer informed the airline of this mistake? How many more system failures resulting in security breaches, Minister, will it take before the government takes national security here in Australia much more seriously?

Mr ANDERSON—I thank the Leader of the Opposition for his question. I think we established yesterday quite clearly that what amounted to a burglary does not open us to the claim that we have an open-door approach to security.

Mr Crean—What did Bob Charles say?

The SPEAKER—Leader of the Opposition, the question has been asked!

Mr ANDERSON—Frankly I think it is outrageous and irresponsible—I really do—to ignore the very principles that the member for Batman put down when he indicated that irresponsibly raising these sorts of issues was inappropriate. There has been a screening breach at Melbourne airport. It happened on the ninth of this month and it involved an off-duty policeman who did the right thing and alerted crew to the fact that he had inadvertently, apparently, taken on board a limited number of rounds of ammunition.

I have to say at the outset that I do not believe that this was a deliberate attempt to avoid the screening process. There was no malicious intent or any threat to the passengers or aircraft. There was no cover-up. I ordered an urgent inquiry by my department and a few matters have been established, which I put before the House. A regional manager from the aviation security regulation branch of my department was promptly in attendance at Melbourne airport as a part of this investigation. The investigation has so far included a reconstruction of the incident with Melbourne airport staff, including the screening process. The investigation is continuing, although I can establish that it appears at this stage that the screening equipment itself was functioning properly.

My department wrote to Melbourne airport on 10 September, directing that compliance with department standards for screening procedures be taken up with the screening company and requesting a full brief on the incident and the measures taken by the airport to address the breach. My department is seeking legal advice on any other appropriate enforcement action. I understand that Melbourne airport has removed from duties the staff member involved for retraining and is in the process of briefing all security screening staff to remind them of the correct procedures. Similar directions have been conveyed to other airport screening authorities, and
they will be discussed at the next meeting of the Aviation Security Industry Consultative Group, which is due to be held here in Canberra over 17 and 18 September.

We will continue to monitor the compliance of all regulated airports, including Melbourne, with the appropriate set-out standards that we expect to be fully honoured. I understand that Victoria Police are conducting their own investigation into this incident. I find it very surprising that the Victoria Police minister would play politics with one of his serving officers before the official investigation is completed. The Victoria Police minister may well be seeking to deflect attention from a failure of the Victoria Police procedures that allowed the officer to be carrying the ammunition in the first place.

Mr Jenkins interjecting—

Mr ANDERSON—I know you are a Victorian but it ought to be properly considered. I am advised that there may have a breach of the dangerous goods regulations administered by CASA. Carriage of ammunition in an aircraft cabin is an offence under the Civil Aviation Act, and that is being investigated by CASA.

**Economy: Performance**

Mr FORREST (2.43 p.m)—My question is addressed to the Treasurer. Would the Treasurer advise the House how the Howard government’s economic policies have helped to make the Australian economy more flexible and more resilient? How has this contributed to jobs growth?

Honourable members interjecting—

The SPEAKER—The member for Lyons is warned.

Mr FORREST—Would he further advise how this has contributed to jobs growth?

Mr Sawford—How many full-time jobs?

Mr COSTELLO—I thank the honourable member for Mallee for his question. Can I inform the honourable member for Mallee and the honourable member for Port Adelaide that the ABS today reported that, in the month of August, the number of jobs increased by 80,600 and the number of full-time jobs increased by 63,500. I thank the honourable member for Port Adelaide for his dorothy dixer! The questions tend to be more searching when they are asked from this side of the House.

I believe that all Australians will welcome the fact that there was strong jobs growth in the month of August and I believe both sides of the House will welcome the fact that unemployment has now fallen below six per cent in Australia. The remarkable thing about this is that this has occurred at a time when Australia’s prospects internationally have been more adverse than probably at any other period in the last 20 or 30 years. This was during a quarter when we had global weakness, negative growth in four of the G7 countries, negative growth in all of the Asian tigers, recession in two of the G7 countries, the worst drought in Australian history and the SARS epidemic. In the face of all of those factors, which I described recently in Thailand as a quarterly tsunami coming together on the export front, the Australian economy continued to grow and jobs growth increased.
All Australians will welcome the fact that Australian consumers appear to be very confident, supported by low interest rates, supported by income tax cuts, which came into effect on 1 July, and now supported by strong employment outcomes. The Prime Minister has already compared these sorts of outcomes to the outcomes that Australia had to suffer during the early part of the 1990s under a Labor government. To put this in context, the last time the unemployment rate was below six per cent was for a short period of seven months in late 1989 and January 1990. To go below six per cent—to find a comparable figure—you would have to go back to October 1981. I cannot recall who was in government in 1981! In 1981, unemployment was 5.9 per cent.

Mr Gavan O’Connor—What was the deficit?

Mr COSTELLO—The deficit was $10 billion. That was the deficit. I thank the member for Corio for his interjection. When this government came to office, the deficit was $10 billion, Commonwealth debt was $96 billion, the home mortgage interest rate was 10.5 per cent and unemployment was 8.2 per cent. Let us come to today. The budget is in surplus, Commonwealth debt has been reduced from $96 billion to $32 billion, home mortgage rates have come down from 10½ per cent to 6.5 per cent and the unemployment rate has come down from 8.2 per cent to 5.8 per cent.

The Australian Labor Party fought this government every step of the way in relation to economic reform. If the Australian Labor Party had had their way, we would have never balanced the budget. They opposed all of the measures, and that is when they had the member for Hotham as their shadow Treasurer—WTG. Don’t you recall him saying at the time that if we reformed the taxation system then we would have a recession?

There remains in the Senate $1.5 billion of measures from not this year’s budget but last year’s budget, which the Australian Labor Party still refuse to pass in the long-term interests of Australia. We can stop today and we can say, ‘A low unemployment rate is a good thing.’ It will move around over forthcoming months. But the tragedy is this: things in Australia could be so much better. That is the tragedy. If the Senate passed—

Mr Latham interjecting—

Mr COSTELLO—The member for Hotham—WTG. The member for Werriwa—NBTC: no better than Crean. Things in Australia could be so much better. If the Senate would pass our labour market reform we could give more jobs and we could lock in low unemployment. If the Senate would pass the PBS reforms we could put PBS on to a sustainable basis. If the Senate would pass welfare reform we could get participation up in this country. The thing that stands between better policy in this country and where we are today is the Australian Labor Party.

Mr Kelvin Thomson interjecting—

The SPEAKER—Order! The member for Wills might care to save himself from himself.

Mr COSTELLO—To the Australian Labor Party we say again: get out of the way. Let the government get on with its reform program. You tried to stop the reforms of the past. Look at the outcomes. Please do not try and stop the reforms of today because the opportunities for Australia could be so much better.
Transport and Regional Services: Security

Mr Martin Ferguson (2.51 p.m.)—My question is to the Minister for Transport and Regional Services. It concerns the government’s open door policy on aviation and maritime security. Can the minister confirm that just six months ago there was a break-in at exactly the same location and on the same floor as the latest security breach and theft of a laptop which was reported yesterday? Minister, what steps were taken following the first break-in to upgrade security at this location, which I might remind the House is responsible for Australia’s national aviation and maritime security? How many security breaches will it take before the Howard-Anderson government takes national security here in Australia more seriously?

Mr Anderson—I thank the honourable member for his question. I have no recollection of a break-in six months ago of the sort that happened yesterday. I will check the records and establish whether it happened. I reiterate the point that I made yesterday: in this particular case there is no cause, basis or justification for any concern that those who broke in and removed the laptop, a bottle of scotch and some private belongings were able to gain any access to security sensitive information.

Mr Bevis—Why did you lock the door?

Mr Anderson—Why did we lock the door? It was because we do not actually have an open door security policy, I suppose. Let me reiterate from yesterday: so sensitive was the information contained on the laptop that it is on the department’s web site and they are free to go and have a look at it. We do not take these matters lightly. No-one in the transport industry who is implementing the enormous reform and the security measures that we are insisting upon as a government would say that they constituted the Australian community, the government or the private sector taking security lightly. They just would not. It would be impossible to do so.

The measures that are in place now are far strengthened compared to what they were prior to September 2001. They are increasingly being strengthened. They are ahead of ICAO international standards. In relation to maritime, we do indeed have a very big task before us. We are taking it forward cooperatively with all the state and territory Labor governments. I think that the Leader of the Opposition would do well to take a note out of the book of the Premier of New South Wales and, in an earlier guise, the member for Batman’s book when they warned against making security a political football. I am more than happy to engage in serious debate about real security issues. I do not take them lightly. Again I make the offer to the member for Batman if he wants to be true to what he claimed was his sense of values on this matter in this place just last Monday, when he said:

... issues should be raised in a responsible, constructive manner that does not blow risk out of proportion.

Does anyone believe that they are not trying to scaremonger here? Does anyone really believe that this is not meant to heighten people’s concern when they talk about an open door policy for security? Does anyone believe that the National Security Committee of cabinet has not spent hours and hours or that the Treasurer has not had to find hundreds of millions of dollars to enhance the security of the Australian population and that the private sector is not having to find hundreds of millions of dollars? Does anyone believe that it is not simply trying to frighten the Australian people to call this an open door approach to security? It is no such thing, and in the interests of a real debate...
about it I again say to the member for Batman that on other matters he has frequently requested briefings from my department—

Mr Martin Ferguson—I will continue to request them.

Mr ANDERSON—In that case I suggest that you seek a briefing from us on these security matters and we will give you one in good faith.

Mr Crean interjecting—

The SPEAKER—The Leader of the Opposition will withdraw the reference he made to the Deputy Prime Minister. The Leader of the Opposition referred to the Deputy Prime Minister as a hypocrite.

Mr Crean—I withdraw that, Mr Speaker.

Indonesia: Terrorist Attacks

Mr BAIRD (2.56 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the verdict in the Samudra trial in Bali yesterday? What does this mean to the fight against terror?

Mr Zahra interjecting—

The SPEAKER—I warn the member for McMillan!

Mr DOWNER—I thank the member for Cook for his question and for his interest. The government welcomes the decision by the Indonesian court to convict and sentence Imam Samudra. Samudra was found guilty of planning an act of terrorism, funding terrorism, illegal possession of firearms and explosives, and detonating explosive devices. He was sentenced to death. Samudra has been described as Jemaah Islamiah’s field commander in the Bali bombing operation. He was a key figure with links to Hambali, who the House will know has recently been arrested in Thailand, and with close links to Abu Bakar Bashir. Samudra’s acts were those of a violent, brutal criminal and should be condemned without qualification. His acts have nothing to do with Islam.

The verdict should, I think, bring some comfort to Samudra’s victims and the families of those who were killed in the attack. Samudra’s was the fifth conviction to date relating to the Bali attack. I think these convictions have successfully started the process of sending a strong signal to terrorists not just in Indonesia or South-East Asia but in the world over that the international community will not sit back and allow them to strike with impunity. As I said in the House yesterday, the Australian Federal Police have cooperated very closely with their colleagues in Indonesia and they have had unprecedented cooperation in investigating the Bali bombing. I think the AFP deserve a great deal of credit for and indeed congratulations on the outstanding work that they have done in the Bali inquiry.

It is not, of course, the policy of the Australian government to support the death penalty, and the government’s acceptance of the sentence does not mean that we have changed our policy. But in these particular circumstances we will not be making any representations against the sentence to the Indonesian government. As the House knows, that is the position we took in relation to Amrozi and it is the position we are taking in relation to Samudra. If others are found guilty of and sentenced for the same or like offences in relation to the Bali bombing then we will take the same position in those cases as well. I welcome Samudra’s conviction as another important step forward in the war against terrorism.

Political Parties: Donations

Ms ROXON (3.00 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. It refers to reports in today’s Sydney Morning Herald that his friend Mr Kisrwani was involved
with the sale of a Sydney college for overseas students which lost its licence last month and collapsed with a million dollars of debt. Can the minister confirm whether the convicted embezzler, Mr Nabil Nasr, also referred to in the story, is the same Mr Nabil Nasr that appears on Mr Kisrwani’s Australian Electoral Commission return as having made a donation of $1,000 to the Liberal Party?

Mr RUDDOCK—The short answer is that I saw the report in the newspaper this morning. I have no personal knowledge of the matters raised in that article other than the matters that were referred to, and I gained that from reading the article. In relation to the information declared on the party’s return, I have not inspected the party’s return. I take it that the member has provided the information accurately, and I will have a look at it.

Fuel: Ethanol

Mrs GASH (3.01 p.m.)—My question is addressed to the Deputy Prime Minister, the Minister for Transport and Regional Services. Would the Deputy Prime Minister update the House on the benefits of the government’s alternative fuels policy to regional Australia and to Australian motorists? How does this compare with the development of the industry overseas? Is the Deputy Prime Minister aware of any alternative policies?

Mr ANDERSON—I thank the honourable member for her question and acknowledge the fierce fight she puts up to protect legitimate jobs in her electorate, which are under threat at the moment for base political purposes.

Mr Latham—Mr Speaker, I rise on a point of order. It goes to the anticipation rule, the same point that was raised yesterday. You will see order of the day No. 3, the Fuel Quality Standards Amendment Bill 2003. Just before question time, we had a magnificent speech from the member for Batman on the self-same subject, and the debate I am sure will be continued after question time.

Mrs GASH—Would the Deputy Prime Minister update the House on the benefits of the government’s alternative fuels policy to regional Australia and to Australian motorists? How does this compare with the development of the industry overseas? Is the Deputy Prime Minister aware of any alternative policies?

Mr Latham—Mr Speaker, I rise on a point of order. I rise on a point of order. It goes to the anticipation rule, the same point that was raised yesterday. You will see order of the day No. 3, the Fuel Quality Standards Amendment Bill 2003. Just before question time, we had a magnificent speech from the member for Batman on the self-same subject, and the debate I am sure will be continued after question time.

The SPEAKER—The member for Werrriwa will know that points of order do not allow us to reflect on a scale of speech delivered by the member for Batman. I will deal with the point of order. The House would have noted that I had consulted the Clerk about the status of this legislation. I was conscious of the anticipation rule. I trust the Deputy Prime Minister is conscious of it as well. He is of course allowed to answer the question; he is not allowed to refer specifically to matters in the bills before the House.

Mr Latham—Mr Speaker, I rise on a point of order. I am going to anticipate contained in the question asked by the mem-
ber for Gilmore. It is very clear that the member is asking for matters to be canvassed that are within the Fuel Quality Standards Amendment Bill to be debated immediately after question time today. The question is out of order, as would be, of course, an answer that anticipated the debate as well.

The SPEAKER—I have allowed the question to stand. I am listening closely to the answer.

Mr ANDERSON—Having said that, it is my view that the fuel ethanol industry has the potential to be a very worthwhile industry indeed in regional Australia, and one which can be of benefit to the nation as a whole. We have made a firm policy commitment but I make the point that that commitment is also based on the reality that the industry, after a phasing-in period, must be able to stand on its own feet. But making that proviso, I think it is very plain that we ought to recognise that it should be given every chance and not be cut off at the knees for base political purposes. Its expansion would, quite frankly, potentially create a lot of jobs and, even in just meeting the government’s target of 350 million litres—

Mr Latham—Mr Speaker, I rise on a point of order. On the anticipation rule, the minister is not only canvassing matters in the bill but also canvassing matters specifically dealt with in the second reading amendment that has been moved by the member for Bruce—a six-point second reading amendment—that canvasses all these issues about the industry, employment, labelling, consumers, the whole box and dice of public policy issues in the ethanol industry that is now being canvassed by the Deputy Prime Minister. On that basis, the anticipation of the House’s vigorous debate of this second reading amendment, I would ask you to rule this answer out of order.

The SPEAKER—I have listened closely to the answer. I do not intend to have the integrity of the anticipation rule eroded in any way by this answer, and I am listening closely to it.

Mr ANDERSON—It is in the belief that there can be real benefits across the board in Australia that the government support the biofuels industry. We want to see fuel ethanol and biodiesel produced in Australia from renewable sources to contribute around 350 million litres of fuel to the national supply by 2010. It has the potential to create jobs and secure our future. You would think that that would be widely supported, but it is not. The opposition and, I have to say, the Australian Automobile Association have embarked on what I think is an intense and unwarranted political attack on the ethanol industry. They are putting at risk jobs in regional areas such as the member for Gilmore’s electorate, and doing so through running another scare campaign about the effects of using ethanol blends. I am very disappointed that the oil majors who very actively promote ethanol blends in particularly but not only the United States of America will not throw their same enthusiastic support behind it in Australia. The government have always recognised that not all engines can make optimal use of ethanol blends, in exactly the same way that not all engines—

Mr Latham—Mr Speaker, I rise on a point of order. The bill is about a labelling regime for the ethanol industry. The first point of the amendment moved by the member for Bruce is about the implementation of a mandatory national labelling regime for ethanol blended fuel. The minister is very clearly anticipating the debate—the self-same debate this House will have at the conclusion of question time. There is clear anticipation—
The SPEAKER—The member for Werriwa will resume his seat. He has made his point of order. I invite the member for Werriwa to consult House of Representatives Practice. He will find that the tolerance that has been extended to the Deputy Prime Minister is entirely consistent with precisely the same rulings as have been made by previous Speakers, including current members of this House.

Mr ANDERSON—Motorists have no difficulty in determining the types of fuel that are best suited to their own motor cars. They have no difficulty in working out whether to put lead replacement petrol or unleaded petrol in their cars. I do not see why it should be any different at all if we give people sensible labelling in relation to ethanol.

The SPEAKER—Order! The Deputy Prime Minister will come back to the question.

Mr ANDERSON—The fact is that ethanol blends are used across the world. It is worth noting that in America the following manufacturers have approved the use of ethanol blends in their cars: Chrysler, Ford, General Motors, BMW, Honda, Hyundai, Isuzu, Jaguar, Kia, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Porsche, Range Rover, Rolls-Royce, Saab, Subaru, Suzuki, Toyota, Volkswagen and Volvo. Yet the campaigners against ethanol seem to believe that car engines in Australia work differently from those everywhere else in the world. This campaign is over the top. There are only two possibilities, if you are to believe it. The first is that somehow or other Australia is in some sort of twilight zone where the laws of physics and chemistry are strangely different from those everywhere else. The only other option—it is probably the reality—is that the opposition and other campaigners against ethanol are holding the future of regional Australia to ransom for their own political advantage.

Everywhere I go in regional Australia the question is constantly raised as to what the ALP are up against. What are they trying to pursue here? Why do they hate every opportunity for investment in regional Australia? It goes hand in hand, I have to say, with their other great commitment on fuel: to wind back the diesel fuel rebate—to increase the tax on fuel for country motorists and at the same time to deny them a perfectly legitimate opportunity to participate in a renewable fuels industry that is widely promoted right across America. The fact of the matter is that you are held in contempt in rural and regional Australia—

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

Mr ANDERSON—because there is no interest at all in regional investment or jobs opposite.

Mr Latham—Mr Speaker, I rise on a point of order. The Deputy Prime Minister just said that you are held in contempt.

Mr Anderson interjecting—

The SPEAKER—Order! The member for Werriwa will resume his seat. As was self-evident to anybody who followed the operation of the House, the Deputy Prime Minister also recognised that that was not what was intended and corrected the statement.

Political Parties: Donations

Ms ROXON (3.12 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. Can the minister confirm that the second person referred to in the Sydney Morning Herald article today regarding a Sydney college for overseas students, a Mr Yung, is the same Mr Yung who made a donation of $2,000 to the minister’s own Berowra federal council on 14 Oc-
October 2001, the same day as did Mr Dante Tan?

Dr Emerson interjecting—

The SPEAKER—Order! I warn the member for Rankin!

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. I draw your attention to standing order 76. The question quite clearly contained imputations of improper motives and personal reflections—

Mr Martin Ferguson interjecting—

The SPEAKER—Order! I warn the member for Batman!

Mr Edwards—It’s not a point of order, it’s a job application!

Mr Pyne—Chuck him out! He’s drunk!

The SPEAKER—Order! I warn the member for Sturt!

Mrs Bronwyn Bishop—Mr Speaker, the question clearly contained imputations of improper motives and personal reflections on the member. Under standing order 76 those words are to be considered highly disorderly. Standing order 78 requires that you consider whether or not you consider them to be disorderly and take action under 304A, 303 or 306.

The SPEAKER—I call the Minister for Immigration and Multicultural and Indigenous Affairs.

Opposition members interjecting—

The SPEAKER—Order! I will recognise the member for Mackellar when the House has come to order.

Mrs Bronwyn Bishop—I rise on a point of order, Mr Speaker. I have referred you to a number of standing orders: standing order 74—

A government member—And 98.

Mrs Bronwyn Bishop—I am reminded about standing order 98 from a member behind me, but the ones I chose to refer to you concerned imputations and the fact that they are disorderly, and I am asking you to intervene in accordance with the standing orders. I ask for a ruling.

The SPEAKER—I have allowed the question to stand.

Mr Ruddock—I welcome the opportunity to answer the question because inferences are being drawn that are quite inappropriate and they ought to be dealt with quite clearly. I indicated earlier that I read of these matters this morning in the Sydney Morning Herald. The information was of surprise to me, but my department, obviously reading the same article, prepared for me some notes which I think I should use just to put beyond doubt any view that you might be trying to encourage people to form—that is, that these people received some special treatment from my department in relation to their running of a college in Sydney.

The fact is that on 21 August, the Australian College of Technology was cancelled from the Commonwealth Register of Institutions and Courses for Overseas Students by the Department of Education, Science and Training. The college had for some time been a provider of concern to both my department and to the Department of Education, Science and Training. In 2001 the New South Wales compliance office received numerous complaints of non-attendance being condoned by the college, provided fees were paid. These allegations were supported by officers’ fieldwork, resulting in the location of non-compliance students. The allegations in fieldwork findings were referred to the New South Wales Vocational Education and Training Accreditation Board, VETAB, and to the Department of Education, Science and Training, and that was to provide possible evidence for the cancellation or suspension of the college’s accreditation.
Early inquiries established that the principals of the college had been convicted of serious fraud matters prior to their establishment of the college. This information was referred to VETAB and to DEST, as investigators believed that that clearly breached the fit and proper person requirements of the executive college staff. In October, DIMIA officers served two production notices on the college, demanding attendance and academic details for students. The response was copied to both VETAB and DEST to provide evidence of breaches of the education legislation requirements. On 4 June investigators served a further eight production notices on them, and those responses were again copied to the relevant departments. A student investigations officer accompanied DEST and VETAB officers on a joint agency compliance visit on 17 May. The point I am making is that it is beyond doubt that the department acted properly. There was no interference in the way in which they dealt with those issues. I had no knowledge of any donations being made by particular individuals.

Mr Albanese interjecting—

The SPEAKER—the member for Grayndler is warned!

Mr RUDDOCK—My conference does take donations, as it is entitled to. It properly discloses those matters, as I said before. You trawl over that register. You have more knowledge and information—

The SPEAKER—Minister!

Mr RUDDOCK—Well, the honourable member trawls over the register obviously, and has more information about what is on that register than I do.

Mr Kelvin Thomson—You should know about it.

Mr RUDDOCK—I have no idea whether or not the person referred to in a newspaper article today has made donations to my party organisation. And I do not know that I would know from the information provided in the newspaper article if a Mr Yung by another name had made donations. I just do not know, and I do not think you know any more than I do in relation to that.

Ms Roxon—Mr Speaker, I seek leave to table the two Australian Electoral Commission returns for Mr Yung and Mr Tan, both dated 14 October 2001—the day after the minister’s campaign launch.

Leave granted.

Ms Roxon—I also ask that the minister table the document that he was reading from.

The SPEAKER—I understand the member for Gellibrand’s request. The minister in fact came to the dispatch box and indicated that he was quoting from notes. Standing order 321 covers documents and papers but not notes.

Mr McMullan—Mr Speaker, I rise on a point of order. The minister said that he was quoting from notes provided by his department. By any measure, notes provided to ministers by their departments can be nothing but a document. The concept of notes relates to one’s personal notes and speaking notes, not to documents and records provided by one’s department. That is a unique and unsustainable interpretation, I put to you, Mr Speaker.

The SPEAKER—I remind the member for Fraser that the House of Representatives Practice—and I thank the Clerk for the accuracy of this—at page 573—

Mr Latham interjecting—

The SPEAKER—and for the assistance of the member for Werriwa it is at the bottom of the page where it says:
The Speaker also said that if a Minister states that he is referring to notes, then that is the end of the matter—the Chair would not require the tabling of the document.
Mr McMullan—Mr Speaker, I am well aware of what the House of Representatives Practice says, but nobody has ever previously interpreted documents provided to a minister—

Mr Nairn interjecting—

The SPEAKER—The member for Eden-Monaro!

Mr McMullan—I appreciate that that is of course what the House of Representatives Practice says and has said for some time and that is correct and appropriate. The point I am trying to make to you is that we are creating a dangerous precedent if we interpret documents provided to ministers by departments under that category. Briefing notes from departments are the basic information that ministers provide. As a fundamental question of accountability, I think that is an interpretation upon which you should reflect and which you should reconsider.

Mr Latham—Mr Speaker—

The SPEAKER—The member for Werriwa will resume his seat! Out of deference to the member for Fraser and his understanding of House of Representatives Practice, I will look again at the implications of this. But, as he would know, I have acted consistently with the actions taken by previous speakers and quoted specifically from House of Representatives Practice in defence of my action.

Employment: Job Network

Mr WAKELIN (3.23 p.m.)—My question is addressed to the Minister for Employment Services. Would the minister update the House on the results of Job Network as part of the Howard government’s strategy to assist unemployed Australians into jobs?

Mr BROUGH—I thank the member for Grey who represents an electorate of some 900,000 square kilometres, I think, of this great nation. It is no wonder he would ask a question about Job Network because, if my figures are correct, there used to be about half a dozen CESs over that huge expanse of Australia and today there are some 22 services providing Job Network job placements and the New Enterprise Incentive Scheme to Australians throughout the electorate of Grey. I commend him on the fine job that he does out there. Of course those 22-odd sites are part of 2½ thousand sites right throughout the length and breadth of this country which provide services to Australians where they live.

It was interesting today that we had an interjection from the member for Port Adelaide, which was responded to by the Treasurer, in which he asked the driving question about full-time employment—he asked how many full-time jobs there are. The Treasurer rightly pointed out that some 63,500 full-time jobs were created in the last month of the Howard-Anderson government. Do you know how many months it took the Labor Party to actually create 60,000 full-time jobs—not even 60,000, in fact the figure was 56,500 full-time jobs? Sixty thousand jobs in one month under the Howard government, and you got 56,000 jobs in 72 months under a Labor government, with the Leader of the Opposition as the employment minister. What a tremendous record! I am not suggesting that we are 72 times better than the Labor Party, but we do know that Job Network is delivering for Australians where they live. In fact, why is it delivering? It is delivering because under the star rating system, Job Network members have one goal and one goal only: that is to get real jobs for real Australians. I will read to you from our Job Network star rating and performance information. These are the words that the Job Network members know underpin their capacity to maintain contracts. It reads:

In line with the objectives of Job Network, the overwhelmingly important criterion for gaining a
high star rating is placing the maximum possible number of job seekers into jobs.
And that is the way it should be. The greatest rewards are for those that extend the jobs for longer than 13 weeks, or for 26 weeks for disadvantaged job seekers and Indigenous people.

Today alone an additional 5,600 jobs have come onto the Australian Job Network. They are real jobs for real Australians. It is no wonder the opposition look so glum. There have been 60,000 new vacancies this month which have gone onto the Job Network, yet there were only 56,000 full-time jobs created in the last six years of the Labor government. The Job Network is playing a significant role in driving down unemployment, seeing a ‘5’ in front of the unemployment number for the first time in 13 years. But this side of politics knows and recognises there is more to be done. We will not rest on our laurels. We will continue to drive unemployment down. We will continue to motivate job seekers and to have Job Network members focused on one thing: getting Australians into work.

Roads: Calder Highway

Mr GIBBONS (3.27 p.m.)—My question is directed to the Treasurer. I refer to his comments given to the Bendigo media on 31 October 2001 and printed on the front page of the Bendigo Advertiser on 5 July 2003 relating to funding the Calder Highway:

The government is committed to fund it in partnership with the State Government, so as the State Government commits to construction, the Commonwealth will match the funding under the program of Roads of National Importance. Now that the Victorian government has allocated a further $70 million for the project in its last two budgets and given that Transport and Regional Services Minister Anderson ruled out funding the project on ABC radio last week, hasn’t the Treasurer misled the people of Bendigo by reneging on his election campaign commitment? Mr Speaker, the Bendigo Advertiser has asked: ‘Was that a lie? Does the Treasurer—

The SPEAKER—The member for Bendigo will resume his seat or I will deal with him.

Mr COSTELLO—The duplication—the two lanes—of the Calder Highway is being funded under the Roads of National Importance program, a program which never existed under the Labor Party. So if it had not been for this government—and I am sure the member has told the Bendigo Advertiser this—none of that would have occurred; none of the extension would have occurred because there were no roads of national importance. I think this is very important. The Commonwealth had no such program and therefore under the Labor Party there would have been no Commonwealth contribution whatsoever in relation to that. So we have been building and extending the Calder Highway under that program—and, as I indicated, under the RONI program—fifty-fifty. That provides the funding for it.

I am aware that the member for Bendigo has called for the remaining duplication of the Calder Highway to be funded by the Commonwealth out of funds which have been allocated to the Scoresby Freeway. And the member for Bendigo nods, rather embarrassedly. He has said that there is now no need to fund the Scoresby Freeway—

Mr Gibbons—That’s right.

Mr COSTELLO—He nods again and says, ‘That’s right.’ I want that to be carefully noted: he said, ‘That’s right,’ and nodded. There is no need, he says, for the Commonwealth to expend any funds—the $400 million plus—on the Scoresby Freeway. In other words, it is now federal Labor policy to take funds out of the Scoresby Freeway. What does the member for Deakin think about that? What does the member for Aston
think about that? What does the member for Casey think about that?

_The SPEAKER_—The Treasurer will address his remarks through the chair.

_Mr COSTELLO_—Mr Speaker, what does the member for Dunkley think about that? If you want to talk about election commitments that have been broken, there has never been one of the dimension of Premier Bracks’s in the Victorian state election. He was running around saying that Labor was committed to the Scoresby Freeway. He got himself elected and says he wants to impose tolls and completely suck out not just the state funding but the federal funding as well. We have a written agreement with the Victorian government that says Scoresby will be built—

_Ms Plibersek interjecting_

_ The SPEAKER_—Order! The member for Sydney is warned!

_Mr COSTELLO_—and will be built without tolls. This campaign by the member for Bendigo to short-change the people of the eastern suburbs of Melbourne will be repudiated. The funding of the Bendigo road will be accommodated under Roads of National Importance, a program which only this side of the parliament has put in place. I am sure that the Labor Party would acknowledge the fact that there would have been no funding if it had not been for the coalition.

_Workplace Relations: Building Industry_

_Mr BARRESI_—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House why the government is committed to reform in the construction industry? When will the government be releasing its exposure draft legislation? Are there any alternative policies?

_Mr ABBOTT_—I thank the member for Deakin for his question. I look forward to a reformed construction industry building the Scoresby Freeway. The commercial construction industry is a $40 billion industry—it is six per cent of our economy; six per cent of our GDP—and that is why, if the commercial construction industry can be improved, we can get unemployment down below 5.8 per cent. It is a very important national challenge. The respected analysts at Econtech say that if labour productivity in the commercial construction industry could reach that regularly achieved in the housing industry GDP would be one per cent higher, inflation would be one per cent lower, and Australian consumers would enjoy $2.3 billion worth of benefits every year.

Because of practices in the commercial sector, such as overmanning and frequent stoppages, plastering the same wall in the same way costs 40 per cent more in a high-rise building than it does in a new Australian home. The problems identified by the Cole royal commission, including a culture of illegal and improper payments, chronic disregard of legally binding agreements, regular flouting of court and commission orders, and a culture of coercion and intimidation of the type recently witnessed at a Sydney picket line attended by CFMEU boss, John Sutton, have to be addressed if honest workers and honest businesses are to enjoy the clean industry they deserve.

I can inform the House that next Thursday the government will release an exposure draft of new legislation designed to ensure the rule of law in the construction industry. Unfortunately we already know what the shadow minister for workplace relations thinks about this legislation, because he said recently to a union gathering:

... my position is that, if Tony Abbott brings a bill before the Parliament, it is almost certainly a bad bill and that we will oppose it ...

Last year, when he had more sense, he said:
By opposing for the sake of opposing, Labor will have let Australia down badly.
This year he says:
... our approach will be that Tony Abbott is bad and it’s anti-worker.
A number of the member for Rankin’s colleagues think it is high time he lifted his game. It is not just the member for Throsby and the member for Melbourne Ports who think he is Pauline Hanson’s best friend. The member for Rankin was right last year; he is wrong this year. In the absence of any serious policy from the member for Rankin, I call on members opposite who understand the construction industry and know its problems to support the government’s bill and get behind a clean industry.

Defence: Equipment

Mr RIPOLL (3.36 p.m.)—My question without notice is to the Minister representing the Minister for Defence. I refer the minister to the government’s plans to phase out Australia’s fleet of F111s by 2006. Given that the minister’s department is spending up to $200 million to acquire the AGM142 missile solely for the F111 platform by late 2005, does the minister still believe that this expenditure to acquire a capacity for a period of less than 12 months, and the consequent shortfall in defence capability between the F111 phase-out and the expected delivery of any replacement after 2012, is value for money and good national security policy?

Mr Albanese—‘What’s an F111?’

The SPEAKER—The member for Grayndler is warned!

Mrs VALE—I thank the honourable member for his question. Everything this government does, every penny this government spends on defence, is value for money.

Honourable members interjecting—

Mr Bevis interjecting—
increase a new tax on new homes in Western Sydney to $64,000. Every new home built in Western Sydney will have a new tax of $64,000, thanks to the Liverpool Labor council. That says everything. We have not heard one word from Bob Carr criticising this. And what a surprise, because Bob Carr slaps a stamp duty on top of that, so he gets a windfall.

I was wondering: what would be the view of the member for Werriwa? What would the member for Werriwa think? The House will recall that the member for Werriwa has been talking up housing affordability, saying that more Australians should have access to housing. So I would have thought that when it came to a $64,000 tax slug on every new home in his electorate he would be out there belting up Liverpool City Council. I looked everywhere, but I could not find a single word of criticism. However, I am indefatigable when it comes to research, and I discovered why the member for Werriwa did not say anything about the $64,000 slug. In an article written for Australian Quarterly, the member for Werriwa said:

It is not too late for the state government to use taxation policy as a disincentive for growth in Western Sydney.

Government members interjecting—

Mr HOCKEY—It gets better:

Other options include the extension of the federal capital gains tax to the family home and the introduction of a local government betterment tax. I could not put it down when I got to the conclusion. I could not sleep. I got to the clanger. The member for Werriwa said:

It is a legitimate goal of government to lift land prices in Western Sydney.

How many members of the Labor Party agree with the member for Werriwa? How many agree with him?

Mr HOCKEY—Mr Speaker, they just have to put up their hands and say, ‘We agree with the member for Werriwa.’ It must be lonely for the member for Werriwa, because at this stage he is running with the hares and hunting with the hounds.

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

QUESTIONS TO THE SPEAKER

Parliamentary Library

The SPEAKER (3.43 p.m.)—I wish to make a brief statement to the House. On Tuesday, the member for Melbourne Ports asked me a series of questions relating to access by Parliamentary Library staff to officers of the Department of Defence, where library staff are making requests, on behalf of members and senators, for published or publishable information. The questions essentially dealt with two issues: the continuing capacity of library staff to seek information directly at officer level from executive departments and the time frames within which replies are provided.

In relation to the first issue, the Department of Defence has asked that questions to the department from the library be lodged with the department’s ministerial and parliamentary liaison services directorate. This is intended to assist members and senators by ensuring that the answers provided are complete and comprehensive, as many defence related issues involve officers from a range of functional areas in Defence. I am advised that complex requests to Defence are already being lodged by the library with the Defence ministerial and parliamentary liaison services directorate for these very reasons. In relation to the issue of timeliness of responses, the Department of Defence indicated in recent weeks that the time frame for responses would be set in the context of Defence’s priorities—a departure from past practice, where Defence had attempted to meet mem-
bers’ and senators’ time frames as passed on by the library.

On Monday of this week, the Secretary to the Department of the Parliamentary Library wrote to the Secretary to the Department of Defence seeking assistance in ensuring that timely responses are provided by the Department of Defence. I have provided a copy of that letter to the honourable member for Melbourne Ports. The Joint Library Committee will be briefed on the matter and I will advise the member for Melbourne Ports and the House of any further developments. There are a couple of matters of personal explanation to be dealt with but, firstly, the member for Melbourne Ports may want to respond to the matter I have just raised.

Mr DANBY (3.45 p.m.)—Mr Speaker, thank you very much for your quick answer to my question to you earlier this week. I am sure that members of the House will be reassured that the Joint Library Committee is going to be further briefed on this matter. Mr Speaker, can I understand it from your answer that the Parliamentary Library is satisfied with the response from the Department of Defence to provide timely responses that fit in with parliamentary time lines? Finally, can I take it from your remarks that there will be no vetoing or vetting by the Minister for Defence’s personal office of inquiries from the Parliamentary Library?

Mr PRICE (3.47 p.m.)—What about vetting?

The SPEAKER—I remind the member for Chifley that I answered that question. He may like to consult the member for Melbourne Ports.

PERSONAL EXPLANATIONS

Mr DOWNER (Mayo—Minister for Foreign Affairs) (3.47 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr DOWNER—I do.

The SPEAKER—Please proceed.

Mr DOWNER—in the National newspaper today—honourable members may not be familiar with the National; it is a Port Moresby newspaper—there is a headline on the front page that reads ‘Downer fails to bar Sir Rabbie’. The text reads:

Australian Foreign Minister Alexander Downer yesterday tried unsuccessfully to cancel a public speech by his PNG counterpart Sir Rabbie Namaliu in Port Moresby.

It goes on to say that I requested PNG’s special envoy to Canberra to ask for the cancellation of the speech by Sir Rabbie to the PNG Media Council and the Institute of National Affairs at the Crowne Plaza Hotel. As a matter of fact, I did not know that Sir Rabbie was going to make a speech yesterday, let alone make any request to anyone to cancel a speech. I would not do such a thing to the foreign minister of another country. But it gets curioser and curioser. The National goes on to say that, during my meeting with the chief secretary of Papua New Guinea yesterday, I asked about my security in the
event that I were to call on Prime Minister Sir Michael Somare. Of course, I did not say anything of the sort. I think the National needs to improve its overall level of professionalism.

The SPEAKER—The minister has indicated where he has been misrepresented.

QUESTIONS TO THE SPEAKER
Question Time
Mr BEVIS (3.48 p.m.)—Mr Speaker, I have two questions for you. Earlier today in question time the Leader of the House sought to have certain remarks withdrawn that related to the Minister for Immigration and Multicultural and Indigenous Affairs. I draw your attention to page 489 of House of Representatives Practice, which says:
The Chair has ruled that any request for the withdrawal of a remark or an allusion considered offensive must come from the Member reflected upon, if present …
The member in question was of course in the chamber and, at the time, you took an alternative course of action. I would ask you to reflect on that and consider whether or not the practice followed today was appropriate or not. It would seem, on the face of it, not to have been.

I have a further question for you in relation to the matter you quoted from on page 573. In pursuance of the issues raised by the member for Canberra, I would ask that, in considering the matter, you look at the sentence which you quoted and consider whether or not it does not flow from the two sentences immediately prior to it and in the same paragraph as it, which refer to the statement ‘that if a Minister states that he is only referring to notes, then that is the end of the matter’ as part of the process commenced following the Speaker’s questioning of the minister—a practice which again was not followed today.

The SPEAKER—I will follow up both of the issues raised by the member for Brisbane. I do not think the forms of the House have been adversely affected by any of the decisions I have made today, but, in deference to the member for Brisbane, I will look at both of the issues he has raised. If such precision in the interpretation of the standing orders were universal, we would find standing order 144 particularly helpful indeed.

PERSONAL EXPLANATIONS
Mr LATHAM (Werriwa) (3.50 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the member for Werriwa claim to have been misrepresented?
Mr LATHAM—Yes, very much so.
The SPEAKER—Please proceed.

Mr LATHAM—The Minister for Small Business and Tourism, in his question time answer, selectively quoted from the Australian Quarterly in 1990. I have been misrepresented, because this was part of a debate about the Greiner Liberal government’s decision to introduce full cost recovery on land servicing in Western Sydney. The Minister for Small Business and Tourism was of course working for the state government at the time. He was part of the decision to increase land prices in Western Sydney and that is the proper context of the document from which he was quoting.

AUDITOR-GENERAL’S REPORTS
Report No. 5 of 2003-04

The SPEAKER—I present the Auditor-General’s audit report No. 5 of 2003-04, entitled Business support process audit—The Senate order for departmental and agency contracts (Autumn 2003).

Ordered that the report be printed.
PAPERS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.52 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:

That the House take note of the following papers:

Debate (on motion by Mr Latham) adjourned.

LEAVE OF ABSENCE

Mr CREAN (Hotham—Leader of the Opposition) (3.52 p.m.)—I move:

That leave of absence for the remainder of the current period of sittings be given to the honourable member for Lingiari on the ground of parliamentary business overseas.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Australian Broadcasting Corporation

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

The Government’s attacks on the ABC

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

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

Mr TANNER (Melbourne) (3.53 p.m.)—A couple of days ago it was reported that the Prime Minister had claimed victory in the culture wars. He was quick to deny this, but what he denied was that he had actually claimed victory. Of course, the culture wars, from his point of view, are interminable. He certainly did not raise any query about his role in the culture wars. He certainly did not argue with the proposition that he is the leader of one side in these culture wars that are designed to sanitise Australian history and to stifle debate in Australia on difficult, problematic issues.

The No. 1 target in the culture wars for Australia’s No. 1 cultural warrior, the Prime Minister, is of course the ABC, against which he is directing a crusade. Bit by bit, the Prime Minister and his associated cultural warriors are laying siege to the ABC, with the ultimate objective of destroying it. With his ever-willing sidekick, Digital Dick, the Prime Minister is out to destroy one of the most fundamentally important and vital national institutions in Australia—the Australian Broadcasting Corporation.

Why does he want to do this? What is behind this strategy of laying siege to the ABC? Essentially, the Prime Minister wants to turn our nation into a nation of schoolchildren waving flags and singing God Save the Queen. Effectively, he wants to remake the entire nation in his image of what it was like 50 or 60 years ago. That is what the culture wars are about. They are about getting rid of criticism, getting rid of doubt, getting rid of analysis, getting rid of debate about what Australia is, where we should go in the future and what our past means. Of course, the ABC is the primary target in the cultural warriors’ sights.

As I am sure members on this side of the House would agree—and probably even some on the other side would agree—the ABC’s content can vary. It can range from being a bit daggy and a bit dull through to being very radical and exciting. It can be pretty amateurish at times; it can be very slick and professional at others. It can be riveting; it can be soporific. It can even be
infuriating from time to time. I well remember, when Greg Chappell was making his first test century, in his first test at Perth, the ABC switching over to the weather when he was 99 not out. I was rather distressed about this at the time, as you can imagine—and the weather wasn’t great either, in other parts of the country.

Regardless of those kinds of inevitable criticisms and the mistakes that are made from time to time, there is one fundamental fact which prevails and which this House should not overlook, and that is that the ABC plays a unique role in our national life because it is ours. It is part of us, it belongs to all of us, it is ours. It is ours in ways that Channel 9, Channel 7 and Channel 10 will never be, in ways that 2UE, 3AK and 6PR will never be, in ways that Foxtel will never be. The ABC is ours. It belongs to all Australians. It is a vital institution in our national life, and for 70 years it has been the universal connector for Australian society, the common cultural thread that links us across our entire vast continent and great nation, that connects Australians from all walks of life, all areas of our nation, together and enables us to be reflected to ourselves. It educates us, it stimulates us, it challenges us, it provides us with information.

When I was a child growing up in country Victoria, we got the ABC and commercial TV at roughly the same time and I was able to watch Batman and Hogan’s Heroes and other programs like those on commercial TV—and I am afraid I did, I hasten to admit. But, if I wanted to see my own society, my own world, reflected back to me on television—

Dr Emerson—Bellbird.

Mr TANNER—I was able to see it on Bellbird—that is absolutely correct. I was not able to see it on commercial TV. Even today the same thing applies with programs like Grass Roots. Particularly for people in country Australia, what the ABC does is provide them with a vital link with all Australia, with the rest of the country, with other groups of people, with other parts of society and with information that is vital for their economic and social life. The ABC is a vital source of information, of debate, of ideas and of entertainment. It is not perfect—occasionally it does make mistakes—but the commercial broadcasters make a few mistakes from time to time too, a matter that rarely enters debate from the other side of the House when broadcasting issues are raised.

The reason why the Howard government has set out to destroy the ABC is that it is an independent source of debate, of ideas, of criticism and of analysis in our society. Upon coming to office, the Howard government cut $55 million a year from the ABC’s base funding, and that funding has never been fully restored. It sought to stack the board. Its first initiative was to appoint one of the Prime Minister’s best mates, Donald McDonald, as Chairman of the ABC. To his eternal credit, Donald McDonald has done a good job and has stood up for the independence of the ABC against his perhaps former friend’s depredations.

But, not content with appointing Donald McDonald, the government had to get in a mate of the Treasurer as well, just for a bit of balance. It appointed Michael Kroger, with a CV relating to broadcasting that was a blank piece of paper. He was there to be a political head-kicker, to intimidate ABC staff and management and to bring the ABC to heel. There were numerous other people of a conservative political background appointed to the ABC board as well—former Liberal members of parliament, for example. Michael Kroger, as a board member, then engineered the appointment of Jonathan Shier, a former Young Liberal crony of his and the Treasurer’s, to run the ABC. That turned into
such a shambles that even the Prime Minister’s own appointees on the ABC board had to cut Mr Shier loose.

More recently, we have seen the appointment of Dr Ron Brunton, another leading player in the cultural wars, to the ABC board. He is a key player from the IPA whose only credential for appointment to the ABC board, which was announced by the government—and these are not my words; this is from the minister’s press release announcing his appointment—is that he has written extensively on issues that are covered by the ABC. So has Chopper Read! Chopper Read has written an awful lot about issues that get on the ABC, so he is obviously qualified. Alan Bond would probably qualify. We may even see John Elliot turn up on the ABC board on that criterion. Having done this, the minister rejected flatly Labor’s proposal to introduce some genuine independence and fairness into the appointment mechanism for the ABC board by establishing a proper process of advertising, interviewing and short-listing that is at arm’s length from the minister. This rejection is a telling indication of the genuine motives and real agenda of the government with respect to the ABC.

More recently, the government rejected the ABC’s budget bid, effectively, therefore, locking in the effect of previous funding cuts and failing to address new costs, such as the ABC’s online role and the mounting costs of digital transmission. As a result, the two digital multichannels the ABC had have had to be closed down. So our transition to digital television in Australia, which was already occurring at a snail’s pace, has now gone into reverse. It is now actually going backwards. Behind the News, a vitally important program for schoolkids, has been axed and that is now the subject of protest from all around Australia. This was forced upon the ABC by the budget cuts imposed on them. Other programs, such as the cadetship program, had to be abandoned as well. On the first day these cuts were announced, the minister said it was all okay—that it was all fine, there were no problems and the ABC had a responsibility to manage its budget properly. But, of course, as soon as there was a bit of community protest, he changed his tune and started to attack the ABC again.

Then there were the infamous 68 examples of anti-American bias that the minister allegedly found on the AM program, which the properly constituted internal ABC review process found virtually no substance in. The minister responded by saying, ‘That’s Caesar judging Caesar; that’s crook, unfair and not independent.’ He failed to point out that there is actually another tier of appeal to a genuinely independent body that consists of, for example, the dean of the University of New South Wales Law School, the ethnic affairs commissioner of New South Wales and a former general manager of Channel 7. These are people who have no vested interest in supporting or helping the ABC and no connection with its decisions. They are people of standing in the community and in media matters.

The minister decided that he wanted to appoint his own panel. Before he had even taken any appeal to this panel, he decided that the ABC process, which previously he had approved and said publicly was a good process, now was no good, and he wanted to appoint his own panel. Since then we have had Senator Santoro, with information supplied by the minister’s office, launching false claims against the ABC, suggesting, for example, that Indira Naidoo is being paid $250,000 a year—approximately three times what she is actually being paid—and suggesting, for instance, that the ABC has some kind of link with a refugee advocacy group. That turned out to be completely false. Most significantly of all, there has been a parade of Liberal backbenchers calling for advertis-
ing on the ABC and for the ABC to be privatised.

Dr Emerson—Name them!

Mr TANNER—I will. The member for Sturt—a very popular figure with members on this side of the House—the member for Casey, the member for Corangamite and the member for Parramatta have all put forward the idea of advertising or privatisation, which will ultimately mean the same thing. Advertising on the ABC will simply be the first stage in the introduction of privatisation. The minister’s only response to that, rather than rule it out and say that the government has no plans or reject it, has been to say, ‘We think the ABC should have status as a charitable institution—that’s the way to solve its funding problems.’ So, in other words, we might have Kerry O’Brien rattling the tin out in the Bourke Street mall or something like that or Geraldine Doogue washing people’s windscreens and getting $1 from people as they go by to help fund the ABC. That is the minister’s response and that exposes what the real agenda is here.

We are witnessing the early stages of a long-term softening-up process with the ultimate objective of privatising the ABC. Make no mistake: that is what this is about and that is where this is headed. If this government is re-elected, you watch—it will not just be the occasional ramblings of backbenchers and government whips; you will see a serious attempt to privatisate the ABC. That is what all this is about. Of course, the National Party—those great defenders of government ownership of Telstra—will be nowhere to be seen. In spite of the fact that their constituents will be about as happy at the idea of the ABC being privatised as my constituents will be, the National Party, those great political cowards, will be nowhere to be seen. Senator Alston is pursuing a sinister long-term agenda here. Even though he might look like a bit of a goose—and he is a bit of a goose—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member would be well aware that he cannot reflect on members in either house.

Mr TANNER—I withdraw the reference to geese. Why is this happening? Because a substantial section of the Liberal Party—particularly the Kroger-Costello faction—regards the ABC as the enemy. Therefore, it has to be starved of funds and bludgeoned with false accusations. Its staff have to be intimidated and its board has to be stacked.

The Australian people will not put up with this. The latest Newspoll data shows overwhelming support for the ABC. It shows that almost 90 per cent of Australians think that the ABC does a good job and that the overwhelming majority of Australians think the ABC is balanced and not biased. The only people who see the ABC as biased are people who are so extreme right wing that, from where they sit, everybody looks left wing. Everybody else looks left wing when you are part of the Kroger-Costello faction of the Liberal Party. That certainly says more about those people than it does about the ABC.

The ABC has been an integral part of Australian society for over 70 years. Whatever its faults, it has been and it continues to be a central part of our lives. It has been a vital element in Australian society. It is the connector; it is one of the crucial means by which we as a nation are drawn together with common thoughts, common ideas, common culture and a common sense of our own identity, and Australians will not put up with the government’s long-term agenda to privatisate the ABC. I call on them to come clean. Tell people what you really intend to do. Answer those crucial questions: does the Howard government intend to introduce advertising for the ABC? Does the Howard govern-
ment intend to privatise the ABC? There will be some weasel words now but, rest assured, if the Howard government is re-elected, privatisation of the ABC will be there on the top of the agenda as part of their pursuit of the culture wars. (Time expired)

Mr McGAURAN (Gippsland—Minister for Science) (4.08 p.m.)—Even though it is the end of parliamentary week and I am struck down with flu, it is very hard to take this MPI very seriously, because the Labor Party does not take it seriously. It is another filler. I do not know why the member for Melbourne allows himself to be used and abused by the attacks committee in this way. There were no lead-up questions to this but—wait for it—there have been 247 questions since the last budget where the Labor Party has accused the government of under-funding the ABC and not a single one has been on the ABC. If this is such a dastardly campaign—a crusade by the Prime Minister to destroy the ABC aided and abetted by Senator Alston—why isn’t the Labor Party taking it just a little more seriously? We are not asking for 30 questions on the ABC; maybe not even three questions on the ABC. But can we have one out of the 247 questions asked of the government in relation to its budget and to its public policy and administration?

This is just a time filler. There are no questions in the time-honoured fashion of preliminary questions being asked during question time to lay the groundwork for the MPI, build a climate of expectation and heighten the drama. There was none of that. Instead the member for Melbourne is called upon to fill a gap in the parliamentary day because the opposition have to fill this slot. They choose the debate and, of course, they have resorted to his bid to put forward criticism of the government on the ABC. He does not make out his case. You range across a number of areas, which I will touch on one at a time. May I stress to the honourable member for Melbourne that you confuse statutory independence with immunity from criticism. You cannot say that the ABC cannot be subject to debate or cannot be criticised. The government maintains its statutory independence, but we reserve the right as individuals, or as the head of the government, to make criticisms where appropriate and be judged by the public.

There is not some tool that the government has resorted to which can damage the ABC. Instead we put forward our opinion. If we are wrong in the eyes of the public then we suffer accordingly. But that is not going to stop us having our opinion. Let me give you mine, and it is not necessarily that of the government: of course the ABC are biased against the Howard government and against conservative philosophies. It is just a question of how biased they are. But I do not actually work myself up into a frenzy on these issues, because it is my experience that most people allow for that. Most people who listen to the ABC or choose not to listen to the ABC factor in the undeniable fact that the ABC has a certain philosophical, political and social agenda.

Let us not pretend that the ABC is not biased. We know that from Labor members. How many Labor members could we mention—without embarrassing them; so we will not—who tell us that of course the ABC is antigovernment as a whole? Many within the ABC wear this like a badge of honour, believing that the ABC’s role is to be hostile and searching and critical of the government of the day. To a certain extent they perform that role even when the Labor Party is in power but not to the same extent and not with the same heartfelt commitment that they do in keeping the Howard government honest. Let us not kid ourselves; we all know in this chamber that the ABC is anti-Howard government. But I just do not think that is
the end of the world. I think it is worrying because the ABC truly does, as the member for Melbourne contended, belong to all Australians. It is a national and unique cultural influence on our community. We agree. What we want is for it to be accountable, to be transparent and to be answerable for its material and for its broadcasts.

The ABC is not some sacred cow above and beyond criticism any more than we as members of parliament are or as a government is or as the commercial networks are. The opposition members well know the lie of the land within the ABC and I venture to suggest that most listeners do too. The member for Melbourne—

Mr Pearce—Where is he?

The DEPUTY SPEAKER—The member for Aston might want to contribute to this debate in a minute. I advise him to be quiet.

Mr McGauran—He indulged in what I thought were very unnecessary personal insults of Senator Alston—he feels very intimidated by Senator Alston and why wouldn’t you? Senator Alston is a formidable intellect and an imposing character when he is a good mood. And he carves up the member for Melbourne every time they go head-to-head, so what has the member for Melbourne resorted to? He resorted to name calling: I think he called him Digital Dick at one stage, and said something about Senator Alston’s appearance being unappealing. May I just say that when I was Senator Alston’s arts minister there were a number of artists who sought to paint his portrait because of his startling blue eyes—piercing. I do not want to get into Senator Alston’s personal attributes; I would rather deal with him as a public figure. But let me say that, if you did a poll, I am sure there are a great many people who would find him far more attractive in appearance than the member for Melbourne. But do not let me be dragged down to the level of the member for Melbourne; let us pitch this debate at a higher level than he did.

Of course, the most absurd of all charges from the member for Melbourne was about the Prime Minister. This is the paranoia of Labor members: even if the Prime Minister is not involved, even if he is not here, they will drag him into the debate. They are so intimidated by him and so preoccupied with him because of his dominance and their inability to deal with him. It is a very unequal match, I concede. They say that he is out to destroy the ABC and—wait for it—’remake the nation in his image’. The Prime Minister has said himself that he has never claimed to be victor in the cultural wars, because the battle of ideas—the cultural debate—is never ending. He would be the last to say he could ever—if he sought to and wanted to, and he does not—remake the nation in his image. How could you? This is the most pluralistic democracy with the most diverse number of public opportunities for debate and input, whether it be talkback radio, the plethora of metropolitan, suburban and rural newspapers or our television stations.

Australians have a great history—a great natural instinct—for fierce and strong debate. I think it is patronising for the member for Melbourne to say, ‘One man on a mission to destroy the ABC will remake the nation in his image.’ It tells us a lot about how he regards the Prime Minister but it also tells us how he condescendingly regards the Australian people, whom he underestimates. That is very revealing of the member for Melbourne’s mind-set. May I say, I think it reflects the mind-set of too many within the ABC. There are just too many people within the ABC who believe they should run their entire affairs with minimal, little or, at some times, no scrutiny whatsoever.
This was highlighted by the survey that the ABC did recently—a Newspoll survey that the member for Melbourne made much of. The latest Newspoll survey found that 89 per cent of Australians believe the ABC provides a valuable service to the community. Righto. I will be one of the 89 per cent. I am sure the members of the government would be. It provides a valuable service to the community; not as valuable as it could provide, mind you. It found that 68 per cent believe that it is efficient and well managed. No; I will not be one of the 68 per cent. It found that between 85 and 93 per cent believe that its flagship news and current affairs programs do a good job of being balanced and even-handed. No; again, I am not entirely committed to being one of those affirmative respondents.

Let us look at this survey. Let us just be very careful about the authenticity of this survey. I have no problems with surveys; they are a necessary part of gauging, to the extent that they can, public opinion. Mind you, they are only ever a snapshot at a certain period of time. I do hasten to add that I thought it was Labor Party policy, at least as espoused by the Leader of the Opposition, to take no notice of surveys, of polls. Because his are so consistently damning, he has a stock reply that surveys are not a true reflection of the people’s mood and the people’s attitudes. I have no problems with surveys as a whole but they only go so far in identifying deficiencies given their quantitative nature.

This particular ABC Newspoll survey, relating to the balance and even-handedness of news and current affairs, was asked of people who only watched or listened to those programs occasionally. In other words, they did not survey people who chose not to watch or listen because they had opted out, believing that they did not get a balanced and even-handed representation of the news of the day. If they believe they are the servants of the Australian people, the ABC should be surveying people who decline to watch them or listen to them. That would be more revealing.

Also, the questions of that survey were not restricted to people who were regular or avid listeners who arguably would be more able to identify a lack of balance or even-handedness. Because such surveys go only so far, Senator Alston asked the ABC board to consider reporting annually to the parliament on how it is meeting its statutory obligations to provide an accurate and impartial news and information service. Importantly, Senator Alston asked the ABC to commission an independent expert assessment of whether it is meeting the statutory requirement. Notably, the ABC has not conducted any such external assessment for five years. If the ABC is truly committed to being accountable then the periodic issuing specific external assessments of the accuracy and impartiality of its news and current affairs services would be a major enhancement. Any organisation funded entirely by the taxpayer would welcome the opportunity to properly engage the public at large and to connect with their listeners and viewers. But somehow two men within the ABC believe they will hand to the public what they believe, in their judgment, is in the interests of the community.

The member for Melbourne also touched on the budget. This is a classic. The ABC’s budget has not been cut. Do I need to repeat that? There is a scare campaign amongst a lot of school children. We are all getting letters. I am referring them to the managing director of the ABC and will be very interested in his reply. The ABC funding has not been cut; it has been maintained in real terms in accordance with the commitment we gave in the 2001 election. We did not go to the election promising to increase the budget in real terms; we committed to maintain it in real
terms. So the public have—amongst many other issues, I freely concede—ruled on the matter. We have been entirely open and up front about our funding program for the ABC. We have nothing to apologise for.

It is a very significant investment in public broadcasting—more than $2.2 billion over three years. The ABC just cannot put its hand out and ask for more money. It is like any other taxpayer funded activity. There has to be a limit and we are answerable to the public for the judgment we make as to what that limit is. We will happily take to the public the budget we have committed to the ABC, believing it is sufficient and, in many people’s eyes, more than sufficient to maintain the standard of public broadcasting that the community want and expect. Of course you would want to give it more. Every government body wants more and every government minister would want to give them more, but the fact is we know there are no magic puddings in government. I hasten to add: we have nothing to apologise for in this regard.

We have seen how the ABC arrogantly—and there is no other word for it, and this is the body the member for Melbourne would have you believe are so intertwined with Australian life that they are part and parcel of the community—cancelled a number of programs without consulting the community. They made the judgment about the closure of *Behind the News*. They made the judgment about discontinuing their multichannels, *Kids and Fly*, which had a target audience of children and youth. The SBS, a great organisation, was treated identically in the budget—in other words, it had its funding maintained in real terms—and has committed to continue its multichannel.

In summary, there is much about the ABC for Australians and parliament to be proud of. I know a great many ABC employees and journalists, and the bulk of them are as honest, decent and hardworking as you would hope and expect them to be. But the fact is, I believe, that there is an overall cultural problem, as I have outlined, in regard to their approach to funding and their approach to outside accountability. Until the ABC restore these issues within their own ranks, I do not believe they are going to have the full confidence of nearly as many Australians as they purport to have. *(Time expired)*

**Mr MURPHY** *(Lowe)* *(4.23 p.m.)*—I would like to start by reassuring the minister, the member for Gippsland, that the Labor Party takes the ABC extremely seriously because the role of the ABC is vital to our democracy. I invite you, Minister, to look at the many questions—and you are aware of them because you are the minister responsible in this chamber for replying—that I have put on the Notice Paper in relation to things that the government has done about the ABC and in relation to its funding. I can assure you that this matter of public importance is a matter of public importance; it is not a filler. Yes, we have been known to criticise the ABC, and I will give you a current criticism. Last week I was in China, and on ABC Asia Pacific I could not get an Australian news bulletin for at least five minutes between the hours of 6 a.m. and 8 a.m., when I had an opportunity to view ABC Asia Pacific, but I saw business programs and exercise programs. Perhaps the minister could take the message back to the ABC that it might do something for Australian expatriates and tourists to Asia so that they at least get some news bulletin from Australia when they are overseas.

Our side of politics has been known to criticise the ABC too. In response to your comments, Minister, I invite you to have a look at what Prime Minister Hawke, Prime Minister Keating and former New South
Wales Premier Neville Wran had to say about the ABC, because at various times they were scathing in their criticism of the public broadcaster. I would say that that would be the best evidence that the ABC is actually doing its job. If the ABC takes it upon itself to criticise a government policy, whether it be state or federal, through one of their editorials, I would support the ABC and say that it is doing its job.

The minister mentioned the formidable intellect of Senator Alston. If Senator Alston has such a formidable intellect, why is he allowing the ABC funding to slide? When he was elected to government back in 1986 he gave an undertaking to maintain the ABC’s funding. As the member for Melbourne has said, there have been cuts of $55 million per year from the ABC’s base funding—that represents 12 per year—and that funding has never been restored. I will put the total budget for the ABC into perspective. The funding for the ABC for the current 2003-04 financial year represents a mere 0.4 per cent of the overall funding. That is just a drop in the ocean.

I will get back to the minister’s so-called intellect in a minute. I want to go through a few points. I was here on Monday night, sticking up for the kids and the parents and teachers of the kids in my electorate because of the ABC’s axing of Behind the News. Bearing in mind that in the recent triennial funding round Mr Russell Balding, the general manager, tried to get $250 million out of the government to fund his agenda, how much do you think he got out of the government? He got absolutely nothing. I think that says a lot about this government and about its commitment to the public broadcaster. It is a bit like its commitment to Medicare: it is just allowing it to wind down.

We are going to see, as the member for Melbourne so honestly put to the House today, the ABC forced to raise its own revenue. Even last week the minister was in the media calling on the public to become subscribers to the ABC. That is a backhanded way of taxing Australians to fund the public broadcaster. The member for Melbourne was quite right when he pointed out that the member for Parramatta, the member for Sturt, the member for Casey and the member for Corangamite have suggested that the ABC should be allowed to raise funding revenue through advertising.

I also make the point that there is complicity with News Ltd. If you have a look at the editorial in the Australian on 22 May, you will see that a gratuitous observation was made by the editor that the ABC should look at some limited funding to support its budget. I ask this House: how flawed is the minister? How flawed are some of his government colleagues who suggest that the ABC should be in the game of competing with our big media moguls to raise revenue through advertising? How flawed is News Ltd to cheekily suggest that the ABC should be competing with them in regard to raising revenue through advertising? That would have disastrous consequences for the ABC because it would be chasing advertising dollars. What would that do to the independence of the ABC? What would that do to the public broadcaster? You could believe that the ABC would be carved up by the big media players, because the big media players are relying on advertising revenue and the big media players are not bound by the ABC charter, which is outlined in section 6 of the ABC Act. I will take a little time to point out what the two functions of the ABC are and why they are so vital to our democracy and the public interest. The act states:

The functions of the Corporation are:

(a) to provide within Australia innovative and comprehensive broadcasting services of a high standard as part of the Australian broad-
casting system consistent of national, commercial and public sectors ... to provide:

(i) broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community; and

(ii) broadcasting programs of an educational nature;

(b) to transmit to countries outside Australia ...

(Time expired)

ADJOURNMENT

The SPEAKER—Order! It being 4.30 p.m., I propose the question:

That the House do now adjourn.

Foreign Affairs: Chile

Mr LAURIE FERGUSON (Reid) (4.30 p.m.)—Today, whether by naivety or through propaganda, the Prime Minister persisted with a claim that Iraq has something to do with the restoration of democracy. Today, 11 September, is also the anniversary of an event that affected far more Australians—30,000 Chilean refugees and their families in this country. They were part of coup which led to one million Chileans leaving the country, the deaths of at least 4,000 people, the torture of 50,000 people and the imprisonment of 150,000 to 200,000 people. That was instigated by the United States of America as revealed by congressional hearings. The American government was concerned with agrarian reform, nationalisation, income redistribution, cheap housing loans, day care centres and reforms as miniscule as the provision of milk for children, all instituted by the Allende government.

After the implementation of what the Pinochet government described as ‘authoritarian democracy’ and their declared state of defence against subversion in 1973, we had a situation where they not only tortured internal dissidents, deprived people of employment, tortured thousands but also instigated murders outside the country. The most infamous of course was of Chile’s former foreign minister, Orlando Letellier, who was bombed with his assistant, Ronnie Moffatt, in New York City. Carlos Prats, a general in the Chilean military, who adhered to democracy, was murdered with his wife in Buenos Aires. That was instigated by DIMA, the secret service of the Chilean dictatorship. There have been comments by the former US Secretary of State, Henry Kissinger, that Chile had to be saved from itself, that it had made an error by democratically electing a government that America did not like. Thirty years ago, 1973, was also the year that the military overthrew democracy in Uruguay. This was part of a picture of US interference in the hemisphere which in no way reflected the tones behind the original Monroe doctrine.

Pamela Pereira, a socialist member of the Chilean parliament recently said:

Where are these two figures now?

She was speaking about Allende and Pinochet. She also said:

One is immortalised by a statue, by La Moneda—
That is actually the presidential palace—
the other has to pretend to be mad. History has put them in their proper place.

As we know, Pinochet has not found safety in leaving Chile. Spanish magistrates have pursued him over the deaths of Spanish citizens. We know that many others—Germans, Swiss, Americans—were murdered by the Chilean government. He is not safe in Europe, but he has had to come up with this pretence that he is insane to save himself.

Mr Slipper—How old is he?

Mr LAURIE FERGUSON—He is in his 80s. Your close friend, the former Prime Minister of Britain, was of course a comfort to him in his difficult times when he was surrounded by police. We have a situation today where only 40 people have been con-
victed. I support the new initiatives by the Chilean government announced in the last few weeks to offer lower ranking officers protection, essentially, if they give evidence against their supervisors.

As I say, the situation there by any international standard was reprehensible. A year ago, Luciano Carrasco burned himself to death in Santiago because of the failure of the Chilean authorities to drive home the culprits behind his father’s death. Today there is a hunger strike in Chile in commemoration of that affair. In 1973, the military regime overthrew the democratically elected government. The United States utilised its pressure in regard to the World Bank, the Inter-American Development Bank and other institutions to try and destroy the government. Evidence has subsequently shown that money was transported from the United States to cause industrial unrest and undermine the democratic government. These operatives not only carried out these measures within Chile but resorted to terrorism internationally—even in the United States. But of course there was complicity by the CIA and other US institutions.

Australian Broadcasting Corporation

Mr PEARCE (Aston) (4.34 p.m.)—I had planned to respond to the matter of public importance that the opposition raised today. Unfortunately, we ran out of time so I would like to take this five minutes in the adjournment debate to respond to that discussion. On the afternoon of the last sitting day in a parliamentary week, the best the opposition can do is raise a matter of public importance entitled, ‘The Government’s attacks on the ABC.’ To be honest, I have not heard so much emotional drivel in this House for some time. It was a pretty sad effort.

The opposition spent 25 minutes trying to convince themselves that the government is attacking the ABC. The only way to really know what the Labor Party are up to is not to listen to what they say but to actually look at what they do. The member for Melbourne, the shadow spokesperson on communications, accuses the government, the minister for communications and the Prime Minister of making outrageous attacks on the ABC and trying to influence them. I took some time today to look at the track record of the member for Melbourne. I have to say that when it comes to attacking the ABC, I think the member for Melbourne is quite good at it himself. Going back to 4 February, I have a press release from the member for Melbourne headed, ‘ABC must answer for cutting Labor off.’ This is a press release in which the member for Melbourne is attacking the ABC. I think the member for Melbourne is quite good at it himself. Going back to 4 February, I have a press release from the member for Melbourne headed, ‘ABC must answer for cutting Labor off.’

How dare the member for Melbourne attack the ABC! What hypocrisy! Let us have a look at a press release of 26 August from the member for Melbourne. It is entitled ‘ABC independence begins at home’ and it states: Reports today that the ABC Religion Presenter, Stephen Crittenden, has been stood down for writing an opinion piece for the Sydney Morning Herald are of serious concern. The ABC cannot have it both ways. How dare the member for Melbourne attack the ABC. I think the best thing about this ludicrous MPI today of all days for the member for Melbourne is in fact what Bob Carr has done today. The New South Wales Premier has come out today and—guess what?—attacked the ABC. An article in the Sydney Morning Herald entitled ‘Carr queries ABC on network’ says that the Premier of New South Wales, Bob Carr, has joined criticism of the ABC’s delayed coverage of tomorrow night’s national league grand final and that the Premier wrote to the ABC yesterday evening saying that he was concerned about the treatment of the national league grand final. Here we have Bob Carr—the
man who wants to come to Canberra to save the Australian Labor Party—attacking the ABC. What an absolute outrage! The Australian Labor Party come into this place and say that the government attacks the ABC. Here is an example of New South Wales Premier Bob Carr today attacking the ABC. Just this year there are two examples of the shadow spokesperson attacking the ABC.

The fact of the matter is that the government support the ABC. The Howard government have always supported the ABC and always will. We hear about and are attacked for the fact that we reduced the funding by $55 million in our first year of office, 1996. But the Australian Labor Party forget to tell you that that was largely because they left us with a $10 billion black hole deficit. Ever since then, the government’s funding for the ABC has increased time and again. The fact of the matter is that the Australian people own the ABC. We are the government that the Australian people have elected, we represent the Australian people and we will hold the ABC accountable. The Australian people expect us to do that.

There is a problem with the ABC. There is a cultural problem and a problem of bias. Today there was another very good example. Greg Sheridan wrote today in the Australian about the ABC’s Lateline journalist Jane Hutcheon having a go at the Israelis, again misquoting and not stating the facts. Again, there is a problem with the ABC. This government does not walk away from its responsibilities to Australian taxpayers to make the ABC accountable and transparent and to ensure that each and every bit of Australian taxpayers’ money that goes to the ABC is expended in an effective and responsible manner. (Time expired)

Bowman Electorate: Family Day Care

Mr SCIACCA (Bowman) (4.40 p.m.)—There has been much talk of late about the struggle of parents to balance their family lives and their work commitments. It is a juggling act that is getting harder as this government’s cuts to health care and education mean that parents are expected to find more and more money just to ensure that their children have access to basic services. If the rumours are true and the Minister for Children and Youth Affairs is about to cut crucial operational funding from family day care schemes around the country, parenting is going to become even harder. The $67 million a year allocated for family day care operational funding barely makes a dent in the Commonwealth coffers, but it is a major resource for providers. If operational funding is taken away, the consequences for family day care schemes and the many Australian families who rely on them will be dire.

Family day care schemes are renowned for being able to provide quality care on a shoestring. But how are they to continue to survive without operational support? The Bayside Family Day Care Scheme has an annual budget of just over $313,000. When $183,000 is withdrawn from operational funding you can see why the prospect of losing this support is of such concern. People who work in family day care estimate that the cost of care would be increased by up to $40 a week and parents, particularly women from lower income families, would be forced out of work due to the lack of availability of affordable, flexible care for their children. Family day care needs more support from government, not less. The flexibility it offers and the strong personal bonds that develop between carers and the families they assist mean that this service meets an important need in our community. That is why 126,000 children across Australia are in family day care. That is why excellent services like the family day care schemes at Wynnum and Bayside have 150 and 205 children respectively on their waiting lists.
As my constituent Joanne discovered, the service that family day care provides cannot be duplicated by private childcare centres that are required to turn a profit, open their doors only during set hours and tend to offer only limited places to children under two due to the higher supervisory requirements for this age group. Joanne’s three children have been waiting for a family day care place for 17 months now. But the family day care schemes in the Wynnum-Manly district are subject to such high demand that she has had to try to make do with alternative services while she waits for a vacancy. The first difference Joanne noticed was that, although she receives a 99 per cent child-care rebate, she needed to find an extra $97 a week to get her children into a private childcare centre.

However, more concerning was the absence of the strong friendship and genuine affection her children had shared with their family day care mum. When Joanne was expecting her second child, her family day care mum looked after her eldest overnight while she was in hospital. She was there again looking after the children when Joanne was in the ambulance in labour with her third child. The children and the family as a whole enjoyed spending quality time with their family day care mum, so much so that she became like part of the family. She was always willing to step in to help, even at odd hours or at short notice.

The stark contrast to this and the nature of the care offered at private child care centres was really brought home when Joanne’s son, who has always experienced problems with his hips, was laid up after a recent operation. When he had been with his family day care mum, she offered the additional care and supervision he needed while in a cast, without blinking an eyelid. But this time around, even though Joanne had advised the child care centre of her child’s condition and given them ample notice of when he would be returning to the centre after his operation, she was stunned to receive a call the day before she was due back at work advising that the centre was not equipped to provide adequate care for her son and that until he was fully recovered he would not be able to return. Joanne was forced to ring around her circle of friends and beg their help to care for her son during the day so that she could keep her job. She would never have been put in that position had there been sufficient places in family day care for her children.

Cuts to family day care operational funding will do nothing to improve access to child care. On the contrary, they will undermine the quality and quantity of care that family day care schemes provide. Family day care schemes provide vital assistance to young working families. I urge the minister to retain operational funding for family day care as part of broadband funding.

I close with the observation that there is another addition to the seemingly endless list of government ministers that have visited or are about to visit the Redlands Shire in my electorate, which after the redistribution is a fairly good Liberal seat, at the behest of the would-be candidate, one Andrew Laming. Minister Anthony will be attending a forum at the Alexandra Hills Hotel on 25 September. While the forum itself is a thinly veiled political exercise, what a wonderful opportunity it presents to the many young families in Bowman to tell the responsible minister at first-hand how his policies are impacting on their ability to earn a decent wage to provide for their children. I encourage them to go up there and let him know in person.

Mr SECKER (Barker) (4.45 p.m.)—I rise this afternoon to bring to the attention of the House the very serious issue of the decline in hospital services available to my constituents
in the south-east of my electorate of Barker. For some time now I have been lobbying the state government to do what they should do and secure funding to improve the services available at the Mount Gambier Hospital, which services the largest city in South Australia outside Adelaide. I should not have to do this because this is a state government responsibility. However, it appears that they are still stalling, wasting valuable time and money and, even worse, posing a serious health threat to the residents of Mount Gambier and surrounding areas.

Mr Speaker, I bring to your attention the plight of two of my constituents: a 76-year-old cancer sufferer with diabetes and his wife. He was recently forced to drive his wife, a sufferer of acute varicose veins which pose serious deep vein clotting problems, to Ballarat in Victoria to seek treatment—a round trip of 600 kilometres in their 1975 Datsun. Why did they have to drive 600 kilometres to seek help? They had to drive 600 kilometres because their own surgeon no longer works from the Mount Gambier Hospital following a situation which has been made worse by the inaction of the Rann Labor government in South Australia. It is terrible that these people have to travel 600 kilometres to seek medical treatment, but what is even worse is that, to help her situation, they will have to travel a further 1,800 kilometres before the operation is complete. That is right: they will have to travel to Ballarat, in another state, another three times before the required surgery is complete. This is absolutely appalling because, prior to this Labor government coming into power, they could have got it done locally in Mount Gambier.

So why has it got to this stage? Unfortunately, it has reached this stage because in South Australia we have a premier who is more interested in lip-service than providing any real services to South Australian electors. The federal government has tried to assist the South Australian government with funding to manage the ailing health system and actually offered the Rann government $3.5 billion over the next five years to address some of those issues. This is an increase of $800 million over the previous health care agreement, with the requirement that the state government guarantees that this money is spent on hospitals and that Mr Rann matches our $800 million increase. This means about $1,100 extra for every man, woman and child in Australia. Unfortunately for the South Australian people, and despite the lip-service that Premier Mike Rann gives through the media, Mr Rann has continued to call this a decrease, when there is $1,100 extra for every man, woman and child in Australia for hospital services.

And if the staged walkout over the health care agreement is not enough indication that the Rann Labor government is not taking South Australian health issues seriously. I think the fact that the health minister at this vital time, when she should be in South Australia working with the industry to resolve these issues, has hopped on a plane and taken off on a taxpayer funded overseas trip certainly is. I recently delivered 2½ thousand letters to the Premier’s office complaining about the Mount Gambier health system. This represents about a quarter of the population. Premier Mike Rann called this a stunt. Well, Mr Rann, I did not dress up in an AFL Crows jumper, with a Port Power scarf draped around my neck. And, no, Mr Rann, I did not stage a walkout of the premiers conference before the important issues of Indigenous health and welfare or energy reform could be discussed. No, Mr Rann, you are the king of cunning stunts, not I.

The local member, Rory McEwen, after months and months of public outcry has finally admitted that this is a serious problem in Mount Gambier and that he would start to
get involved. He has actually suggested that he is going to try to get $1½ million. At least $10 million extra over five years is needed, and that is the share of the new health care agreement that should be given to the Mount Gambier Hospital so that they can attract the surgeons back. We need to make Mount Gambier a reasonable centre for health again.

Charlton Electorate: Pasminco Cockle Creek Smelter

Ms HOARE (Charlton) (4.49 p.m.)—Tomorrow, 12 September, will mark an end of an era in my electorate of Charlton. Tomorrow is the day when the smoke will cease to rise from the stacks of the Pasminco Cockle Creek smelter and 350 workers will find themselves out of a job. The smelter commenced operations in 1897, 106 years ago. In 1991 Hunter Health conducted a survey which revealed widespread soil and dust contamination and high blood lead levels among the local children. It is the effects of lead emissions which have concerned parents living in the area most over the past decade. Children are the most susceptible to the impact of lead in brain development. High blood lead levels are also associated with behavioural and other health problems.

When regular lead in blood testing began in the children of Boolaroo, Argenton and Speers Point in 1991, the average in children under 13 was 14 micrograms per decilitre. Following intense environmental and education campaigns, the average blood lead level over the past 12 months has been 8.6 micrograms per decilitre. Hunter Health’s summary of results from the last 12 months indicate that children under five have approximately two to three times the blood lead level of children in New South Wales from non-affected lead communities, and that children from Boolaroo, closest to the smelter, continue to have higher levels of blood lead than those in neighbouring suburbs. The community has suffered with health and environmental problems from a century of lead contamination. This has also affected Lake Macquarie. It will be an ongoing effort by the community and local, state and federal governments to ensure that Pasminco completely and thoroughly remediates the land and the water surrounding the plant so our towns and communities and possible future developments are not exposed to potential future health risks.

Last year Pasminco announced the Cockle Creek smelter was expected to be closed somewhere between 2006 and 2008. The reasons given for the early announcement were to ensure that all involved could plan well in advance for the closure’s ultimate impact and to enable Pasminco to meet its responsibilities to the community and the environment. Unfortunately, for the workers, the community and the environment, which were to have this long-term planning, Pasminco announced in March this year that the closure had been brought forward to September 2003. So much for Pasminco’s sensitivity to the longer term prospects of the workers and the environment.

At this time the workers—represented by the AMWU, the AWU and the ETU—and representatives of management formed a transitional committee. This committee has been working tirelessly over the last six months to try to make the closure less difficult for employees. Pasminco has employed the services of Pathways to look at training and outposting services. TAFE is also being paid to look at ‘prior learning’ for employees. However, Pasminco has only agreed to fund this program until 31 October this year. We are all very aware of the very great need to provide urgent assistance in retraining and redeployment following the closure of the plant. I have recently appealed to the Minister for Employment and Workplace Relations, with a submission from the transitional
committee, requesting funding for an innovative project under the new Employment Innovation Fund. I understand the formal application is now in the process of being submitted.

Many of the workers who will find themselves unemployed following tomorrow’s closure will be like many others around the country: middle aged, well skilled and without any access to unemployment benefits because of their entitlements, thus without any access to retraining or intensive assistance through the Job Network. We are asking the government to provide, through the new Employment Innovation Fund, $60,000 to enable Pathways to provide the retraining, reskilling and intensive assistance that these people need now, so they will not have to wait until they are unemployed for 12 months or more. That will prove that, if a retrenched worker is immediately assisted, that worker will have more chances of going into full-time employment quicker. I wish all the Pasminco employees the best of luck and I undertake to provide whatever support I can to them. I would like to conclude with one of the Short Takes published in the Newcastle Herald this morning from a strong and long advocate of our community of Boolaroo. Don Whiteman wrote:

Boolaroo people will see out the demise of Pasminco with mixed feelings, a century of industry having brought employment, development and people together with the debatable effects of pollution and resultant stigma on the community. Pasminco employees will now join the jobs battle. The stigma is already in decline, with houses selling well, the school full of happy eager youngsters and new business arriving. Life goes on.

Cook Electorate: Sand Art Exhibition

Mr BAIRD (Cook) (4.54 p.m.)—Last summer a major sand sculpting exhibition was held in Cronulla, which is in my electorate. I was very happy to support this particular event because all benefits would be going to charity. Sand sculpting is a particularly Australian summer event which turns beachside communities into virtual museums of sand sculptures, and this was a particularly outstanding one. The event received considerable publicity including photographs on the front page of the Sydney Morning Herald and the St George Sutherland Leader. Local community leaders were enthusiastic about the staging of this event. In fact, some 91,000 people paid entry fees to get into the exhibition. It took over $304,000 in revenue and was staffed by over 300 volunteers from various charitable groups, particularly the Rotary organisation.

The sand sculptures were impressive, with sand sculptures of the Taj Mahal and of African and Australian scenes. The general quality was outstanding. The Cronulla Rotary Club enthusiastically supported the project and several local companies provided special funding to assist the project. But it was with total disbelief when I recently learnt that this event actually cost the community $30,000, and I would like to recommend that an inquiry take place to determine where the money went and who were the recipients of the amount that was spent. Charities are a very important integral part of our community and need to be supported, but not at the expense of local residents. Surprising to me was the fact that I was told by the organisers, at the opening reception several weeks after opening, that they were about to break even. The exhibition ran for several weeks after the reception, which would have suggested to me that there would be a substantial profit.

The exhibition was held in January at the very popular and heavily used Dunningham Park. This is one of the best areas in Cronulla for families to come to and enjoy the surrounds and a picnic by the water. The location was very kindly donated by Sutherland Shire Council at an estimated cost to the...
community of an additional $20,000. They provided a separate grant of ratepayers’ money of some $30,000 for this, and the sand, which was quite extensive, was provided by a local sand producer, the Holt organisation.

It was quite right for Sutherland Shire Council to support this event if it was to be a charitable event and all of the funds were going to charity. The exhibition was enjoyed by many people in the Sutherland shire and it was much talked about. When funds are being raised for charitable organisations such as Vision Australia and the Royal Blind Society of New South Wales, one would normally be very supportive. So where has all the money gone when so much was given to the event in kind? Why were local artists not used to showcase the event? These are important questions which need answers.

Over $100,000 was given to attract sculptors from overseas. There was a travel bill of more than $10,000, including airfares and taxis, for bringing people from overseas and locally. I think the fact is the organisers simply lost sight of the fact that the simple goal of the event was to raise money for charity. That then prompts me to ask: why weren’t Australian sculptors used, as transportation costs would then not have been involved and the cost of underwriting the visits of the overseas sculptors would also not have been involved? The quality of the sand sculptures was excellent, and that is without question. But clearly all the money was going to the organisers, some for their own overseas travel; it was not only the sculptors who were involved in that but those who organised it.

The Cronulla Rotary Club was responsible for organising and providing a big contingent of the volunteers. When the club was told by organisers of the event that the net income would be ‘about $70,000’ Rotary’s response was very supportive. Even a Vision Australia spokesperson has been quoted as saying, earlier this year, that the ‘event surpassed expectations’ and ‘you could say we were very pleased with the result’. Why wouldn’t they be when we have seen all these overseas trips going on? This is an issue on which the community demands answers, especially when organisers are considering putting on the same event—can you believe?—next year in the same location. I am pleased to say the council has decided at this stage not to go ahead, but I would call on both the council and the local community to undertake an inquiry into where the money was spent and who was the beneficiary of all these charitable dollars that were put in by the people of the Sutherland shire for other reasons. *(Time expired)*

Question agreed to.

House adjourned at 5.00 p.m.
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m., and read prayers.

STATEMENTS BY MEMBERS

Health and Ageing: Aged Care Facilities

Ms BURKE (Chisholm) (9.40 a.m.)—I rise today to speak on a matter of crisis, a matter that is raising alarm bells within my seat of Chisholm—that of aged care. There is an aged care crisis in our society. On the government’s own figures alone, we are 13,179 beds short, and in the system at the moment there are 21,125 phantom beds. They are beds where licences have been granted, but they have not been built.

Every day in the parliament we see the Minister for Ageing shifting blame—blaming everybody else. At the moment he is blaming local government for their inability to grant planning permits. This is the height of hypocrisy. I had an aged care facility in my electorate that was built and up and running but could not open its doors because the government had failed to grant it any aged care licences. This was not a facility that was being driven out by a lack of planning, because we had actually already opened the facility. It reminded me very much of a Yes Minister episode: we were walking around this beautiful facility but there was nobody in a bed because there were no licences. They did manage to mention that it was running very effectively without anybody in it, but it was not helping one aged care person, one frail elderly, in our community to get out of an acute care hospital bed and into an appropriate aged care facility.

There is a crisis out there at the moment—and what is the government doing? It is having inquiry after inquiry after inquiry. There is currently an inquiry into pricing in the aged care industry. Yes, this is needed, but what is needed is action on the ground now. The recent agreement in respect of funding, though welcomed by the industry, falls way short of addressing any of the problems in the sector at the moment. The agreement provides, on average, a one per cent increase to the sector. This is all well and good, but there is currently a four per cent wage increase being offered out there. So that is, on average, three per cent short already. That is just on wages alone. It does not cover maintenance, buildings or anything else. So we will see closures of facilities and more impacts being put back on the aged care sector.

There is also an inquiry into paperwork. What is the inquiry into paperwork doing? It is creating more paperwork for the sector. Nurses are being taken away from their primary responsibility of giving care in the community to deal with reports, paperwork and inquiries. What we need is action. We need more money going into the sector. We need someone to stand up and say, ‘Yes, there is a crisis and we are going to help.’ We have seen time and time again that the not-for-profit sector in the aged care industry has been overlooked. This is probably the most vital part of the industry, and I am blessed in my electorate to have many great institutions offering phenomenal aged care services. We need more assistance at the moment and not more blame. (Time expired)

Australia Council: Funding

Mr KING (Wentworth) (9.43 a.m.)—A few years ago the Australia Council for the Arts commissioned the firm Saatchi and Saatchi to research the attitudes of Australians towards the
Their report *Australians and the arts* became a critical document for the council in their future planning and understanding of what Australians expect from the arts and funding agencies. The then chair of the Australia Council stated at the time, in explaining why they commissioned that report:

A key factor needed to underpin a buoyant, artistic environment was a high level of public support for and engagement with the arts in all their manifestations.

The Saatchi and Saatchi report drew similar conclusions in its key findings, one of which was:

The future of the arts will depend significantly on finding new supporters and markets outside the areas of current traditional support.

What the Australia Council was recognising was that it is intrinsically important that the arts be accessible and of interest to as many Australians as possible. It may not sound like rocket science, but it is important that arts funding agencies do not forget this principle in the discharge of their duties. It is therefore disappointing to me that it would appear that the Australia Council itself does not always match its rhetoric with funding decisions that could achieve those goals.

I particularly want to draw the House’s attention to the inexplicable reluctance of the council to fund what has become one of Australia’s most popular visual artistic events—Sculpture by the Sea. It will stage its eighth exhibition later this year in my electorate in the broad stretch of headland and coastland between Bondi Beach and Tamarama. When the exhibition was first staged in 1997, it included 64 exhibits and attracted 25,000 viewers. By 2002 it was exhibiting nearly 100 sculptures and attracting over 200,000 people.

Having been a strong supporter of Sculpture by the Sea over many years, I have been both thrilled and amazed to see the transformation of this exhibition into an event that brings people to Bondi from across Sydney, and indeed the world, in those numbers. Just as importantly, the quality of the works is the foundation of its success. The level of interest from sculptors here and abroad has grown commensurately. Sculpture by the Sea is now the most popular sculpture exhibition in the world and attracts considerable international media attention. But, unfortunately, this seems to have escaped the Australia Council.

Over the last years, Sculpture by the Sea has sought the support of the Council. The visual/arts craft board is the most logical supporting arm of the Council for an exhibition of this type. However, the organisers have been told they are ineligible. Other avenues within the Council have been explored, and the net result has been a grant of $20,000 in all that time. The organisers have been given various reasons; they have been described to me as issues surrounding the fact that they award prizes and that, until recently, they have been structured as a private company. If true, both reasons ring hollow and sound ideological in their genesis.

It does not really matter whether it is the structure of the Council funding programs or the views of Council boards during the assessment of applications; either way, the Council needs to take a close look at how successful it has been in fulfilling its own goal of increasing public participation and appreciation of the arts, when events of this scale and quality are forced to struggle on without financial assistance. The Australia Council has been prepared to spend large sums of money working out how to make the arts more successful. It is bizarre that Australia’s most popular art exhibition does not receive support.
I know that in so many areas the arts have benefited from the support of the Australia Council and its program. Many of the direct beneficiaries live in my electorate. But flaws exist in the processes of the Council when an event like this is shunned; when the development of an Internet site that promotes rock throwing at Israeli settlements as a cultural activity has been granted more funding than Sculpture by the Sea has received. Sculpture by the Sea has grown to the success that it is, thanks to the initiative and hard work of its organisers and the support of sponsors, the New South Wales government and Waverley Council. But its success has meant greater pressure on its resources and, if it is to continue to grow and attract the audiences it has to date, the support of the Australia Council in future years will be essential.

(Time expired)

Dyer, Mr Jack

Mr TANNER (Melbourne) (9.46 a.m.)—I want to pay tribute to a great Australian icon who died recently and who had represented a football team based in my electorate—that is, Jack Dyer, who died at the age of 89 only a few weeks ago. Jack Dyer played 312 games for Richmond between 1931 and 1949. He grew into the game in the Depression era. He was the captain of Richmond for many years, he led them to two premierships and he was a great icon of Australian rules football. He was my father’s hero when he was a kid. As a Richmond supporter, Jack Dyer acquired the nickname ‘Captain Blood’ and ultimately became one of the most representative figures of Australian football.

There are still older people living in Richmond, in my electorate, who have very great and fond memories of Jack Dyer as a great figure from the AFL game in an era that was very different from the modern era. Players literally played in order to get enough money to feed their families—whereas now they are often paid huge sums of money—at a time when the game was extremely tough and hard, when no quarter was given and when great reputations were made and unmade.

It is a lesser known fact that Jack Dyer was a member of the Labor Party and stood for state parliament—unsuccessfully, unfortunately—as a Labor candidate. He was also a tremendous entertainer, somebody who developed an extraordinary ability to mangle the English language and to mispronounce names, particularly those of migrant footballers, who had slightly unusual names for Jack. He had a great ability for self-mockery and for not taking himself seriously. For a number of years he wrote a column in the *Melbourne Truth* under the title “Dyer ‘ere”. He was renowned for his amusing and often incomprehensible calling of the game on 3KZ and for his appearances on the long-running program *League Teams* with Lou Richards and Bob Davis.

Jack Dyer was also renowned for some great sayings—for example, the ‘good ordinary’ player, ‘If you don’t mind, umpire’ and ‘Being where the ball ain’t,’ which was his explanation for why a player had not played well. He came up with some great sayings that were very similar to those of the famous Yogi Berra of American baseball fame, such as, ‘I won’t say anything in case I say something,’ ‘Bartlett’s older than he’s ever been before,’ ‘Bamblett made a great debut today and an even better one last week,’ ‘Mark Lee’s long arms reached up like giant testicles,’ and, finally, that Fitzroy had ‘copulated’ to the opposition. So Mr Dyer had an ability with the English language to get things a little confused, but he was a great entertainer, a great Australian, a great footballer and also a great member of the Labor Party. My
condolences go to his family. He has left a lasting legacy to Australian football. *(Time expired)*

**Electorate of Makin: Salisbury City Council**

*Mrs DRAPER* (Makin) *(9.49 a.m.)*—Local residents of Para Hills have good reason to think that some members of the Salisbury City Council are not acting in their best interests. Para Hills are a close-knit community which over the years have bonded together to provide much needed community facilities in a very cooperative and positive manner. They have in the past been supported by their local council representatives. However, two recent decisions by the Salisbury council have been to the detriment of the Para Hills community. The latest decision by council to sell a local park is clear evidence that some people on council are ignoring the wishes of the people they have been elected to serve. The Goodall Road Reserve is a densely populated part of the suburb and local residents have made their views clear: they do not want their park sold. According to the local *Messenger*:

*Scores of Para Hills residents are angry their pleas to save Goodall Rd reserve from being sold-off were ignored.*

St Clair Ave man Paul Chadwick last week told the *News Review Messenger* he felt ignored.

“I wrote a letter. I know a number of people wrote letters. There was no response from council,” he said.

“I didn’t even know they’d received my letter and I found that most offensive, that they did not even bother to respond.”

As their local federal member, I have written to all of the elected members of the Salisbury council and the CEO on behalf of the residents requesting that the decision to sell Goodall Road Reserve be immediately rescinded. In addition, I will be meeting with the local residents at the reserve this Saturday to further discuss the issue with them. I seek leave to table the correspondence.

Leave granted.

*Mrs DRAPER*—The decision to sell this local park in the face of clear opposition from residents is both short-sighted and unnecessary. The park is not large but is all that is left of what was a grass and tree open space area. With a little bit of tender loving care, including the addition of a park bench and a night light for security, the park at Goodall Road Reserve could become a well-used resting spot for the elderly walkers and the local children to play in after school. The mayor, Tony Zappia, has indicated that it may be appropriate for the council to review its land sale guidelines—and for the residents of Para Hills, I certainly hope that occurs. He has also stated that the council has the right to review the decisions it makes.

The other decision by council which has not served the Para Hills residents well was the decision to reject the offer by the federal government of funding for the television black spots program. In an extraordinary decision, which has left many Para Hills residents without good quality television reception, Salisbury City Council refused to cover the small annual maintenance costs associated with the infrastructure required to provide residents with improved reception. Even after I had personally offered to pay the annual maintenance bill, the Salisbury mayor and CEO maintained their refusal to accept my offer or the offer of the federal...
government. I know that local residents in Para Hills are angry and dismayed at the intransigence of the Salisbury council, which is clearly ignoring them. *(Time expired)*

**Electorate of Banks: Meals on Wheels**

**Mr MELHAM** *(Banks)* *(9.53 a.m.)*—I recently had the privilege of accompanying the Bankstown City Council’s Meals on Wheels team as they delivered lunches in Revesby. The occasion was the Meals on Wheels national day on 3 September. Today I would like to acknowledge the hard work of the Meals on Wheels service in my electorate of Banks.

The Australian Meals on Wheels Association describes its vision as ‘providing a flexible, adaptable national Meals on Wheels service for the frail, the aged, younger people with disabilities and their carers in Australia’. It is important that we recognise the breadth of their client base and their support for not only the elderly but people with disabilities and their carers. Meals on Wheels organisations operate right across the country. They are not-for-profit organisations administered by local committees, who volunteer their time and expertise. Volunteers are at the heart of the success of Meals on Wheels.

In Bankstown, the council’s Meals on Wheels coordinator is Pat Pride, and I take the opportunity today to acknowledge Pat and her team of volunteers for their dedication and commitment to this crucial community service. Volunteers can play a variety of roles. I worked with the field volunteers, who operate in pairs to deliver meals and other services to clients using their own cars. There are more than 35,000 volunteers in New South Wales who offer their time regularly to deliver meals to about 20,000 aged and disabled people and their carers every day.

The Bankstown Meals on Wheels service celebrated Christmas in July this year with a special meal at the Bankstown Senior Citizens Centre. Pat Pride told me that the special occasion offers the frail, aged and isolated residents of the Bankstown area the chance to share a meal with other people. Of course the service’s meals are nutritionally balanced; they usually consist of a soup, main meal and dessert. Meals on Wheels aims to cater for the dietary needs of all their clients, including people with gluten intolerances, diabetes and chewing or swallowing difficulties and people from different ethnic backgrounds.

In conclusion, I want to commend the Meals on Wheels organisations, and particularly the work of Pat Pride and her team of volunteers at Bankstown, for their tremendous contribution to the local community. They do it five days a week and provide the meals for the weekend on the Friday. They are all volunteers. We could not pay them for the work they do and the goodwill that they generate in the community. The kindness that they show the recipients is unbelievable.

**Electorate of Hinkler: Young Achievement Australia Program**

**Mr NEVILLE** *(Hinkler)* *(9.56 a.m.)*—Students in the Gladstone-Calliope area are spreading their business wings and learning to fly in the corporate environment, thanks to an innovative marketing program being run under the auspices of the Young Achievement Australia program. This is the third year Tannum Sands State High School has participated in the YAA program, and currently nine students in years 10 and 11 are becoming mini moguls in their own right. These students are developing and marketing an innovative range of clocks, which are being sold throughout the school and to the wider community. This is the first time these students have been involved in small business and, from the start, it was decided to keep as
much of the production and manufacturing in-house as possible. The students involved have sold around 250 two-dollar shares in their Ya Clock company to members of the high school community and are hoping to turn in a profit over the next few weeks. The innovative product, which hit the market recently, is a range of clocks made from repainted blank CDs. They feature local and generic designs on the face of the CD. Tannum Sands State High School’s manual arts department chipped in by building stands for the clocks and Boyne Smelters Ltd, a major company in the area, is a sponsor of the project.

A total of nine students are involved in the project and according to managing director, Kacie Ryder, the YAA program has been a great experience for all the students, giving them a chance of hands-on experience in the business world. Each student has assumed responsibility for one area of the joint business venture and they deserve special mention: managing director, Kacie Ryder; human resources manager, Tara O’Sullivan; production manager, Erin Gale; finance manager, Citra-Nila Kandi; promotions manager, Daniel Faux; assistant secretary, Alex Taucher; environmental manager, Alastair Cottenham; and team members Daniel Bussa and Natalie Lloyd. This is an innovative school well led by an equally innovative Principal, Ray Johnston, and the YAA group’s mentor is teacher Prue Hunt. Both deserve warm congratulations from the community. I give my congratulations to them, as I do to the nine very innovative students.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! In accordance with standing order 275A the time for members’ statements has concluded.

NATIONAL RESIDUE SURVEY (CUSTOMS) LEVY AMENDMENT BILL 2002
Cognate bills:
NATIONAL RESIDUE SURVEY (EXCISE) LEVY AMENDMENT BILL 2002
NATIONAL RESIDUE SURVEY (CUSTOMS) LEVY AMENDMENT BILL (No. 2) 2003
NATIONAL RESIDUE SURVEY (EXCISE) LEVY AMENDMENT BILL (No. 2) 2003
Second Reading
Debate resumed from 12 December 2002, on motion by Mr Truss:
That these bills be now read a second time.

Mr FITZGIBBON (Hunter) (9.59 a.m.)—The National Residue Survey (Customs) Levy Amendment Bill 2002, National Residue Survey (Excise) Levy Amendment Bill 2002, National Residue Survey (Customs) Levy Amendment Bill (No. 2) 2003 and National Residue Survey (Excise) Levy Amendment Bill (No. 2) 2003 before the House amend legislation that underpins the National Residue Survey program, a critical program that is designed to protect markets for a range of agricultural products by ensuring agricultural products comply with maximum residue levels. The NRS was established in the early 1960s as the Commonwealth’s response to growing concerns about pesticide residues in major meat export markets. Since then the range of commodities covered by NRS monitoring surveys has expanded and now about 15 animal, 14 plant and selected fisheries and aquaculture products are monitored.

The primary function of the NRS is to monitor chemical residues and environmental contaminants in the products of participating industries. Residue monitoring is an important part of an overall strategy to minimise unwanted residues and environmental contaminants in

MAIN COMMITTEE
food. It serves to identify potential problems and indicates where follow-up action is required. Surveys for chemical residues are also important as a measure of overall product quality, particularly for exporting countries such as Australia. The National Residue Survey Administration Act and 17 individual imposition acts were enacted in December 1992 and came into effect on 1 July 1993. The NRS Administration Act was amended in 1994 to include animal feed and fibre products.

To meet industry needs and the requirements of the Financial Management Accountability Act 1997, further administrative changes were made in 1998 to combine the 17 individual imposition acts into the National Residue Survey (Excise) Levy Act 1998 and the National Residue Survey (Customs) Levy Act 1998. The World Trade Organisation agreement on sanitary and phytosanitary measures, which came into effect in 1995 following the conclusion of the Uruguay Round of multilateral trade negotiations, provides for measures implemented by member countries to safeguard human, animal and plant life and health to be subjected to scientific scrutiny. The WTO SPS agreement also requires such standards to be based, as far as possible, on international standards. Measures that provide a higher level of protection must be scientifically justifiable and not be a disguised restriction of trade.

This change to the trading environment for Australian agricultural industries has focused attention on the need for residue standards to be scientifically based and for data from residue testing programs, such as those conducted by NRS, to be capable of withstanding scientific scrutiny. The NRS has adjusted to meet this challenge by giving a higher priority to ensuring the proficiency and performance of its participating laboratories. The data collected facilitates certification of commodities for export, when this is required, and compliance with requirements for domestic consumption. The surveys assist participating industries to maintain long-term access to and competitive advantage in important markets. They also support agricultural and food promotions in new and potential markets and serve as a yardstick against which industry operated quality assurance schemes can be validated.

Funds for the NRS are provided from five sources. The first is direct funding by fees recovered through statutory collection mechanisms. This is the main source of income. The second is direct payments by other means—for example, for survey work undertaken under contract. The third is interest earned on short-term investments of funds held in reserve. The fourth is payments for proficiency testing, sale of services and from fees charged for the supply of information. The fifth is funding appropriated by government for NRS government business activities under community service obligations. The basic policy underlying cost recovery for the NRS program is that, within an accounting period, expenses must be equal to the revenue received. It is not a function of the NRS reserve to generate profit, sustain a loss or subsidise the activities of a particular industry or government; nor can industry programs be subsidised from appropriations. NRS funds are not used to cross-subsidise between participating industries, and each industry program is operated as a separate cost centre.

These bills make changes that relate to pears and honey. They simply restate the operative and maximum rates for the National Residue Survey excise and customs levies on pears and apples from a per box rate to a per kilogram rate. These bills also change the maximum levy rate allowable for honey for the purposes of the act from the present rate of 0.3 per cent per kilogram to 0.6 per cent per kilogram. In relation to honey, these levies cover the cost of the honey industry’s residue monitoring program that is required for market access. The current
operative rate of the National Residue Survey Levy is set in the regulations at the maximum allowable rate of 0.3 per cent per kilogram and is used for residue monitoring on honey sold in Australia. These amendments are part of a package of strategies being put in place on behalf of the honey industry and will give the industry scope to expand the operative rate of these levies through subordinate legislation. Any further increase in the rate of these levies would be at the behest of the industry and, of course, would be subject to separate approval processes. Labor supports these bills. The increase in the maximum levy rate is strongly supported by the honey industry and will facilitate its efforts to build export markets, particularly into Europe. The amendment relating to pears is a simple administrative amendment.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.05 a.m.)—in reply—I thank the shadow minister for his contribution to the debate on the National Residue Survey (Customs) Levy Amendment Bill 2002, the National Residue Survey (Excise) Levy Amendment Bill 2002, the National Residue Survey (Customs) Levy Amendment Bill (No. 2) 2003 and the National Residue Survey (Excise) Levy Amendment Bill (No. 2) 2003 and for the support of the opposition for this noncontroversial legislation. It is important that industries take control of their own arrangements and make recommendations appropriate to their needs to the government in relation to their levies, which do have the potential to make, and are indeed making, a very significant contribution to the growth and development of these industries.

As the shadow minister pointed out, the four bills being dealt with here concern the National Residue Survey (Customs) Levy Act and the National Residue Survey (Excise) Levy Act and make changes to the levy arrangements in relation to apples, pears and honey. Concerning the apples and pears, there is no proposal to change the size of the levy, just the way in which it is calculated, moving the method of calculation away from the per box rate to a per kilogram rate. That obviously makes common sense in this day and age, when changes are being made in the size and nature of packaging. On behalf of the industry, the Australian Apple and Pear Growers Association, which is now called Apple and Pear Australia Ltd, sought and received government approval to change the method of calculating the levy to reflect this change in practices. There will be similar changes to the operative rates, which have already been made by regulation to apple and pear levies and charges imposed by the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs) Charges Act 1999. The levies recover the cost of the apple and pear industry’s residue monitoring program.

In relation to the bills concerning honey, the purpose of this legislation is to raise the maximum levy rate allowable for the purposes of residue monitoring on honey exported from Australia and on honey produced in Australia from the present rate of 0.3c per kilogram to 0.6c per kilogram. The current operative rate of the national residue survey levy is set in the regulation at the maximum allowable rate of 0.3c per kilogram. That levy recovers the cost of the honey industry’s residue monitoring program that is required for market access. The amendments are part of a package of strategies being put in place on behalf of the honey industry that will allow the industry the scope to expand its operative rate of levy by subordinate legislation, where access to further funding for residue monitoring programs may be required at short notice. There is no plan to increase the rate of levy at the moment, and any request to do so, as the shadow minister has said, would be at the behest of industry and subject to separate approval. I commend the bills to the House.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

**NATIONAL RESIDUE SURVEY (EXCISE) LEVY AMENDMENT BILL 2002**

*Second Reading*

Debate resumed from 12 December 2002, on motion by Mr Truss:
That this bill be now read a second time
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

**NATIONAL RESIDUE SURVEY (CUSTOMS) LEVY AMENDMENT BILL (No. 2) 2003**

*Second Reading*

Debate resumed from 27 March, on motion by Mr Truss:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

**NATIONAL RESIDUE SURVEY (EXCISE) LEVY AMENDMENT BILL (No. 2) 2003**

*Second Reading*

Debate resumed from 27 March, on motion by Mr Truss:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

**COMMITTEES**

**Family and Community Affairs Committee**

*Report*

Debate resumed from 8 September, on motion by Mrs Hull:
That the House take note of the paper.

*Ms GILLARD (Lalor) (10.11 a.m.)*—Thank you for the opportunity to address the report *Road to recovery: report on the inquiry into substance abuse in Australian communities*, which was released recently. As is always true of parliamentary committee reports, many members of parliament have laboured hard on this report and many of the stakeholder groups that have participated in this inquiry have put forward a great deal of work to so engage. We know that this report has been a long time coming. Often parliamentary committee reports do turn into marathon efforts, but I think this stands out most particularly as a marathon. The is-
The issue of substance abuse was first referred to the committee in March 2000 by the then Minister for Health and Aged Care, the Hon. Michael Wooldridge—

Mr Fitzgibbon—Where is he now?

Ms Gillard—who, of course, as we know, is no longer here in parliament. The reference was not completed by the time that parliament was prorogued for the election and was re-referred to the committee on 14 May 2002. We now have the report before us. My comments today will be directed at the majority committee report. Unfortunately this report did divide on party lines, and we have a majority report and a number of dissenting reports. I intend to address my remarks today to the majority report and I intend to address those remarks in my capacity as the shadow minister for health. Whilst I understand that people have worked hard on this report, I believe we have cause to be disappointed with the findings and with the outcomes of the report. What we know is that this report, in the majority, has failed to deliver meaningful guidance on the future of substance abuse policy in Australia. It generated headlines in the newspapers like ‘Tougher line on drug abuse divides parliamentary inquiry’.

What we do know about an area as sensitive as this is that progress is made through genuine cooperation in a spirit of bipartisanship, and that was not achieved in this report.

To be fair, I think the drift in our approach to drugs policy has been clear for some time under the Howard government. The open partnership approach that served Australia so well in addressing HIV-AIDS policy has disappeared under Senator Patterson’s guidance. The frank discussion of the realities of sensitive issues—and substance abuse is certainly such a sensitive issue—is gone. Indeed, most recently we have seen a cover-up by Senator Patterson of a very important report on the hepatitis C strategy. You cannot progress in partnership if that is the way that you behave. Under the Howard government we have seen a progressive drift towards a zero tolerance drug policy—a policy of telling our children to just say no to drugs, while failing to provide them with the information they need to protect themselves from harm when they do come into contact with substance abuse. Whether we like it or not—and clearly we do not like it—many of our children will come into contact with substance abuse.

Under the Howard government, we have increasingly seen the fear of the law being put into illicit drug users, making it harder and harder for them to feel safe in coming forward to access treatment, needle exchange services, health care or just the information that might help them, their families and friends deal better with a very serious health problem. I believe the government is in denial about the consequences of this approach and in denial about the effects it is having on some of the most significant health issues facing Australia. While our school kids are hearing ‘Just say no’, 16,000 people a year are contracting hepatitis C. Something is clearly wrong.

Unfortunately, something is also clearly wrong with the majority findings of this report. We have been watching the Howard government’s approach drift away from progressive, effective engagement with substance abuse for some time. This report comes right out and declares the death of ‘harm minimisation’. That has been a strategy for engagement with the issue of substance abuse for the past 20 years.

I think at this point we need to make it absolutely clear what is meant by harm minimisation. It means a whole spectrum of measures to thoroughly address the problem of substance abuse. It means a number of things that the Howard government says it wants to do—for example, measures to control the supply of harmful substances whether they are legal or illegal.
It means prevention measures to assist our young people and, indeed, all Australians to not fall into the trap of substance abuse.

Importantly, though, while harm minimisation seeks to encompass prevention measures it does not engage in an active denial about the substance abuse problem. Harm minimisation does not mean empty words about how serious the problem is, and it does not mean ignoring that there are people suffering from the consequences of substance abuse who need our help. It means recognising the reality of substance abuse that, whilst we seek to prevent it, there will be people engaged in substance abuse. We need to find a way of helping them with that problem, helping them with that health issue and helping to keep them alive. It means needle exchange programs that give people a safer way to inject drugs—hopefully stopping them from contracting a deadly disease on top of their existing problems.

Non-judgmental programs like these are known to be some of the best ways to give injecting drug users access to information and assistance, if they are looking for it. It means methadone programs, including methadone maintenance programs, which give people the best possible treatment for their addiction. Methadone programs are designed to treat addictions which we know are characterised by chronic relapse. They are not quick or clean but neither is the health problem they address. International evidence shows that methadone maintenance is more effective than no treatment, drug-free treatment, placebo medication or detoxification in clinically controlled trials such as those involving naltrexone. Methadone maintenance is also shown to be the most cost-effective treatment for opioid dependence in Australia.

But safety and efficacy have not been the foundation stones of the majority view in this parliamentary committee report, and I think that is to be regretted. This report holds out naltrexone as some kind of panacea—a quick fix route to instant abstinence. If it were such a magic solution, then obviously it would have been used earlier and would have been effective to address the problem. The truth is it is not a quick fix route to instant abstinence, and that is what the evidence shows. The report calls for evidence based solutions, but what the evidence actually tells us is that the benefits of naltrexone are still uncertain. This is acknowledged by the Australian Medical Association.

The report also calls for naltrexone treatment in prisons while the prison services themselves tell us that they simply cannot provide that level of medical treatment. The Alcohol and Other Drugs Council of Australia calls it a victory of philosophy over science. I would like to take the House to the media statement that was issued by the Alcohol and Other Drugs Council of Australia because I think it does summarise some of the key issues surrounding this report. I would concurs with the council that the committee has generally got it right in respect of alcohol and tobacco but that some of the recommendations in respect of illicit drugs are very concerning. I quote Cheryl Wilson, the CEO of the council, who says:

The report reflects a clear bias against methadone maintenance and recommends that priority be given to treatments, including naltrexone, that focus on abstinence as the ultimate outcome. This is despite a large body of research evidence, cited in the report that shows:

methadone maintenance treatment has been clearly demonstrated to reduce illicit opiate use more than either: no-treatment; drug-free treatment; placebo medication; or detoxification in clinically controlled trials; and

is the most cost-effective treatment for opioid dependence available in Australia.

The council goes on to say that it is:
... very concerned that the report proposes to scrap harm minimisation as the philosophy underpinning Australia’s national drug policy.

The president of the council, Dr Neal Blewett, who of course would be well known to all of us, says:

The report proposes to replace harm minimisation with *harm prevention* but fails to articulate what is meant by this terminology and, as such, will only serve to further muddy the waters in respect to drugs policy in Australia.

The report says:

Given that prevention and treatment are already encompassed by harm minimisation it is unclear what the shift in focus is that is being proposed.

It goes on to quote Dr Blewett again, who says:

The concept of *harm prevention* outlined in this report is insufficiently developed to challenge a policy of 20 years standing.

I concur with those remarks. Harm minimisation is well known to be the most effective policy for preventing and treating illicit drug use and also for minimising the damage to the health of the individuals involved and the community generally which arises alongside addiction.

It is interesting to note that people who have actually experienced the very great pain of having members of their family struggling with substance abuse problems have clearly seen the flaws in the majority committee report and have clearly seen the flaws in rejecting a harm minimisation approach. I quote in that regard Brian McConnell and Michael Gardiner, who have been touched by the issue of substance abuse in their own families and their own lives. The *Canberra Times* of 9 September reports Mr Gardiner as saying that Australia is:

... set to follow America’s path to zero tolerance which ostracised and demonised drug users.

He says:

It’s a total failure socially, economically and costs the taxpayer billions of dollars.

He goes on:

It’s insane and it’s almost impossible to believe.

Mr McConnell, whose son Cliff died 11 years ago as a result of a substance abuse problem and who leads an organisation called the Families and Friends for Drug Law Reform, says that he remains committed to preventing the tragedy that arises from illicit drug use. But he goes on to criticise the approach of this report in pushing for:

... a drug-free zero-tolerance Australia which would threaten the needle-exchange and methadone programs.

He says it is:

... an attempt to “gut” the existing harm minimisation measures contained in the National Drug Strategy.

From people who have paid a very high price—indeed, the highest price one could pay in connection with the issue of substance abuse—by watching a family member die, we have words indicating that they believe the focus of this report, in moving away from harm minimisation to an ill-defined concept of harm prevention which appears to encompass zero tolerance strategies, is the wrong direction for Australia.
I am therefore very concerned that what we will see arising out of the majority report is further weight behind the Howard government’s drift towards zero tolerance approaches. I do not believe that we can go down an approach where we wear rose-coloured glasses and pretend that the substance abuse problem does not exist and that it can be fixed by just telling people to say no.

The Howard government has called for more education, more training and more programs but, if these programs actually exclude the issues which we all find it difficult to think about and to deal with, we cannot protect our children. We cannot protect our children by having some myth of their innocence rather than engaging with their reality. We know that the reality for many young Australians is that they will come into contact with substance abuse.

As I have said in the course of this contribution, and as I hasten to say now, the report is not all bad, and I understand that members and others have laboured diligently on it. It does include a number of positive responses to tobacco and alcohol abuse, and I applaud many of the recommendations in these areas—which in fact cost the Australian public far more than illicit drug use—but I cannot condone the neglect of the majority report of the more sensitive areas.

The government clearly has summoned neither the courage nor the compassion to look this problem and these people in the face. Piety and denial will not improve the health of illicit drug users. It will not control the spread of infections, it will not encourage people to look for help and it will not encourage the development of real, successful solutions if the benchmark is an instant cure rather than the hard slog we all know is really needed.

Debate interrupted.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Hon. I.R. Causley)—Before calling the member for Dickson, I acknowledge the presence of representatives of the Third Study Program, representing 15 other parliaments, and I welcome them here today.

COMMITTEES

Family and Community Affairs Committee

Report

Debate resumed.

Mr DUTTON (Dickson) (10.26 a.m.)—Shortly I will address, as part of my response to the report, Road to recovery: report on the inquiry into substance abuse in Australian communities, some of the comments made by the member for Lalor, which in the very least were misleading and naive and perhaps indicated, sadly, the fact that she has not read the report from cover to cover. Her comments were selective and I think that they misrepresented the work of this committee, which has taken place on a bipartisan basis over two parliaments.

But I will start on a positive note. I record my great thanks and gratitude to my fellow committee members and indeed the secretariat, including Bev Forbes and Margaret Atkin. I also acknowledge the contribution of the chairs of the committee—in this parliament, Kay Hull, and in the 39th Parliament, Barry Wakelin. I also want to, in a very positive way, congratulate those people who provided evidence to the committee over both parliaments. It takes a great deal of guts, I suppose, for many of these people and family members who have been afflicted by the dreadful curse of, particularly, illicit drugs and who have been afflicted per-
haps in circumstances of domestic violence as a result of the use of alcohol and, in some
cases, even tobacco use and the resulting problems of that abuse, particularly further down the
track. I found much of the evidence that we took from young people, in particular, at many of
the residential facilities very inspiring, and I think I speak for other members of the committee
in that regard.

I mentioned the member for Lalor’s contribution. I do think it was naive and ideologically
based and I do not think it took into account the balance of the evidence that was provided to
us, which resulted in the recommendations and conclusions that were reached. One of the
misleading aspects which the member for Lalor concentrated on in her contribution was her
suggestion that there was a partisan position in relation to the outcome of this report. The rea-
ality of this situation is that the Labor Party was split in three different directions in the final
outcome. There was not a partisan position from the coalition parties and a partisan position
from the ALP. Only two members of the ALP formed the substantive dissenting motion. In-
deed, the member for Throsby agreed with the substantive part of the committee’s recommen-
dations, as did Mr Harry Quick, the member for Franklin. I commend, in particular, those two
members of the opposition for their positive contribution—in stark contrast to some of the
other members from the Labor Party—to this committee’s inquiry and report.

All of that leaves a sour taste in the mouths of some of us who were involved in what was
very much a genuine attempt to try to reach a reasonable, compromise outcome. I might in-
form the House today that, right up until the eleventh hour, members on both sides negotiated
and compromised. It was not possible in this circumstance to reach a united position. It is a
very emotive issue. We all hold preconceived ideas. We can all interpret the evidence that we
received over a very lengthy period of time and get different outcomes. In my view, up until
the eleventh hour we did reach an agreed position, in a bipartisan manner, that we thought
would be of benefit to the Australian people.

When I walked out of parliament house in New South Wales, where the committee had de-
liberated for some time, my understanding was that we had agreed upon the recommendations
that you see in the substantive part of this report. Regrettably, the next morning we discovered
that, overnight, the member for Fowler—who was obviously involved in some sort of prese-
lection in her own seat—had all of a sudden conceived these ideas. I do not know what the
influences of those ideas were, but this needs to be noted, because those ideas were not pre-
sent in the meeting the day before in which we reached agreement. In the 12-hour period
which elapsed until the next day, these conflicting views came about. That does need to be
noted on the public record. The member for Fowler’s constituents need to understand the true
motivations, in my opinion, for the minority report. I do not want to dwell on that any more
because, frankly, I have devoted more time to it than the member for Fowler deserves.

I do want to talk about the very positive outcomes that this report provides and I want to
talk about this problem of illicit drugs in particular. In my view, this is a supply and demand
issue in many regards. Drugs are traded in our community like any other commodity. Our
community certainly has a greater tolerance for the consumption of alcohol and tobacco than
for, say, the use of illicit drugs. In my view, that is at least due in part to the immediate and
sometimes fatal outcomes of illicit drugs use, particularly amongst younger people. It is the
reason that, in the short time that I have today, I want to concentrate my comments on that
aspect of our report.
The road to recovery report comprises 350 pages, providing 128 recommendations. It expresses, in many parts, my view and the view of the majority of the committee members that the government needs to continue the holistic approach to this problem. The member for Lalor was throwing around the phrase ‘zero tolerance’, saying that that was the direction that the government was headed towards—as though that is some sort of a scare tactic towards the Australian people. She may or may not have the correct political read on that. I will leave that to the Australian people to decide at a future time.

This government is not about a zero tolerance. It is not about a liberal situation such as that which operates in some other countries. This government has been providing a holistic approach. We say—and this report produces outcomes to this effect—that people who are afflicted by drug use, who are at the user end of the equation and have fallen victim to the use of illicit drugs, need every support. At that end of the equation it is very much a health issue. We need to continue to provide the funding that we have provided in years gone by for rehabilitation and for services that provide for an appropriate outcome for those people. We need to provide a circuit-breaker at some stage for those people. For the majority of people, providing them with eternal methadone dependence is not ultimately an outcome.

Some of the members of the Labor Party had a view—and I heard it summarised by the member for Lalor—that we need to park people on methadone. We took evidence that some people have been on methadone for up to 20 years; they are maintaining a lifetime on methadone. That is doing them no long-term favours: we took evidence from many people who are in a state of permanent depression. For some people, the methadone outcome is appropriate—there is no denying that. We are not suggesting otherwise as part of this report. We are saying that we do not park people onto methadone for evermore as some way of pulling them away from other programs that might be appropriate to provide for an abstinence outcome. That should ultimately be where this government and the Australian people are headed.

If we can provide an outcome of drug-free status for people, that should be the outcome, and that is our debate surrounding harm minimisation. That is what our debate is about, and that is the proposition that we have put forward. We are not talking about ripping out from under these people the services and the safety net that is provided; but bear in mind that the methadone program and similar programs should be a safety net for people who cannot otherwise find a definite outcome. That is why we spoke about naltrexone and that is why we took some of the evidence: if we are serious about providing a permanent and positive outcome for these people, we should be providing the option. I say today that we should be open to the suggestion of naltrexone. I know that the member for Fowler, in particular, is opposed to this idea, despite the evidence that we took—which was very clearly in support of it—and the evidence that has been adduced from overseas. I know that the member for Throsby is one who is very supportive of the naltrexone program.

I want to touch very quickly on the link between drugs and crime. From the evidence that the committee took, the links are undeniable at every level of crime—from the street dealer to organised crime syndicates which operate commercial businesses trading in human tragedy. They are the people at the other end of the spectrum for whom I believe we need to look very seriously at increasing sentences. I note that a recent study shows that almost 90 per cent of Australians support increased sentences for those supplying drugs—for that trade in human misery. We took that evidence and it forms part of this report. That comes as no surprise.
Our view is that a holistic approach is needed. At one end, we need to provide outcomes for those people who are afflicted by dependence. We need as a society to look very seriously and very sternly at those people at the other end of the scale who trade in human misery. That is nothing about harm minimisation or zero tolerance, which the member for Lalor earlier tried to confuse the debate with. I think that point needs to be made very clearly. I commend the work of the National Council on Drugs, under the direction of Brian Watters, because the Tough on Drugs strategy that this government has been very strongly behind has seen a reduction in the number of heroin deaths. The Labor Party can throw up all the propaganda that they like to try to dilute those outcomes, and it hurts them incredibly, particularly the member for Fowler—who is sitting opposite me—to accept those outcomes. They will throw up any sort of propaganda to try to dispel what have been legitimate and real outcomes for people in that category. That needs to be noted very clearly today.

On the links between drugs and crime, evidence from Graycar found that, of 1,770 offenders arrested in 2001, 70 per cent of those arrested for violence, traffic or property offences tested positive to an illicit drug. We know about the causes of crime and we know that drug-dependent people in particular are prolific offenders—particularly in property crime, as they try to gather the money to purchase drugs. That is an undeniable fact and it is one that we as a committee needed to take into consideration in arriving at some of the outcomes that we have.

I want to say to the Labor Party today that the answer is not to be part of the problem. It is not the answer to suggest to these people that harm minimisation is the only solution to this very serious affliction on many people in our society. People who say that we need to sit down with these people and give each other a warm hug and talk not about positive outcomes but about how we can maintain dependence through methadone programs and the like are, I think, kidding not only themselves but also those who are seriously in most need of our assistance.

One of the highlights in this report regards the use of marijuana, and I want to finish quickly on this. It is a theme that I want to educate my local area in Dickson about over the coming years—in particular, the young people and school students—because there are a lot of misnomers about drug use, particularly with what people term as ‘soft’ drugs, such as cannabis, in our society. Cannabis is something that we need to educate the public about because it is a mind altering drug. The report on page 169 at 7.70 states:

One of the problems encountered in attempts to prevent and intervene early in cannabis use is the widespread belief, to which Australian Parents for Drug Free Youth referred, that cannabis is relatively harmless. This belief was formed 20 or more years ago when, according to Professor Saunders, there were lower doses of the psychoactive ingredient in the cannabis used then and few serious health effects were evident. Current users receive a dose of the psychoactive agent, tetrahydrocannabinol (THC), which is, on average, 3.5 times greater than 20 years ago, and evidence is accumulating about the deleterious health effects of cannabis.

It goes on—and I could quote from it—for some pages about the serious problems that cannabis use will bring to our community in the years ahead. It is not a soft drug, and the younger people in our society need to continue to understand that. Amphetamines are put in the same category. Much of our debate was concentrated on heroin, and it is a dreadful drug. But the availability of amphetamines and our determination to knock them out of Australian society must continue unabated. I commend Road to recovery: report on the inquiry into substance abuse in Australian communities to the House.
At the outset, I commend the contribution made to this report by the committee secretariat and by my parliamentary colleagues. Most importantly, I commend the openness and willingness of the families, individuals and organisations in the community to share their experiences with the committee—all, I hope, with the belief that a good and positive outcome would result; although I am not really quite sure that they would all be completely pleased with the result that has been produced.

I also want to put very clearly on the record my absolute and strong support for the contribution made earlier in this debate by the member for Lalor, our shadow minister for health. Much of what she has said I was going to say in my contribution. Instead of taking the time to repeat what she has said, I will just emphasise my agreement with the entire contribution that she made to this debate.

I was a longstanding member of this committee up until 12 months ago; in fact, I was a member for just over six years. It is a committee which I believe has done extremely good work in the past. I can remember back at the beginning of this particular report’s journey how hard our committee, across all party lines, argued with government at the time to actually get the reference for this inquiry. I see a previous member of the committee sitting opposite who is nodding in agreement. We had an amazing experience where, across party lines, our determination was absolute. Our view was that, if there was ever a social issue of huge importance to this society of ours, it was this issue of substance abuse; and if ever there was an appropriate time and place for a federal parliamentary inquiry to get into this issue, it was right then and there.

The government took a lot of convincing, I have to say, before allowing us to have this reference—and that is an important point to make. But we persisted. I have to commend the government members of the committee for their assistance at that time because it was only through that, I am sure, that we actually received the reference. We then got on with the job of looking strongly and in great detail at this inquiry. I believe very strongly that the committee at the time had adopted a responsibility to look openly and honestly into the issues and to recognise the variance of views in our community. After a great deal of work, the committee produced a discussion paper, which I have here, called ‘Where to next?’ It was tabled in the parliament in September 2001. That was done with the very conscious decision of the committee. At the time we realised that the issues were so large and so encompassing that we would have been short-changing the inquiry if we had tried to rush to recommendation at that time. The committee considered very carefully the decision to put forward a discussion paper of the kind that we did.

The basis also, I think, for that decision at the time was the committee’s previous experience with the Health is life report, which was a report that followed a very similar journey. It crossed over from one parliament to the next and from one committee to the next and, in that journey, produced a discussion paper along very similar lines to ensure that, should the committee in the future parliament pick up the reference and run with it, there was a very good point from which to start. It was exactly the same thought process that went into the production of the ‘Where to next?’ discussion paper.

I was very interested to note that in the new parliament the government membership of this committee had changed dramatically—dramatically to the point where I think only one member of the government retained membership of this committee. It is fair to say that there is
probably a variety of reasons for that but, nevertheless, the membership changed. That was quite different to the membership of the committee between two parliaments with the Aboriginal health inquiry.

I am drawing the parallel for a very specific reason. I believe very strongly that our committee processes offer a lot to our parliamentary processes. There have been some wonderful examples of this in the past, where reports have been produced offering direction and certainty, and people have put aside their personal prejudices in those committee processes. I want to briefly refer to the Health is life report, which I believe is no more or less controversial than this one. It was a thorough and absolute example of good committee work. It was the first committee inquiry at the federal level for 20 years into the state of Indigenous health in this country. I can remember very clearly one day when we got off a plane in outback Australia with our committee membership and visited yet another remote community. When we got back onto that plane two hours later, a government member of that committee who had been presenting, fairly predictably, conservative views about the issue said, ‘Annette, if ever I have had an opportunity to have my views of this subject broadened, it happened to me today.’ It was that sort of process that enabled that committee to get over any personal prejudices, which we all held, and produce a really useful, unanimous report.

Sadly, I do not believe that this opportunity has been grasped by some in this particular report. I recall very clearly some pretty emotional, demanding, disturbing public hearings at the beginning of this inquiry’s process when individuals came before our committee to tell their stories. I can remember one day in particular, when we had a group of about 12 or 13 individuals in front of us in Sydney. Every one of them was an individual. All of them had different socioeconomic views and different stories to tell. Some were the parents of children who had died through substance abuse, and some were the parents of children who had abused themselves but still survived. I can remember the working man who sat in front of us—I think he was a truck driver—whose son had died. He sat there and was able to tell us it had taken four days for him to be found. There were the two young women that I met in the Adelaide Hills. They were gorgeous young things, so pleased to have the chance to rehabilitate, so anxious to succeed and so happy that they had been reconciled with their families in that process. But they also knew that their journey was oh so tenuous; that they could end up back where they started very easily.

Then there was the young man called Daniel, whom I met in Melbourne at a youth rehab centre on his sixth stay. He had been into that particular rehab centre six times. You could not have met a more delightful, gregarious, beautiful young man. I fear that some people on our committee and in our community would say—in fact, I have heard them say this to me—‘Why give him six chances?’ Six chances meant he was still alive. Zero tolerance, or anything like it, would not serve Daniel. It would not serve him at all. He would be kicked out on the street. I had that opinion given to me at that time. The point I want to make is that there are many causes and many reasons why people end up in an addictive health situation. That is how I see Daniel. That is how I saw the situation of the gentleman who lost his son. That is how I saw the two young women in Adelaide. In fact, that is how I saw everybody that I met—they have an addictive health problem, and they must be supported.

The point I want to make most strongly here—it may upset some, but I am going to make it because I believe it has to be made—goes to the health of our committee system and the rea-
son it exists. We need to look at why our committee system exists. It is there to have members of parliament participate, learn, experience, change their views and, at the end of their journey, produce reports that give all of the direction that is required to parliaments and governments to actually make decisions. That is why committees exist; that is why they are there—to do the work. I believe that most of the best work of a parliament is, in fact, done in the committee process, because there we can put aside our politics. I honestly believe—and some people could refute my genuineness in this—that I belong to a parliamentary committee not as a Labor member of parliament but as a parliamentarian. That is what is important in this process—that we are there as parliamentarians producing reports for parliament.

I am very sad about the outcome of this inquiry, knowing how hard, how determined and how genuine we felt at the beginning in order to get the inquiry. I really thought, at the beginning of this process, that the committee could have produced a report that would be useful. But we have not. We now see a much divided outcome; we see a partisan outcome and a sad outcome. There is no doubt—the member for Lalor said this, and I want to repeat it very strongly—that in the majority of this report there is some very good stuff. It is all worth supporting; there are some good things in there. However, the government of the day chairs and holds majority on these committees. If we want to see the committee process remain a valued part of our parliamentary process, members must be encouraged to participate honestly. They must not keep their opinions locked up and unassailable. They must take the journey that the conservative colleague of mine took on the Aboriginal health inquiry. They must allow themselves to do it. I know, in my heart of hearts, that there are people on this committee who came with views and have gone away with those views absolutely unchanged. I do not believe they have acted as parliamentarians; I believe they have acted in a partisan fashion. I do not enjoy saying that, but that is how I see it.

I know that the committee system we have in the Australian parliament is highly regarded. But when we see this sort of an outcome on an issue that is so important to the Australian community, then I am sad for the future of the committee process in this parliament—I truly am. To be quite frank, I would have liked to have seen the membership of that committee not change so dramatically. One government member and four opposition members on the committee retained membership; continuity survived. The Health of life report is the greatest example of how opinions can be altered. We all went on a very valuable journey. What a shame that some members of this committee did not allow themselves to participate in a similar journey.

Mrs DRAPER (Makin) (10.53 a.m.)—Before I speak to this report, I would like to acknowledge that today is 11 September 2003. It is two years since 9-11 and the destruction of the twin towers in the United States of America by terrorists, when 3,000 people lost their lives. There can be few issues of greater importance than the fight against the use of illicit drugs and the abuse of legal substances by young Australians. I am on the record as being a strong supporter of the Howard government’s Tough on Drugs strategy, which is the largest single national initiative ever taken in Australia. Tough on Drugs fights illicit drugs on three fronts: health, education and law enforcement. The Tough on Drugs strategy was launched by the Prime Minister in November 1997. The Commonwealth government has since allocated $625 million to the strategy for a range of supply reduction and demand reduction measures. This includes the $109 million package of measures to expand the strategy, announced by the

MAIN COMMITTEE
Prime Minister at the last election. The package includes $4.7 million over four years to expand the successful National Heroin Signature Program to include the profiling of cocaine and amphetamine type stimulants.

Today—as a nurse, a mother of three teenage sons and the member for Makin in the federal parliament—I welcome the release of the final report of the House of Representatives Standing Committee on Family and Community Affairs into substance abuse in Australian communities tabled in the House on Monday. As a member of the committee, I can attest to the value of the report, which is the culmination of a great deal of research and effort by the committee members and staff. I particularly want to acknowledge the efforts of Barry Wakelin, the member for Grey in South Australia and the original chairperson who commenced the inquiry in the previous parliament; our current chairperson Mrs Kay Hull, the member for Riverina; and the support staff of the committee secretariat—Dr Sarah Hnatiuk, Bev Forbes, Margaret Atkin, Belynda Zolotto, Debbie Irwin, Rachelle Mitchell and Jill Miller.

The committee took the view that we can win the war on drug use and abuse and this is reflected in the title: Road to recovery. Indeed since the Howard government’s Tough on Drugs strategy commenced in 1997 there has been an unprecedented increase in the detection and seizure of illicit drugs by the Australian Federal Police and other law enforcement agencies in Australia and overseas. Over seven tonnes of drugs have been prevented from reaching Australian streets, including over 2,000 kilograms of heroin, 2,000 kilograms of cocaine, 1,400 kilograms of MDMA and 932 kilograms of amphetamines. By comparison, the five years preceding the Tough on Drugs strategy saw some 2.5 tonnes of illicit drugs seized.

Recommendation 52 of the committee’s report deserves particular mention. I am of the strong view, based on extensive research and having spoken to people who are working at the forefront of the fight on drugs, that methadone drug substitution programs should not simply be a heroin substitute program, a means of replacing an addiction to illegal drugs with addiction to methadone. This so-called parking of drug users in methadone programs was of particular concern to committee members. This is clearly reflected in this recommendation which states that the ultimate objective must be to help people become free of addiction to all drugs, including methadone.

I believe that there should be a review of clients on methadone drug substitute programs after 12 months to see how they are going with their lives with a view to their being drug free after a period of 24 months. How do we do this? Recommendation 52 states:

The committee recommends that, when providing:

- methadone maintenance treatment to save lives and prevent harm to people dependent on heroin, the ultimate objective be to assist them to become abstinent from all opioids, including methadone; and
- in addition comprehensive support services must be provided to achieve this outcome.

I say at this juncture that a key theme or element of the entire report was the committee calling on federal, state and local governments to work together to put in the support services in rehab and detox to achieve those outcomes. Whilst the committee’s report generally affirms our positive belief that we can win the war on drug use and abuse, it remains a concern of mine—and I know this concern is shared by many of my constituents—that there are some influential individuals and groups in our community who are advocating retreat and surrender.
Sadly, these people are damaging efforts to persuade young people not to experiment with harmful substances.

Evidence of this was seen during a recent issue concerning the funding of a heroin addiction rehabilitation centre. Shay Louise House, in the northern suburbs of Adelaide. It was founded and is run by Ann Bressington whose daughter, Shay Louise, tragically died from heroin addiction. Ann has spent the years since her daughter’s death undertaking extensive research into heroin addiction and developing effective treatment and rehabilitation programs. In this time she has had to contend with the usual bureaucratic resistance to her program despite the fact that she has helped many young people overcome their addiction. Ann acknowledges the tremendous support and assistance provided by the previous state Liberal government, and in particular by the honourable Dean Brown MP who, in a recent media interview, stated that he had had to deal with opposition to Ann’s program from within the state’s Department of Human Services.

So what makes Ann’s program the cause of so much bureaucratic angst? It is simply that it provides addicts with the means by which they can break their habit and not have their addiction transferred from one drug to another. Ann believes that addicts can stop their addiction with the right help and support and does not support the legalisation of illicit drugs. DrugBeat South Australia—the name of her organisation—until funding was denied recently, offered detoxification using temgesic, a symptom-free detox; naltrexone for relapse prevention; and 16 weeks of residential care for those in early recovery. Drug use, of course, was not permitted. But, as I have just said, sadly, due to lack of funding, this program is no longer running.

Mr Bill Rixon, MP for Lismore in New South Wales, visited Andre Waismann in Israel in 1997 and then visited Shay Louise House in South Australia and stated that Shay Louise House has the best detoxification regime in the world. As Ann herself explains:

Shay Louise House is not a 12-step program—it is a running leap into reality. You have 16 weeks to get the job done. The groups and workshops are about self discovery and forgiveness of self and others. We do not do bible classes and we do not expect that you take God as your savior, but demand that you have the willingness to save yourself.

With the support of Ann and her team, many lives have been saved. However, the Adelaide health bureaucrats recently attempted a rearguard action against Shay Louise House, threatening to renegade on the promised funding. With the change of government and with the naivety of the new minister, they probably felt they could finish off this troublesome program that did not fit in with their world view. But the resulting public outcry was such that the minister has said she will review the situation, and we are indeed hopeful that sanity will prevail.

Unfortunately, it is this sort of behaviour by people who should know better that weakens the fight against drugs. To those who say we cannot win the war, it almost becomes a self-fulfilling prophecy. Some in the community advocate such things as the so-called safe injecting rooms and drug distribution programs, without sufficient evidence to show that in places where such programs have been implemented they have been successful. Certainly the heroin distribution programs in Switzerland have not been the successful experiments that proponents claimed they would be. Dr Ernst Aeschbach MD, a psychiatry and psychotherapy specialist, stated the following conclusions in his report on the programs:

The assertions of positive results from the Swiss Heroin Distribution Projects are inconsistent with the goal of abstinence. The logical consequence of this conclusion should be the immediate termination of
the Projects and a return to well-proven treatment methodologies. This conclusion will not be influ-
enced by any additional information made available in the planned special studies being carried out now
on certain aspects of the Projects and their participants.

Compared to the primary goal of abstinence, the 5.2% success rate of the Project is abysmal. Because of
the lack of cooperation by the participant, the planned follow-up studies cannot be expected to produce
meaningful data. We should not expect any significant long term benefits from the Projects.

Methadone has been used in Australia since 1965 as a way of treating drug addiction. Given
the huge increase in the use of illicit drugs in the almost 40 years of its existence as a method
dealing with the problem, who would, in all seriousness, claim it to be the answer? Yet we
see it constantly being advocated by those who oppose alternative treatments. Perhaps it is
because there are two different objectives at play here.

The objective that Ann Bressington and many others, including me, have is to eliminate the
effects of drug addiction through abstinence, whereas others prefer to follow what has become
known as the harm minimisation path, which is PC terminology meaning ‘we surrender’. Thankful-
ly, Ann Bressington and many others like her are not willing to give up on the young
people who come for help and support. The best way to reduce the harm that drugs do is to
help addicts break their addiction.

Proposals to legalise the use of marijuana weaken the message to young people about the
dangers of all of these drugs. Marijuana is not the harmless substance these people would
have us believe; research clearly shows that the regular use of cannabis induces a loss of con-
centration and coordination and causes balance problems, an increased heart rate, changes in
blood pressure, confusion, restlessness, delusions, hallucinations, psychotic episodes, anxiety,
depression—and who knows how many suicides—and a slowing of reaction times, among
other effects.

The committee in producing this report recognised the need for cooperation between all
levels of government and for ongoing professional development for teachers in order that ef-
ective drug education is provided to students. Prevention, as the saying goes, is always better
than the cure. Particular focus was given to the issue of drug abuse and misuse within Indige-
nous communities—and I know this to be one of the major problems confronting Aboriginal
families. It is a terrible thing to see young children with petrol cans strapped to their heads, so
great is their desire to sniff the fumes. It is shocking to see the destruction of traditional cul-
ture, loyalty and beliefs by the violent effects of prolonged alcohol abuse. Aboriginal elders
see their culture dying not from any ‘callous’ policy of government but from the ‘demon
drink’, which causes their menfolk to brutalise their wives, sons and daughters—destroying
families and their cherished traditions.

Recommendation 28 is of particular importance in that it calls on all governments to accu-
rately assess the effectiveness of existing programs in Aboriginal communities and to ensure
that there are adequate responses to new and emerging issues. Following the release of the
committee’s report, I was pleased to receive a copy of a letter sent by the executive director of
Drug Free Australia Ltd, Mr Michael D. Robinson, to the committee chairman. In his letter,
Mr Robinson stated:

I write to congratulate you and your committee on a commonsense report and commonsense recom-
mandations that take into consideration both the compassionate viewpoint, but also the practical needs

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and abilities of the Australian community to address substance abuse, its costs, trauma, harms and its effects on society, the family and the workplace.

The issues of substance abuse itself and grappling with such difficult and voluminous and diverse opinions and submissions was by no means less than an extremely challenging task and the controversial nature of the subject is widely recognised.

Drug Free Australia congratulate you and your committee for recognising the importance of prevention and congratulate you and your committee from not shying away from what needed to be said on this topic.

As a member of the committee, I appreciate Mr Robinson’s support. I know that my colleagues will agree with his comments that these are difficult issues and that certainly they can provoke controversy. Dealing with the facts and not the fantasies of the soft on drugs brigade is largely what this report is about. Stopping the importation of illegal substances, educating people about the terrible effects of drug use and abuse and providing practical assistance, support and rehabilitation to help them overcome their addiction is the way forward to a drug-free Australia. I commend to the House the report of the Family and Community Affairs Committee inquiry into substance abuse and support the implementation of all its recommendations.

Ms HALL (Shortland) (11.08 a.m.)—My involvement in the Road to recovery: report on the inquiry into substance abuse in Australian communities of the Family and Community Affairs Committee was in the last parliament. This was an inquiry that a number of us fought very hard to see come to fruition. We recognised the fact that there was a problem in our community with both licit and illicit drugs. Looking at the terms of reference for this inquiry, I see that licit drugs are mentioned—alcohol, tobacco and over-the-counter prescription medicines—which are causing much more pain, hurt and cost to our community than illicit drugs. But it seems to me that members on the other side of the House are ignoring these important drugs and the impact they have on our community.

To see the impact these drugs have on the community, you only need to refer to the costs and the burden of the different drugs. The Alcohol and other Drugs Council of Australia points out that one in five deaths in Australia is drug related, but tobacco and alcohol are responsible for the vast majority of these drug related deaths. The use of tobacco accounts for 80 per cent of related deaths and around 60 per cent of all hospitalisations, while the use of alcohol is responsible for around 16 per cent of drug related deaths and 30 per cent of all drug related hospitalisation. The illicit drugs are responsible for four per cent of these deaths and hospitalisations, and I will also be talking about that in my contribution.

I have to say that at the start of this inquiry I was very unprepared for what I was going to encounter. I went into it like a babe in the woods. I have children of my own, and none of them have any drug or alcohol problems, although at times I am sure that I have seen them drink a little bit more than I would approve of. I am a very temperate person; I have a very occasional glass of wine, as Deputy Speaker Corcoran can attest, and I did smoke when I was younger. My family has never been touched by a person suffering harm from illicit drugs, but my family has been touched by people suffering from alcohol and tobacco addiction. One of my aunts, a very respectable woman and a person who would never have thought of voting for anyone in the Labor Party and who had associated herself strongly with the other side of

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this House, died because of her alcohol addiction. My father had his voice box removed and he died from cancer related to his nicotine addiction.

These are enormous problems in our community, and I really think that to a large extent the focus of this committee’s report has been on illicit drugs and the impact that they have in the community but ignored that bigger picture. I suspect that with its statements of zero tolerance for any form of drugs it is not referring to zero tolerance of tobacco or zero tolerance for alcohol. I think that, to some extent, the committee has really missed the point in the final report that it has brought down.

As I said, when I was involved in this committee in the 39th Parliament we put together a discussion paper titled ‘Where to next?’ I felt that we were then linking to the real issues in the community: we had linked to alcohol and cigarettes, and we had also spoken with people from Indigenous communities—there was a wide range of people. But the committee in the 40th Parliament seems to have changed direction. I do not know what happened. I do not know how the members of that committee missed the all-important things that we saw in that committee.

I would like to now turn to the issue of illicit drugs and the recommendations that have been brought down by this committee. I do not see how you can actually separate prevention from harm minimisation. I do not see prevention as having police on every corner; I do not see that prevention is being just tough on drugs; I see prevention as being a lot different from that. When you are looking at prevention you have got to look at our society as a whole. I actually think that the problems that we have with people abusing all sorts of drugs are linked very strongly to the type of society we live in. We need to be a society that is inclusive, and I think we are failing there. There are so many people that are being excluded from our society these days. If a person is finding it difficult to find a job, it is their problem; if a person has some type of problem, quite often it is turned back on them. Rather than us as community embracing them and trying to help them through the problem, we are blaming them for the problems that they have.

Until we look at the causes of all forms of drug abuse—the dislocation, the unemployment, the homelessness and what causes those problems—I do not think anything will change. I think the problem will continue to grow. There is also the fact that feeding people’s addictions, no matter what kind of addiction it is, is very profitable—be it for the tobacco company, the hotel owner selling the alcohol, the distiller of the alcohol or the Mr Bigs out there on the street exploiting people’s weakness. They are making enormous profits out of the hurt and pain of people who are suffering from one kind of addiction or another. It is very sad that, in its report, the committee has failed to home in on that and to make some strong recommendations that could lead to social inclusion rather than social exclusion.

I would like to spend a couple of moments talking about what was for me the most moving part of the committee hearing—a part that made me realise how lucky I was as a parent. At Fairfield council we heard evidence from a group of parents who had lost their children. I forget exactly how many members of parliament were there—I think at least six—and I can say that there was not a dry eye amongst them. You hear the stories of these young people and of their parents’ plans and dreams for them; you see the photos of children full of hope—and then you see the results. Julia Irwin had to leave the room, because she felt exactly the same way I do. And then you see a report like this come down, recommending that you punish
these people—not recognising the kinds of treatments and strategies that could be introduced and that would really impact on changing things for the better.

To say that harm minimisation is not the way to go is ignoring all the evidence. Countries that have gone down the track of introducing very strong harm minimisation policies have had a much better outcome than those countries that have followed the tough on drugs approach. This is evident when you compare the outcomes of Sweden’s policy with that of other countries. It is very important that we have a policy that works towards prevention, but it is also very important that we look at the evidential base that shows the value of harm minimisation programs. The methadone program is one such example. It is our most successful program in Australia. It does not result in a person being drug-free but it does result in a person being able to function in our community and being a meaningful member of our society. I know that people on the other side of the House feel that that is not the way to go, but the evidence supports that it is the way.

I know this report comes out very strongly in favour of naltrexone. I have to say that it is very much a quick fix solution—a person has a rapid detox, goes onto naltrexone and then they are supposed to be able to go out and function. But it is actually quite dangerous because people will stop taking their medication and then use the drugs again and have a much lower tolerance. I will not go into all the details but those people who have read anything on the matter know that is true.

Years ago I was involved in working with people who were alcoholics. They were on a program called Antabuse where they would take their tablets and then they would not drink. I was working with them helping them get back into the work force. It was great, you had these people who were functioning very well and you would get them a job. But within a week they would be drinking again and they would be in a worse situation than they had been in at the beginning. That happened with all of them. One of them was murdered. I got him a great job but he started to drink and ended up in a situation where he was murdered. Antabuse is very similar to the naltrexone program.

I would argue very strongly that the way that you need to treat a person who is suffering from an addiction to narcotic is through detox and rehab. But it does not finish there. You need ongoing support. You need a long-term program. You do not need any sort of quick fix. The life of a person who has a drug addiction, and the lives of their friends, family and fellow addicts, revolve around that drug addiction. What you need to do is bring about a total change because by giving up that drug, addicts are giving up their family and their lifestyle. They are, to an extent, giving up who they have become. They need to find a whole new group of friends and a new lifestyle. It is a major life change.

I am so disappointed with this report. It was a unique opportunity to take us forward in Australia and look at the things that underlie this enormous problem facing our society. I think the report has missed the point. I hate to say this but I am very sorry that I argued so strongly for this inquiry. I wish it had never happened because I believe it has taken us backwards rather than forwards.

Mr CADMAN (Mitchell) (11.23 a.m.)—This is a very comprehensive report. The previous committee spent a lot of time travelling Australia making investigations with a total cost to the parliament of some hundreds of thousands of dollars. The new parliament had a new committee and the inquiry recommenced, trying to pick up the pieces—as often happens with
many reports—of the previous committee’s efforts. We benefited from the continuing members on our committee and we also had new committee members.

The report is very comprehensive. The majority of the report, I have to say—unlike the public presentation—deals with tobacco and alcohol and treatment programs of all types. If you count the pages, two-thirds of the report deals with those drugs that are legal and that cause huge damage. I would like to touch on those briefly. There is no doubt about alcohol being an absolutely serious and deadly drug for young people and pregnant women in particular. Both those groups seem to fail to understand how dangerous their consumption of it is.

Young people in particular seem to feel that an escapist approach is one from which they can recover very quickly. We took evidence on the development of so-called binge drinking and, whilst there is no doubt that it can be very much part of a young person’s lifestyle, we felt that the remediation of that process had to go beyond pure education, because we have already had many alcohol education programs, such as the drink-driving blitzes by state governments to stop the mixing of alcohol and driving.

Based on all the evidence we took, we decided that there needed to be a change in the labelling processes. We want the risks of alcohol use to be put on the labels of alcoholic drinks. We want a tax on the alcoholic content of a product. The raw content of the designer alcoholic drinks that young people are drinking now is marked on the bottle, but the source of that content—whether it be spirit, wine or some other form of alcohol—is not marked, nor is there any indication of the risk factors associated with those drinks. We also think that doctors, parents and schools need to redouble their efforts in explaining the problems that heavy consumption of alcohol can cause, particularly to pregnant women and young people.

The next area that we applied our minds to was tobacco. This is a very difficult area to deal with because, although it is a terribly addictive substance, it is legal. And it has a high cost factor. I would like to indicate to the Committee some of the costs. An average male smoker smokes 111.8 cigarettes per week compared with female smokers, who smoke 106.5 cigarettes per week. The problem is that teenage girls are increasing that rate very quickly. I think there may be a presentation health figure to match the model driving factor here, but it is hard to identify it. According to Collins and Lapsley, 224 deaths, 77,950 bed days and $47.6 million in hospital costs are attributable to involuntary smoking. As you can imagine, the cost of voluntary smoking is massive. There are a number of recommendations in the report, but the one I think is most significant is that we ought to do more research into why people start smoking. I do not know that it is completely due to advertising; I think there must be a number of factors involved—peer pressure and a whole range of things. We do not quite know what the causes or reasons are.

One of the startling findings of this report is the change in attitude to cannabis. There is irrefutable evidence taken from around the country about how dangerous this drug is, despite the people who say it is a recreational drug and despite Bob Carr saying you could smoke it in hospital. The committee really could not come to a conclusion about the use of cannabis in hospitals, but we certainly came to a strong conclusion about the damage cannabis does in all its forms. There is no doubt that the strength of cannabis has changed with different forms of production. But the thing that led to a conclusion that we need to look at this seriously is the prospect of roadside testing for cannabis use. The impairment to driving is quite startling. One joint—one cigarette—is enough to produce a massive impact on a young driver.
Mrs Irwin—Where is the scientific evidence of that?

Mr CADMAN—The scientific evidence from Victoria is irrefutable. We even had one person—it is recorded in our report—saying that they thought that cannabis users were safer drivers because they drove more slowly. In fact, they are so impaired by cannabis for the process of driving that we are led to believe that cannabis could be as, if not more, dangerous than alcohol.

The recommendations of the committee with regard to cannabis are basically these: to widely disseminate information and to inform the Australian community about the level of cannabis use, including impacts on mental health and the possible gateways to addiction to other drugs. The committee believes that, in the absence of proven treatment for cannabis dependency, and in view of the health and psychological harm that cannabis can cause, it is vital for that information about the severe negative impacts of cannabis to be made widely known. It is concerned that there are serious dangers associated with regular cannabis use. Possible links between cannabis and opioid use are not understood. It is alarmed that, according to the 2001 national household survey, cannabis was offered or available to nearly a quarter of Australians and to nearly half of the 14- to 29-year-olds. The committee believes that it is particularly important to provide credible, accurate and comprehensive information on the dangers. It notes that mental health and opioid use is linked to cannabis use, and it believes that the body of evidence supports real concern about the impact of cannabis use on mental health in conjunction with other drugs—that is, polyuse of drugs—and as a gateway to addiction. The committee says immediate efforts should be taken to inform the community about these concerns. That is serious stuff, and it is time that Australia changed its outlook on cannabis. It is not a safe drug. It is not a recreational drug.

The role of families in all of this is something the committee gave attention to, and we felt that there is not sufficient support or information for families. There are very few family based programs Australia wide that can really offer comfort and support. ‘Drug proofing your kids’, run by Focus on the Family, is one program that I am familiar with. It has had a wide impact and a good educative effect on a wide range of families. Many of these programs are not adequately funded. Resources are something that concern the committee, because the resources seem to be hived off into the research institutes, where the results are very slow in coming forward and produce very little impact on the ground where the real harm is being done, where people are. The programs that actually get people out of danger, that establish a rehabilitation program or that offer, once detoxification has taken place, opportunities for re-establishment of social contact and a productive life are very thin on the ground and very difficult for parents to find.

The one traumatic thing for me, despite the human tragedy of all of this, is the fact that there is no adequate application available to the community to take action on behalf of their loved ones or other members of the community. I think that the priorities have been wrong or they need changing now. Too much has been focused on finding out who does what and why. The focus should be on ‘Let’s try to get some results for people who are dependent on drugs.’ There should be such a focus, and this is what the report does, despite what is being said about it. It proposes something for everybody. It looks at youth at risk and what programs should be put in place for youth who can be identified as being at risk. Wesley Mission have a program in country towns that looks for kids who might be suicidal and takes remedial action.
The identification in schools and in the community of networks of kids and young people who are facing risk is something that this committee feels strongly about. There is a strong commitment to a rescue opportunity for every person in this proposal. There is a range, a multiplicity of opportunities. The goal is to have these people—anybody—free of the addiction. Some will go back and back. I know that happens. It is sad, but until that certain thing happens in a person’s will or outlook to say, ‘I want to beat this’ then we have to accept that in some instances it will take a long time.

But we should not give up trying, and that appears to be the whole argument we are having. This is an unnecessary and stupid argument, if I may say so. The branding of zero tolerance implies that some people do not accept that there should be zero drugs in our community—they accept that there should be drugs, that there needs to be drugs; that is the alternative argument, and it is a stupid argument too.

Mrs Irwin—Rubbish.

Mr CADMAN—It is a stupid argument. I have never seen anybody try to defend an alternative point of view to zero tolerance. We should not tolerate drugs. People on drugs we should tolerate, and we should try to help them, but we should not tolerate what is causing the problem. We should not tolerate the people supplying drugs either, because inherent in what you say is an acceptance of the supply process. I have not heard those in the Australian Labor Party who put in the dissenting report say, ‘We are opposed to drugs. We are opposed to the drug trade and we will do everything to stop it.’ That is not what they are saying. That is what the government has said. The government has produced great results with its Tough on Drugs program. It has cut down the supply, it has stopped the number of deaths and it has taken preventative measures and it can demonstrate the results of these programs far more effectively than any other statistics that I know of.

The argument seems to be about methadone. I would invite everybody to go and have a talk to Dr John Currie at Westmead. He has been bagged by Dr Wodak and others for his attempt to get some users who want to get off drugs to use the naltrexone program. Dr Currie was bagged by the medical community of Sydney when he produced positive results for the use of naltrexone. He has been proved right—not for every user, but for some—and they ought to be given the opportunity to use naltrexone, and that recommendation is in here. It is something that the opposition, except for a few of their number, have not supported. I think it is time that we offer opportunities to escape for everybody. We ought to be offering sensitive follow-up programs because the real risk is not at the detox point but after that: when families walk away from their responsibilities, when loved ones leave them and they go back to their old mates, their old haunts, their old associates and get back into the drug scene again very quickly.

That process is something that our community is not giving any attention to whatsoever. Our community has walked away from that responsibility, and there are only a few groups prepared to pick it up. One I want to mention in particular is Teen Challenge. This is a rescue team for young men going out into the community, grabbing them and doing great work with them in Sydney, Wollongong and Perth. It is a wonderful thing to see young men who have recovered through this process supporting each other, talking positively about how drugs can be beaten and encouraging others to join a process of escaping the dreadful scourge of the drug scene. For anybody to say that the process presented in this report is narrow is mis-
It talks about harm prevention and treatment; it does not talk about zero tolerance in any part. Those words are not used. This is about harm prevention and treatment. What could be more reasonable, what could be more compassionate, what could be more thoughtful or practical than a report that proposes that approach? It is far better than anything that the previous government did and it is far better than anything proposed by the members of the Australian Labor Party.

A division having been called in the House of Representatives—

**Sitting suspended from 11.38 a.m. to 11.53 a.m.**

**Mrs IRWIN** (Fowler) (11.53 a.m.)—When the substance abuse inquiry report of the House of Representatives Standing Committee on Family and Community Services was tabled last Monday I was able to make only a few brief remarks and the time available did not give me the opportunity to fully explain my position on many of the committee’s recommendations. In dissenting from 10 of the committee’s recommendations and two conclusions, along with the member for Cowan and, in part, the other Labor members of the committee, we have expressed concern for what we saw as a change in the balance of the National Drug Strategy. As the report explains at section 11.22:

One of the features of the National Drug Strategy is its balanced approach. Balance is sought between supply reduction, demand reduction and harm reduction ...

Section 11.22 goes on to say:

The Alcohol and Other Drugs Council of Australia saw the National Drug Strategy’s approach as one of its strengths which has contributed to placing Australia at the forefront of drugs policy internationally. That is a fair assessment of our standing in the international community in terms of our drug policies in Australia. As I mentioned in my speech on the tabling of the report on Monday, I visited several European countries in April this year. I might add that it is a great pity that the committee did not have the opportunity to see the programs that I was able to see in Zurich and Frankfurt. One thing that I can confirm from every agency that I visited overseas is that Australia is recognised as a world leader in the treatment of drug addiction and that our record in minimising harm, particularly the spread of HIV-AIDS and hepatitis C, is the envy of the world. That is why I am so concerned at the prospect of changing the focus of our drug strategy. Here we have the Alcohol and Other Drugs Council of Australia praising the balanced approach of our National Drug Strategy, but government members of the committee want to change the focus from harm minimisation to what they call harm prevention.

As I stated on the tabling of the report, I am suspicious of changes which would seek to bring Australia into line with the approach of the United States, an approach that was very heavily pushed at this year’s Commission on Narcotic Drugs in Vienna. Let me be quite open about this: what I sought in recommendation 122 was to include the key principles of harm minimisation within the strategy of harm prevention. The two must go hand in hand—harm prevention and harm minimisation. We need a balanced approach, but that was not to be the case. As I said in our dissenting report:

The consideration of evidence, the conclusions reached and the recommendations made must be seen as coloured by the personal views of committee members (including ourselves). This can be a strength of the political process. After all, elected representatives should be a sounding board for the views of the electorate. What are seen as socially acceptable recommendations can be expected to prevail.
But here we have thrown out the window the results of scientific studies and the reasoned views of the Alcohol and Other Drugs Council of Australia. Our role should be not to echo the voice of the electorate but to temper it with the logic and reason of scientific evidence and the considered views of those charged with the responsibility to deal with these problems. That is what a number of the committee’s recommendations fail to accept. We cannot hold health professionals accountable for policies which are imposed on them. It is not just a matter of deciding what is or is not socially acceptable; it is a matter of deciding what works and what does not work. Governments can always claim credit—as government members on this committee have done—when things go right, but they rarely accept the blame when things go wrong. That is why we need to listen to the objective evidence of those who practise in this field. We may not like what they say, but we ignore their advice at our peril.

I turn to some specific recommendations which we dissented from. In recommendation 21 our objection was to the inclusion of the clause ‘with the ultimate objective being to obtain a drug free status for the client’. In recommendation 52 a similar clause was objected to. It recommends that when providing:

- methadone maintenance treatment to save lives and prevent harm to people dependent on heroin, the ultimate objective be to assist them to become abstinent from all opioids, including methadone ...

As you can see, that includes the magic words—‘prevent harm’, but it insists on the goal of achieving abstinence. This may sound like a worthwhile objective, but is it achievable? Here the scientific evidence is not encouraging. Professor Richard Mattick of the National Drug and Alcohol Research Centre at the University of New South Wales told the committee:

> Only one-third of heroin addicts achieve and maintain abstinence. For the remainder, heroin dependence is a chronic, relapsing disease. We have to talk about management not cure.

That is the scientific evidence. We might like to see some glimmer of hope for heroin addicts, but the facts remain: heroin dependence is chronic, it is a relapsing disease and we have to talk about management, not cure. But I have to admire the committee for its optimism. Even knowing what Professor Mattick had to say, the committee goes on, in recommendation 54, to talk about funding for the treatment. It says:

> … governments ensure that sufficient funding is available to treatment services to provide comprehensive support to opioid dependent people who are receiving pharmacotherapy:
- for as long as it is needed to stabilise their lifestyle;
- if possible, to assist them to reduce or eliminate their use of all opioids, including methadone ...

> … give priority to treatments including naltrexone that focus on abstinence as the ultimate outcome.

I admire the committee’s optimism, but naltrexone is not a magic bullet when it comes to treating heroin addiction. Professor Mattick is again quoted in the report:

> … in treatment with naltrexone, compliance is poorer, and the risk of death and overdose is higher when treatment is ceased or intermittent.

Behind these recommendations is the moralistic viewpoint that only abstinence based treatment is acceptable. This is very much the case for funding of drug treatment programs in the United States of America. Abstinence based treatment is a zero tolerance strategy by another name. High-threshold methadone maintenance, which ceases when a client relapses, and constant pressure to move on from methadone maintenance lead to a revolving door cycle with
addicts moving in and out of treatment. That is what is already happening with long waiting lists and reduced funding for methadone programs. That is what a focus of harm prevention leads to. That is what happens when the focus of harm minimisation is dropped: other key parts of harm minimisation will always be affected. Needle and syringe programs are already under attack.

The most effective measures in reducing the spread of HIV-AIDS and hepatitis C are facing cuts in funding and restrictions on supply sites. HIV-AIDS infection rates for intravenous drug users are less than three per cent in Australia—thanks to harm minimisation. In the USA, they are 10 times greater—more than 30 per cent. That is the result of harm prevention strategies. That is where Australia is heading if we go down that path.

The committee’s refusal to even consider the benefit of safe injecting room trials is an indication of this hardening attitude towards one of the most effective means of reducing deaths from overdose. The only people who are concerned that harm minimisation is sending the wrong message are those with moralistic viewpoints who cannot see reason when it comes to setting a workable strategy for saving lives and minimising the risk of harm to the greater community. But they do not care about the lives of the victims of substance abuse. Their view is that ‘the wages of sin is death’. That is the consequence of taking illicit drugs.

This report sends a disturbing message to the many dedicated professionals in the field of drug and alcohol treatment. The social workers, the doctors and nurses, the counsellors, and even the nuns who visit people in jails, are already facing cuts to their funding, which severely limits what they can achieve. The message this report sends them is that they are not making a worthwhile contribution. The people who work with alcohol and illicit drug victims work in some of the worst conditions imaginable. Their work is far from glamorous. They do not provide miracle cures, but they do keep people alive. This report is a slap in the face to them. It fails to recognise the value of their work and condemns them to a future of meagre funding and the frustration of being forced to turn away so many clients who are desperate for help.

The big dollars will go to the public relations firms to dream up another fridge magnet to fight the war on drugs. This report is a great disappointment to those many dedicated people in the field of drug and alcohol treatment. Those people came before the committee in the honest belief that their concerns would be listened to, but it seems they were just wasting their time. After years of fighting for every scrap of funding, they feel like they have just fallen down the biggest snake on the board of the drug-funding game of snakes and ladders. The ray of hope that this inquiry offered has been snuffed out by the blinkered vision of political opportunism of some members of this committee.

This inquiry covered many other areas of concern, and I know I have concentrated on only one part. Of the 128 recommendations, our dissenting report only covered 10, but they were some of the most important and far reaching in their impact on drug policy in Australia.

In conclusion, I note that Australia’s National Drug Strategy is at present under review. That review will include an assessment of the national drug strategic framework on reducing supply, demand and harm to individuals and the community. The final comments of the committee’s report makes a recommendation seeking to change that strategy from harm minimisation to harm prevention. The report asks that its recommendations assist in the formulation of the next stage of the National Drugs Strategy. Our dissenting report makes it clear that the
committee’s view is not unanimous and that an alternative view on drug strategy is strongly advocated. I ask that the Ministerial Council on Drug Strategy give due consideration to the views expressed in the dissenting report. This government and this Prime Minister are closing the doors on the lives of people with a drug addiction. Those doors should remain open.

I would like to extend my thanks to a number of members of the committee’s secretariat, especially in the 39th Parliament when we did the bulk of our work. To Trevor Rowe and to Shelley McInnis, who did an excellent job, and to the 40th Parliament staff, Beverley Forbes, Margaret Atkin and Belynda Zolotto: thank you.

Mr CAMERON THOMPSON (Blair) (12.08 p.m.)—I found my involvement in this report of the House of Representatives Standing Committee on Family and Community Affairs into substance abuse to be of some considerable pride and I am very pleased with the recommendations that have been brought down as part of this report. I am disappointed with the comments of the member for Fowler and I am very disappointed with her attitude to the receipt and tabling of this report. From what I can see, the report is a big success and so the member for Fowler and other members of the ALP want to blow it up. They want to destroy this report, they want to discredit it, and I think it is a shameful attitude for her to be taking.

I have to say that it is not all of the members of the ALP who are taking that position. There have been people on this committee from the ALP who have been very balanced and measured in their approach. But this sudden invective from the member for Fowler—which was not a feature of her behaviour during the committee process—is manufactured. I do not think it is entirely in keeping with the spirit or the outcome of the inquiry. To have been so outrageously full of invective that you would try to bring down such an effective report I think is shameful.

Mrs Irwin—What about saving lives?

Mr CAMERON THOMPSON—This is a report that is long overdue, and it is shameful for this member opposite to continue to undermine such an effective report. I think this chamber would be a lot better once she has left, because it is shameful to have such a cooperative attitude being undermined in this way.

I do not know what she is looking to do—maybe she is trying to build a bridge for some criticism of the government. You could hear that in her speech, which ended with a whole lot of waffle about the attitude of the Howard government. This is not about the Howard government; this is about a bunch of members who have been going around the countryside interviewing people and looking at the reality of substance abuse. They have not just been looking at some policy document and trying to tick off where it might fit with the politically correct views of your political party.

As the previous speaker outlined, this committee has been inquiring into this matter for two parliaments now. It has met all these people and we now have the outcomes. Her criticisms, for example, of the whole naltrexone thing were the words of a dinosaur. Things have moved on, and we found that in the later part of the study. I have to admit that I was not part of this committee in the 39th Parliament—maybe there were other things found then—but I know what was found in our exposure to the naltrexone issue this time around. I believe it showed very strongly to all members of this committee that it is time to move on.
It is time for people in the drug industry to be held to account. When I say the drug industry I am talking about the industry that lives off drugs—for example, the people, whether administering methadone, naltrexone or something else, who think: ‘I have a little bit of dogma here. This is my living and so therefore it must continue. This is about me and my living, not about the treatment of people or trying to assist them.’ Of course they will tell us, ‘We are trying to assist. My strategy—my methadone or my naltrexone—is so good that everything else should be excluded.’ We found in this report that what is required is a mix. There is a place for naltrexone, as there is a place for methadone, and as there is a place for Odyssey House and those sorts of groups that do such fantastic work in assisting people to take drugs out of their lives.

Here I am talking about the debate over heroin, and this is what has made it so emotional—and, I suspect, why the member for Fowler has gone totally off the planet. As Harry Quick was saying the other day, there are so many other things in this report. But to blow it up because it does not fit with your particular piece of dogma is absolutely abysmal; it is a shame. This parliament deserves better from the people in it. People in the community are doing good, hard work. Whether their particular thing be naltrexone or methadone, those two camps are still doing good work. This report validates the work of both, but it recognises that they have to learn to communicate and work effectively together to take the strengths of both those programs and use them effectively.

As I think we were taught along the way, there has to be an end goal. You cannot have a drug strategy whereby you park people in limbo forever. This is a hard thing because sometimes people become so hugely dependent that that is not entirely possible. It means taking very small steps, and sometimes the steps become so small that they are almost non-existent. I can understand that. I understand why that happens. The members of this committee could see that.

I am appalled that, from the moment the report hit the deck, we have had this absolutely disgusting and insidious campaign to destroy the good work in here. I think that everybody ought to have a cold shower—they should not be looking for problems in this. I do not think anyone producing a report has ever got it entirely right—and there may be things that you can talk about there—but, overwhelmingly, this is good stuff. Those people who are affected by drugs in our community need to know that there are people who care, and they need to know that the people who do care are going to get some response from this government and from this opposition. All parliamentarians need to focus on this issue and to make sure that what we do is honest and genuine and is not confected. What I have seen from over there is a lot of confection.

I know that not all members of the ALP have that kind of confection in their minds. The idea of manufacturing a secret agenda by the Howard government to come up with some sort of dogma that will undermine their particular piece of dogma—which a pile of nonsense! That is nothing. That is just peripheral stuff. Focus on the main game. There is so much of this that is the main game. Let us just focus on that and come to grips with it.

For example, take the tobacco issue. I personally thought it was great that we had a recommendation that said we would look at the price elasticity of tobacco and focus on that as a way of getting people to stop smoking—to take price elasticity and see what type of price increase you can introduce that results in people stopping smoking. I suspect there are a hell
of a lot of Treasury officials—not just in this government but in state governments—all over Australia who spend their time trying to figure out just how much you can raise the price of tobacco so people will not stop smoking, because that is what gives you the best revenue outcome. What I am talking about is: what is the increase in excise or whatever—the price of tobacco, anyway—that will actually turn people off? That is a worthwhile thing.

To go back to the main game that I am talking about here, which I think is the source of the real angst in this debate, there has been good work done by the committee in looking at the question of prisons. This is a limbo land at the moment. In prisons there is some thought in everything that is going on, but there is a real lack of effective focusing on the prisons as a location within which an illicit drug culture is driven on and on in perpetuity. I think we have opened up a debate here. I am not one who argues that everything in this entire report should be absolutely sacrosanct; I am one who says that we have perhaps made some mistakes but, overwhelmingly, we are correct. What we are really doing is starting a debate that people can focus on so the government can say, ‘Hey, look what they’ve said about all these prisons,’ and the state people who administer the prisons can look at that and start taking a good, hard look at themselves and the way they are managing these prisons.

In the report we have got some pretty basic, straightforward proposals. There is the idea that personnel working in prisons should be subject to mandatory random blood and urine tests. That is one good way of ensuring that we have got an environment among the people working in the prisons that is antidrugs and that is focused on making sure that the administration of this particular area is entirely honest and correct. There is the idea that we should be looking at what is best practice in the nation and implementing that in our prisons for the care of people who are subjected to drugs and making sure that whatever strategies are in place for their release do not result in them immediately resuming use of drugs and the other things that come out of that.

The real core of this is in recommendation 94, where we are talking about having drug-free units within prisons, having voluntary admission to those units, having blood and urine tests of the people who are in those units and using remission as an incentive for people to be involved in those units. There is also the idea that the authorities should be looking to assess immediately the drug status of every single prisoner as they come into prison. The thing that really got me is that we have always had this idea that when you establish a prison you should not put the newcomers in with the hardened criminals. There is also, I think, an element of drug culture that relates to that. I do not think you should put people who have perhaps experimented with drugs in with people who have been hard drug users and who are seasoned in their approach to drugs and committed to a life with drugs. I think it is important that prisons learn to give people support in ending their use of drugs and in focusing on advancing their situation rather than put them in an environment where the use of drugs could turn back in on itself.

People unfortunately do not recognise the fact that the prisons themselves are contributing to this problem over time. People return again and again, and it reinforces the behaviour. I think the authorities have tended to overlook and not focus on the needs of people in prisons in relation to drugs. They have just said, ‘We’ve got them locked up—that is the sentence. We do not have to care for them necessarily when it comes to their drug habit or how that might be properly administered.’ There have been some efforts made, but really the guts of what we
are saying in recommendation 92 is that the treatment applying in those prisons should be at the same high standard as that we aspire to apply in the community. Of course it should be. That is exactly what we should be doing. At the moment we turn those people loose and have them subject to a period within which there is a very fragmented and not very appropriate form of treatment. I thought that area of the report was different—the committee had unearthed something. There is so much in the report that is common discussion among everyone in the community, but that was an area in which I really thought we struck on something that was different and that really does need attention.

Then there is the proposal that there should be a trial of naltrexone implants. Unlike everywhere else in the community, here we have people in a situation where they are locked up. We talk about drug-free units. The thing about naltrexone is that it is completely incompatible with any opioid in the system. When people are in a position where they are entirely drug free that is probably an environment in which you can administer it very effectively. That comes back to the issue about horses for courses—we have to validate how effective naltrexone can be but we have to look at how valid alternative treatments can be. We have to be prepared to look at that when people come into a clinic. Instead of looking at it from the perspective of promoting one particular form of care, we have to ask, ‘What is genuinely going to serve this person the best?’ and direct them that way. That is the guts of this report and that is what I think is so wonderful in this area.

I commend the members of the committee. I thought that Kay Hull did a brilliant job of taking an issue and bringing it to resolution. I think that, cooperatively, the members of the ALP and the members of the government work very well together. We are now engaged in another very sensitive and very difficult inquiry. I really do hope that we can be as effective in producing a good outcome in that regard as we have been in this one.

Ms GEORGE (Throsby) (12.23 p.m.)—I became a member of the House of Representatives Standing Committee on Family and Community Services halfway through the task that the committee had started in the previous parliament. Essentially what I wanted to get out of my work on the committee was a sense of what I could do to assist my constituents and the families in my electorate who have come to me with problems predominantly to do with substance abuse and opioid dependency.

When I came into the parliament I put some fairly basic questions on notice to the Minister for Health and Ageing. I wanted to know the service providers in Throsby and the wider Illawarra area who were offering treatment for people with a drug dependency and the nature of the treatment and the services. I wanted to know, dealing with these issues on the ground, about the correlation between mental illness and drug dependency. So I asked what facilities existed for the treatment of people in this category—that is, those with a combined mental illness and dependency on drugs. I wanted to know how many detoxification beds were available and how many residential rehab beds were available locally so that when people came to me seeking assistance I could put them in touch with a range of services and know that those facilities existed and were available when people wanted to access them. I was quite shocked to get a response from the minister which basically said, ‘There’s not much we can do at the federal level to answer your questions. You’d better direct your inquiries to the state government because it is primarily their responsibility’.
I was quite alarmed by that and, when I started to work on the committee, I was even more alarmed that in the course of the work that we were doing we were not as a committee able to get access to any national drugs database which could comprehensively show the range, capacity, nature and location of drug treatment services across this nation. So, despite the millions of dollars that have gone into this very important issue for our nation, we were not even able to access the most elementary data to inform the work of the committee.

The committee was told in May 2001 that the national body was seeking to commission a project to provide such basic information. In recommendation 14 the committee expressed its dismay at the inability of the ‘system’ to provide a comprehensive approach to the issue of practical support for people with a substance abuse problem. We further recommended, just to ensure that in future we have a more comprehensive body of information to work from, that any organisation, non-government or state, in receipt of Commonwealth funding for drug related programs be compelled, as a condition of receiving that funding, to provide relevant information for the national database. So that very lack of basic information was one issue that really disturbed me.

The second issue that disturbed me as a member of the committee was the inadequacy of funding and the unavailability of basic services when people desperately need access to them. Wherever we went, the issue of shortages of detoxification and rehabilitation places was very evident. The committee makes the point that it is vital that places be readily available to those who need them in a variety of settings, both residential and non-residential and, very importantly, that the services be able to be accessed wherever people live. We believe that there should be a balance between residential and non-residential assistance.

The basic funding levels that have gone into this very important area are too low and the outcomes sometimes not clear or certain. I say that basic funding is too low because, wherever we took evidence and heard from people, we were constantly faced with the problem of waiting lists for treatment. We were constantly faced with the fact that people who sought assistance were often not able to get it in a speedy and timely fashion. We were also concerned about the impact of low funding levels on staffing in the sector and on the possibilities for staff to upgrade their skills and undertake further training. We go to the body of the issue of staffing in the sector in recommendation 23.

The gaps that were identified in the course of our work urgently need additional funding and commitment from all levels of government. We also believe that there is an urgent need for better coordination and integration of services. We have to break down the silo mentality and make sure that services across the board are coordinated and integrated to provide the best possible outcomes for people seeking assistance, whether it be for licit or illicit substance abuse.

I want to say little bit about the issue of opioid dependency because, as I indicated, I have had to try to assist local families to get access to services and assistance. Let me begin by saying that opioid dependency is a chronic, relapsing disease. It is an issue that must be addressed within the framework of health services and not, as some would have it, by a zero tolerance approach. In that regard, saving lives and minimising harm will always continue to play an important part in an overall strategy dealing with this issue and, in recommendation 54, the committee makes several important recommendations for the attention of government. We are saying that there is an urgent need for further research and trials of promising new
medications and techniques and, in particular, we talk about the need for more research into the impact of treatments.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The honourable member will have leave to continue speaking when the debate is resumed.

**ADJOURNMENT**

Mrs GASH (Gilmore) (12.30 p.m.)—I move:

That the Main Committee do now adjourn.

**National Security: Terrorism**

Mr DANBY (Melbourne Ports) (12.30 p.m.)—Today is the anniversary of September 11, and the events of international terrorism continue apace coming closer and closer to our country. My constituent Tzippy Cohen fortunately survived the Hamas homicide attack on the cafe in Jerusalem last night. I am pleased to report to the House that, although she is injured, she will survive. We remember another Australian who was very close to many people in the Labor Party, Andrew Knox, who did not survive the unjustified murder of 3,000 people that took place on September 11 in New York two years ago. Like Tzippy, Andrew was a person who had a full life in front of him and, by all accounts, a very bright future indeed.

Terrorism is a problem that the Western world and the developing world—the whole world—have to confront. We have seen the recent events in Bali where nearly 90 Australians were killed. More recent events in Jakarta have seen innocent Indonesian Muslim taxi drivers and hotel workers murdered by people in pursuit of their mad cause. In my electorate there is a great deal of concern about this issue. Some people in this place will have seen the story on the Sunday program about how the Australian Jewish community in Melbourne, members of which constitute a large part of my electorate, and Sydney are concerned about protecting the physical safety of their children and religious places from attacks by these terrorists. I think all Australians and all members of this parliament have a responsibility to see that groups like Jemaah Islamiah, Hamas, and all of these people cannot bring their evil to our country. It is a very important and salient role that all of us have weighing on our shoulders.

Now that I know that Tzippy and some of her colleagues, who are also from my electorate and are on the front page of the Melbourne Age today, are safe, I want to address the so-called root causes that tie all of these incidents together. It is very well explained by an article published yesterday by the senior fellow at Freedom House Center for Religious Freedom. I want to acquaint this House with some excerpts of his analysis. Paul Marshall argues that one distinctive mistake of analysts looking at the goals of terrorists is that they often ignore or misread al-Qaeda or its satellites’ motives. They say they are ‘reactions to Israel, third world poverty or supposed American unilaterism’. This is somehow meant to explain the murder of people all the way from Andrew Knox to the attacks last night, to the blowing-up of Ayatollah Hakim in Najaf the other day.

For instance, the Freedom House analyst asks: why did al-Qaeda attack the United Nations in Iraq? In a post 9/11 video tape justifying his attacks on America, bin Laden declared:
Those who ... continue to appeal to the United Nations have disavowed what is revealed to the prophet Mohammed... Under no circumstances should any Muslim resort ... to the United Nations. The United Nations is nothing but a tool of crime.

Al-Qaeda’s Indonesian franchise, Jemaah Islamiah, gave the reason for the attacks on Australians in Bali when Imam Samudra said:

Australia’s ... aggression against East Timor ... removed it from Indonesia.

In his confession earlier this year, he alleged that Australia had taken part in efforts to separate East Timor from Indonesia as part of an ‘international conspiracy by followers of the Cross’. Samudra’s statements reiterate bin Laden’s earlier audiotape, which stressed that Australian victims were picked partially because of Australia’s ‘despicable effort to separate East Timor from Indonesia’ and because of the ‘crusader forces’. Osama bin Laden attacked Kofi Annan as a ‘criminal’ for putting pressure on the Indonesian government. These Islamic fanatics are not fighting for Third World liberation. They announce repeatedly that they are messianic organisations explicitly fighting to restore a pan-Islamic caliphate ruling throughout the world. They methodically kill people in the UN and non-Muslims, Muslims, Americans, British, Israelis, French or Australians for those reasons, not for any reasons that result from any of their victims’ policies towards them. (Time expired)

Environment: National Threatened Species Day

Mr HAASE (Kalgoorlie) (12.35 p.m.)—I rise today to bring the attention of the House to the fact that last Sunday, 7 September, was National Threatened Species Day, first celebrated in 1996. It is celebrated on 7 September because it marks the date on which, more than 60 years ago, the last Tasmanian tiger died in captivity. Monday, 8 September, saw the presentation of the Hands on for Habitat Awards 2003. I was fortunate enough to join my colleague and parliamentary secretary Doctor Sharman Stone at the Australian National Botanical Gardens at Black Mountain to recognise some of the award winners.

National Threatened Species Day and the subsequent Hands on for Habitat Awards are all about making younger Australians aware of the fragile environment in which we live. Habitat protection is one of the key environmental issues facing Australia today. Habitat change and loss have been and remain the most significant causes of loss of biodiversity. The good news is that with increased knowledge, sound planning and cooperation between government, industry and all members of the community we can work towards protecting native habitats. With the support of the Australian government through the Natural Heritage Trust, local communities throughout Australia are improving habitat, establishing wildlife corridors, fencing off waterways and replanting native vegetation on public and private land.

The important thing about this whole award process is that, out of the 4,000 students who participated from some 214 schools, the electorate of Kalgoorlie has figured well in dispatches. The junior primary award went to Pegs Creek Primary School from my own home town of Karratha. Their entry was of a very high standard. They studied four different Australian habitats: the bushlands, the deserts and plains, the wetlands and swamps, and the rainforests. This year, the year 3 students helped to teach the pre-primary students about habitats and threatened species. Students studied the different food chains that exist in a range of habitats, they brainstormed some of the ways they could help threatened species and they created a poster showing all the different ways. Some of the ideas they came up with to protect the threatened species and their habitats included breeding programs, wildlife parks, research,
planting native trees, maintaining fences, public education and promotion, controlling domestic pets, recycling and supporting conservation projects. Pegs Creek have won $4,000 for their school to fund habitat conservation projects. They are going to use this money to establish a native garden in their school to attract native birds, lizards and insects. They have also won a digital camera valued at over $1,000 and, before very long, I will present them with a framed Threatened Species Day poster as well as Cadbury Yowie gift packs and stickers.

The second award winner from my electorate was none other than 10-year-old Tara Bailey, who received an award of commendation. I was talking to Tara this morning; she is looking forward to her 11th birthday on 22 September. She is from Moradah Station, just south of the Fitzroy in the Kimberley region. Her teacher, Carolyn Hutton, motivated all of Tara’s class into putting some excellent work forward to highlight our threatened species. Tara highlighted the threatened species called the red-tailed phascogale. A huge Australian population of that species has now dwindled to fewer than 10,000 in the south-west wheat belt of Western Australia. It is a sad day when we lose so many of our species.

It was none other than pre-primary teacher Natalie Contarino and classroom teacher Mareesa Buchanan from Pegs Creek Primary School who put so much effort into guiding those schoolchildren through this whole project. Out of the 4,000 participating students right across this nation, those two groups of schoolchildren were well recognised. It augurs well that children from places as far flung as the Kalgoorlie electorate are doing their bit to improve the opportunity for the environment. Knowing that it is in those young hands I think augurs well for the future.

**Textile, Clothing and Footwear Industry**

Mr JENKINS (Scullin) (12.41 p.m.)—At the moment the Productivity Commission is concluding an inquiry into the textile, clothing and footwear industry. This is a subject of great concern in the state of Victoria, and especially in the northern suburbs of Melbourne, which make up part of the Scullin electorate. Not much time has been spent on this issue in the parliament. Colleagues from areas predominantly represented by the Labor Party have come forward and put this issue to the forefront. It is regrettable that on this occasion, unlike with previous Productivity Commission inquiries, members of the coalition who have large TCF work forces in their electorates have not been keen to come forward to try to protect the jobs that remain in the TCF sector. Over the last 10 to 12 years in areas like those represented by the electorate of Scullin we have seen a great decline in employment in the TCF sector.

It seems to me that, at a time when we are making progress, at a time when we are developing export markets, when we are developing the way in which techniques can improve the efficiency of this sector, we should not be contemplating further reductions in tariffs without thinking through the consequences. What has to be recognised is that this sector understands that it has to go through further structural change. It understands that because of the great structural change it has already been through. What it asks is that the effects of that structural change be recognised—structural change which can be characterised by the regional impacts it has had.

Taking the northern suburbs of Melbourne—the municipalities of Banyule, Darebin, Hume, Moreland, Nillumbik, Whittlesea and Yarra—between 1991-2001 the number of those em-
ployed in the textile, clothing and footwear manufacturing sector reduced from 17,831 to 10,165. That is a loss of 7,600 jobs in that decade. As a result of what is contemplated from the Productivity Commission inquiry there could be a further reduction. What characterises the work force that is affected by this? It traditionally has been a larger employer of women than any other sector of the manufacturing industry. It is a large employer of people from non-English-speaking backgrounds. What are their chances when they are retrenched?

Studies by the Monash University Centre for Work and Society in the Global Era indicate that only 21 per cent of people found full-time work subsequent to being retrenched, whereas 96 per cent of the people who were retrenched had been working full-time prior to being retrenched. Less than half the people that were retrenched have found work. Their average incomes have reduced. Many of them have accessed unemployment benefits along the way. Some 14 per cent were still on unemployment benefits. It is estimated that the cost to the federal government of unemployment benefits for these retrenched workers was approximately $150 million in 1997 and that, if the effects of these continuing tariff cuts were put in place, that figure could blow out to something like $750 million by the year 2020.

It has to be recognised that TCF industries are diverse. That diversity has to be recognised. On some occasions it can be people dyeing fabrics, it can be people producing sleeping bags, it can be people producing shoes. The people and the companies that have survived have survived on their ingenuity and innovation. That should be recognised and supported. The contemplation of the removal of the strategic investment program is misplaced. It should be continued and improved. Many of the small manufacturers in my area are unable to access SIP, because they are under the threshold for turnover. They would like it to be not only for plant improvement and replacement but also for promotion and marketing. That would enable them to continue to develop markets—and not only highly value-added niche domestic markets but also overseas markets. (Time expired)

Child Abuse

Mrs MAY (McPherson) (12.46 p.m.)—This week is National Child Protection Week. Parliamentarians Against Child Abuse were asked to show their support for ending child abuse in our communities. It is important that there is bipartisan support to stop this horrendous abuse against our most precious asset—the children of Australia. There was a 42 per cent increase in the number of substantiated cases of child abuse and neglect between 1991-92 and 2001-02. That is a staggering increase and one which should cause all of us to hang our heads in shame. These statistics are a national disgrace. We are talking about the children of Australia, the future of our country.

A recent survey indicated that child abuse was rated 13th as a matter of concern on a list of community issues. The Chief Executive Officer of the Australian Childhood Foundation, Joe Tuckey, described the results of the survey as shameful. He suggested that the results indicate a community in denial over the true extent of child abuse. I agree with Mr Tuckey—it is shameful that our communities are in denial over the extent of the problem.

In the short period of time available to me today I cannot canvass all the issues relating to child abuse—the long-term effects of child abuse on the individual, and the social costs and long-term costs to government of negative outcomes for abused children. I cannot stress too strongly the need for communities and state and federal governments to work together on prevention and intervention programs. I was alarmed to read that state governments have previ-
ously rejected federal support in the area. And then the state premiers walked out of the 2003 COAG meeting before the issue could be raised and discussed. The issue was on the agenda for discussion. That is no way for state governments to behave.

This is an issue we must all work together on. I know that the Minister for Children and Youth Affairs is committed to national abuse prevention strategies, and his department has allocated $10 million for these strategies. The Prime Minister demonstrated his concerns about child abuse by putting the issue on the agenda for COAG. The state premiers should have stayed at the meeting and not walked out. The Minister for Children and Youth Affairs has demonstrated his willingness to work with the states on what is a difficult issue. The minister wants to engage the states, not beat up on them. He wants to work with them and develop strategies and agendas that put first the needs of kids at risk.

It is about education—about educating families. The federal government showed its commitment to child abuse by providing $6 million in funding for early intervention parenting programs. Those programs were announced in February 2001. Over 40 projects were funded around Australia. I understand that the early intervention parenting programs are currently under review, but the programs are still receiving interim funding until the review is complete. I believe parenting programs are essential. I encourage the government to continue funding these programs if the review outcomes determine that the focus continues to be relevant and makes a difference.

I have a friend in Queensland who is child protection worker. She and her colleagues work very hard in this area with little or no support from the Queensland state government. They work with poor resources in an area of immense need. They are overworked and understaffed. Earlier this year child protection workers in Queensland considered industrial action. Those front-line people, who work very hard with few increases in support or resources, had every reason to take industrial action. In Queensland, during the 2001-02 financial year, there were 27,592 child protection notifications. That is 79.6 per cent more than during the 1995-96 financial year. During the same financial year there were 10,036 child protection substantiations in Queensland—an increase of 115.3 per cent since 1995-96. During 2001-02, the number of front-line staff increased by only six per cent. Clearly that was not a big enough increase to cope with the growing demand.

Communities and governments at all levels must take responsibility for educating families. In particular, parenting programs such as the Early Intervention Parenting Project must continue. The Prime Minister also announced funding for 12 child-care neighbourhood hub centres. Family links offices will be located within child-care services in disadvantaged areas to link families to services and resources. These are practical programs that will have some impact. Without targeted programs, the social cost and fallout from child abuse will continue to rise. Research certainly indicates that early intervention programs in the area of child abuse can work. I call on the state governments and the Commonwealth to continue discussions and work on strategies to assist the most vulnerable people in our communities, our children.

Terrorism

Mr RIPOLL (Oxley) (12.51 p.m.)—Today, 11 September 2003, is a special day which means something different to many people all around the world. For me, it signifies three very important events. It is the birthday of my younger brother, born in 1967, so it is a happy day. Two other events also mark this day. One is the CIA-backed coup of 1973—some 30 years
ago—that ousted the democratically elected government of President Salvador Allende and replaced him with the dictator General Pinochet, who would torture and kills tens of thousands of his countrymen. The other significant event occurred two years ago today—the terror attacks on New York and Washington, when nearly 3,000 innocent people from all parts of the world were killed by fanatics.

The world changed forever on September 11 for a few people, then for thousands of people and, more recently, for everyone else in the world. I hoped that after September 11 in 2001 the world would unite to fight terror together, that nations would find a new world order and that hope for peace would herald the 21st century. Unfortunately, this has not been the case. That now seems so distant and out of reach. The world has not learnt—and nor will the terrorists.

For whatever wrongs the US has committed in foreign affairs policy, it has truly paid a very high price—and, with it, so have all other nations. But no country can claim purity and innocence, for all have at some stage in their history, recently or otherwise, committed errors of their own. The cries from some critics that the US deserved what it got are completely erroneous. Mistakes are not erased by terror, nor are they revenged in a confused attack that kills people of all faiths and nations without discrimination.

We cannot allow the terrorists to win. We have been given no option. They cannot win, because they seek to destroy our way of life and take away our very existence. Nothing can appease these terrorists and no diplomacy can prevent their actions. But we do have choices about the future of the world we want to live in, about our alliances and friendships and about how we deal with other nations around the world. These choices are not just for the US. Australia has choices about its relationships with its neighbours in the Pacific and in Asia. We need to send the right signals—that we are with them, that we are part of this region and that we are on their side.

Critics say that history is replete with the blood of war. Nowhere is this more real than in the Arab and European worlds over thousands of years. Singling out the US for special treatment is hypocritical in a world where dictators and despots reign supreme. For example, the excesses of some African regimes promote death and starvation of their own people. Some Latin American regimes are cruel, and there is endless battle in the Middle East.

Today will also signify the week in which the road map to peace between Palestine and Israel came to an end. It is hard to imagine any progress towards peace in a world where suicide bombers seek out innocent people and destroy families. Retaliations for the killings, targeting the leaders of Hamas, will come from Israel; that has been promised by Prime Minister Sharon. So the downward spiral into death and destruction will continue in the Middle East, with little hope in sight.

Today is not a good day or a bad day; it is just a day like any other. The rich of the world will make more money, while the poor of the world will go a little hungrier. Developing nations will continue to struggle against debt and for access to markets, while the developed nations will continue to pay more in subsidies for a single cow than most people pay for food.

Today Australians will remember those we lost two years ago, who did not deserve to die. We should remember them for the contributions they made and the lives they touched. In the few seconds I have left I want to pay special tribute to Andrew Knox, a personal friend of mine who died on September 11. He was a young man who made a huge contribution. The
South Australian government have set up a fund in honour of Andrew and others who died on that day to remember the contribution they made. It is a great pity that through the selfishness of so many people innocent lives have been lost.

**Scoble, Mr John (Jack) Edgar, MBE, OAM**

Mr JOHN COBB (Parkes) (12.56 p.m.)—It is with a great deal of sorrow and enormous respect that I rise to inform the House of the passing of J.E. (Jack) Scoble MBE, OAM. The name ‘Jack Scoble’ was a byword in the central west, and he was one of the most respected people who ever lived west of the mountains. With his passing, we have lost one of the most generous people that ever lived in the back country.

These are just a few brief facts concerning his life. He was born in Cumnock in May 1918. He enlisted in 1940, serving in the Middle East, Australia and Indonesia. His son, Murray, was born in Canowindra in 1946 and his daughter, Alison, was born in May 1952. In 1954, Jack formed Scoble and Nash, a farm machinery and farm supplies retailing business which went on to earn enormous respect. He joined the Rotary Club of Parkes in the same year. In that same year he also became president of the Parkes Primary School P&C Association. In 1962 he was elected as the inaugural president of the East Parkes Primary School P&C Association. In 1966 he was elected unopposed as mayor, serving in that position until 1979. In 1976 he was awarded Membership of the British Empire for services to local government and the community. In 1977 Jack was presented with the Queen’s Jubilee Medal. The list just goes on and on.

In 1996 he commenced research into the incidence of Parkinson’s disease in the central west. Phyllis, his wife of 55 years, died on 16 April 2000. In 2002 Jack Scoble was awarded the OAM for services to local government, the Uniting Church, the community and Parkinson’s disease research.

There are a few more details of Jack’s life that were noted at the time he was nominated for the OAM that I would like to repeat. Jack Scoble was born on 5 May 1918 in Cumnock and completed his formal education in the slightly larger town of Canowindra. After the outbreak of World War II, Jack joined the AIF and served in the Middle East and the Pacific Islands. He married Toowoomba-born Phyllis Avoca Carter on 26 February 1945 in the Albert Street Methodist Church, Brisbane—a partnership that was to extend more than 50 years until she died in 2000. Jack and Phyllis returned to the central west area of New South Wales in 1948, when he was appointed as a representative for a major oil company with his home base in Parkes. After a relatively short time, he joined with two local people to create Scoble and Nash. In 1975 that company opened another branch, in Forbes.

Jack served the public of Parkes exceptionally well for over half a century as an extremely active and respected member of the following key organisations: the Parkes and District Chamber of Commerce; school parents and citizens associations; the Rotary Club of Parkes, which awarded him Rotary’s highest award, the Paul Harris Fellowship, and in 2001 granted him life membership; the first Parkes Industrial Development and Decentralisation Committee, of which he was convener; and the Parkes Tourist Council, which later became the Parkes Advancement Corporation, with Jack as the foundation chairman.

Jack’s contribution to local government in Parkes was exemplary. He was elected to the municipal council in 1962 and in 1966 was elected mayor, retaining that office unchallenged.
until 1979. His 13-year term of service was, to that time, a record as the Mayor of Parkes. He enjoyed substantial involvement in the reestablishment of a student hostel in Parkes and campaigned vigorously to secure tertiary education facilities. He achieved significant enhancement of community life through his involvement in water augmentation and a planned drainage system for central Parkes. The upgrading of sporting facilities during that time effectively positioned Parkes to attract major events for the years that followed. Jack also served with distinction on the Parkes district board, including a term as treasurer; on the RSL sub-branch, as chairman; and on the Parkes Technical College Advisory Committee.

I do not have time to go through Jack Scoble’s life, except to say that, in later years, he was badly affected by Parkinson’s disease. He showed incredible courage in helping people to research that disease— and not for himself, because it was too late for him, but for other people. I had the honour of getting to know him in the last two years and the extreme honour of presenting him with a Centenary Medal last May when, despite his afflictions, he gave a magnificent speech to the people of Parkes.

Question agreed.

Main Committee adjourned at 1.01 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Human Rights and Equal Opportunity Commission**
**(Question No. 1815)**

**Mr Laurie Ferguson** asked the Attorney-General, upon notice, on 13 May 2003:

(1) For the last 3 years for which data is available, how many formal complaints were received by the Human Rights and Equal Opportunity Commission alleging cases of: (a) racial discrimination, (b) racial vilification and (c) discrimination based on religion or belief.

(2) In relation to alleged cases of: (a) racial discrimination and (b) racial vilification, what proportion of complaints were submitted by (i) persons from a non-English speaking background, (ii) Aborigians and Torres Strait Islanders and (iii) persons from an English speaking background.

(3) In relation of alleged cases of racial vilification, how many complaints were made against the media and, of these, how many involved: (a) commercial radio stations, (b) commercial television stations, (c) public radio and television outlets, (d) community broadcasting stations, (e) mainstream newspapers and (f) ethnic newspapers.

(4) Over the same period, how many complaints alleging racial discrimination, racial vilification or religious discrimination: (a) were the subject of attempted conciliation, (b) were successfully resolved and (c) resulted in the payment of damages or another form of compensation to the complainant.

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

(1) For the last 3 years for which data is available, how many formal complaints were received by the Human Rights and Equal Opportunity Commission alleging cases of: (a) racial discrimination, (b) racial vilification and (c) discrimination based on religion or belief.


Based on information provided by the Human Rights and Equal Opportunity Commission:

1999/2000

In the 1999/2000 reporting year:

(a) 299 complaints of racial discrimination were received by the Commission under the Racial Discrimination Act,

(b) 75 were complaints of racial vilification, and

(c) 13 complaints of discrimination on the ground of religion in employment were received under the Human Rights and Equal Opportunity Act.

2000/2001

In the 2000/2001 reporting year:

(a) 267 complaints of racial discrimination were received by the Commission under the Racial Discrimination Act,

(b) 118 were complaints of racial vilification, and

(c) 20 complaints of discrimination on the ground of religion in employment were received under the Human Rights and Equal Opportunity Commission Act.

2001/2002
In the 2001/2002 reporting year:
(a) 186 complaints of racial discrimination were received by the Commission under the Racial Discrimination Act,
(b) 50 were complaints of racial vilification, and
(c) 12 complaints of discrimination on the ground of religion in employment were received under the Human Rights and Equal Opportunity Commission Act.

(2) In relation to alleged cases of: (a) racial discrimination and (b) racial vilification, what proportion of complaints were submitted by (i) persons from a non-English speaking background, (ii) Aboriginals and Torres Strait Islanders and (iii) persons from an English speaking background.

1999/2000
(a) In the 1999/2000 reporting year, of the 299 complaints received under the Racial Discrimination Act:
    (i) 164 were from people of a non-English speaking background,
    (ii) 63 were Aboriginal and Torres Strait Islander,
    (iii) 57 were English speaking background, and
    (iv) 15 were unknown (the complainants chose not provide this information).

2000/2001
In the 2000/2001 reporting year, of the 267 complaints received under the Racial Discrimination Act:
(i) 154 were from people of a non-English speaking background,
(ii) 60 were Aboriginal and Torres Strait Islander, and
(iii) 53 were English speaking background.

2001/2002
In the 2001/2002 reporting year, of the 186 complaints received under the Racial Discrimination Act:
(i) 109 were from people of a non-English speaking background,
(ii) 48 were Aboriginal and Torres Strait Islander, and
(iii) 29 were English speaking background.

(b) There is no separate data on the above categories collected for racial vilification complaints.

(3) In relation of alleged cases of racial vilification, how many complaints were made against the media and, of these, how many involved: (a) commercial radio stations, (b) commercial television stations, (c) public radio and television outlets, (d) community broadcasting stations, (e) mainstream newspapers and (f) ethnic newspapers.

1999/2000
In the 1999/2000 reporting year, of the 75 complaints of racial vilification received:
• 11 were in the area of media,
• three were in the area of public debate, and
• four were in the area of entertainment.

(a) to (f) These complaints were generally against a mix of commercial radio stations, television stations and various print media. There is no data collected outlining the specific number of complaints per type of media category.

2000/2001

QUESTIONS ON NOTICE
In the 2000/2001 reporting year, of the 118 complaints of racial vilification received:

- 28 were in the area of media, and
- one was in the area of entertainment.

(a) to (f) These complaints were generally against a mix of commercial radio stations, television stations and various print media. There is no data collected outlining the specific number of complaints per type of media category.

2001/2002

In the 2001/2002 reporting year, of the 50 complaints of racial vilification received:

- 16 were in the area of media, and
- two were in the area of public debate.

(a) to (f) These complaints were generally against a mix of commercial radio stations, television stations and various print media. There is no data collected outlining the specific number of complaints per type of media category.

(4) Over the same period, how many complaints alleging racial discrimination, racial vilification or religious discrimination: (a) were the subject of attempted conciliation, (b) were successfully resolved and (c) resulted in the payment of damages or another form of compensation to the complainant.

1999/2000

In the 1999/2000 reporting year, a total of 599 complaints under the Racial Discrimination Act were finalised (note that this figure includes complaints lodged in previous years). Of these matters:

(a) 339 complaints were the subject of attempted conciliation,
(b) 304 complaints were successfully resolved by conciliation, and
(c) 264 complaints received financial compensation as an outcome.

Thirty-five complaints were not resolved through conciliation. The majority of matters resolved related to a large number of complaints of similar fact against a State and its historical employment practices concerning Indigenous peoples.

Of the total 599 complaints finalised, 95 complaints of racial vilification were finalised. Of these:

(a) 45 were the subject of attempted conciliation,
(b) 30 matters were resolved, and
(c) six were not able to be resolved through conciliation.

There is no data available for 1999/2000 regarding religious complaints.

2000/2001

In the 2000/2001 reporting year, a total of 405 complaints under the Racial Discrimination Act were finalised. Of these matters:

(a) 209 complaints were the subject of attempted conciliation,
(b) 170 complaints were successfully resolved by conciliation, and
(c) 153 complaints received financial compensation as an outcome.

39 complaints were not able to be resolved through conciliation. The majority of matters resolved related to a large number of complaints of similar fact against a State and its historical employment practices concerning Indigenous peoples.

Of the total 405 complaints finalised, 76 complaints were of racial vilification. Of these:

QUESTIONS ON NOTICE
(a) 26 were the subject of attempted conciliation,
(b) nine of these matters were resolved, and
(c) 17 were not able to be resolved through conciliation.

In the 2000/2001 reporting year, 17 complaints alleging discrimination on the ground of religion under the Human Rights and Equal Opportunity Commission Act were finalised. One matter was resolved through conciliation with non financial terms.

2001/2002

In the 2001/2002 reporting year, 258 complaints under the Racial Discrimination Act were finalised. Of these matters:

(a) 97 complaints were the subject of attempted conciliation,
(b) 38 of these complaints were successfully resolved by conciliation, and
(c) 17 complaints received financial compensation as an outcome.

59 complaints were not able to be resolved through conciliation.

Of the total 258 complaints finalised, 118 were complaints of racial vilification. Of these:

(a) 56 were the subject of attempted conciliation,
(b) 19 matters being resolved, and
(c) 37 were not able to be resolved through conciliation.

In the 2001/2002 reporting year, a total of 15 complaints alleging discrimination on the ground of religion under the Human Rights and Equal Opportunity Commission Act were finalised. One matter was resolved through conciliation with financial compensation as an outcome.

Aviation: Passenger Ticket Levy

(Question No. 2006)

Mr Brendan O’Connor asked the Treasurer, upon notice, on 5 June 2003:

(1) Does he intend to abolish the Ansett Ticket Levy; if so, when does he expect that this will occur.
(2) Will the proceeds of the levy be distributed to the creditors of Ansett.

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

(1) and (2) Refer to answer to QoN 2005 by the Minister for Transport and Regional Services.

Defence: National Service Medal

(Question No. 2090)

Mr Brendan O’Connor asked the Minister assisting the Minister for Defence, upon notice, on 25 June 2003:

(1) To date, how many applications for the Anniversary of National Service Medals (ANSM) have been received from applicants in the Division of Burke.
(2) How many ANSM have been issued to applicants residing in the Division of Burke.
(3) What is the (a) average and (b) longest processing time for an ANSM application.
(4) Is she aware of complaints being made about the length of processing time.
(5) What steps is she taking to ensure efficient and speedy processing of ANSM applications.

Mrs Vale—The answer to the honourable member’s question is as follows:

(1) In excess of 100,000 applications have been received nationally. However, when applications are processed the identification of applicants within electoral divisions is not identified. Consequently,
this information cannot be automatically generated and a manual search would require diversion of the scarce resources now utilised to process applications, resulting in increased delays.

(2) As indicated in part (1), applicants within electoral divisions are not identified.

(3) (a) Six months (since February 2002) when applications were first formally requested.

(b) Up to 12 months based on the complexity of some individual applications and the time involved in determining eligibility.

(4) Yes.

(5) A number of initiatives are now in place aimed at introducing efficiencies and reducing the applications backlog. These include:

(a) the collocation of all Honours and Awards functions previously undertaken in Canberra, Melbourne and Queanbeyan to one complex in the ACT in February 2003;

(b) the recruitment of new staff to replace staff not transferring from Melbourne; and

(c) the planned introduction in August 2003 of a new application processing system.

**Defence: HMAS Kanimbla**

(*Question No. 2220*)

**Mr Price** asked the Minister assisting the Minister for Defence, upon notice, on 12 August 2003:

Further to the answer to question No. 1675, is the Defence portfolio funding the legal costs in the WA Medical Board of Inquiry into the doctor aboard HMAS Kanimbla; if so, what are the costs to date and what are the anticipated costs.

**Mrs Vale**—The answer to the honourable member’s question is as follows:

In accordance with the Attorney-General’s Legal Service Directions, Defence is funding the legal costs of the doctor who is the subject of the inquiry. The details of amounts paid to his legal advisers are commercial-in-confidence.

**Communications: Special Broadcasting Service**

(*Question No. 2285*)

**Mr Jenkins** asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 18 August 2003:

(1) What is the percentage breakdown of SBS TV programming by language.

(2) On what basis does SBS TV allocate its programming.

(3) What avenues are available for ethnic communities claiming to be under represented on SBS TV.

**Mr McGauran**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) The percentage breakdown of languages broadcast on SBS Television for the 2002-03 financial year is as follows:

<table>
<thead>
<tr>
<th>Language</th>
<th>Total Hours</th>
<th>% of Total Prog Time</th>
<th>% of LOTE Prog Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrikaans</td>
<td>1.74</td>
<td>0.02%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Arabic</td>
<td>66.83</td>
<td>0.95%</td>
<td>1.83%</td>
</tr>
<tr>
<td>Bulgarian</td>
<td>3.61</td>
<td>0.05%</td>
<td>0.10%</td>
</tr>
<tr>
<td>Cantonese</td>
<td>97.95</td>
<td>1.39%</td>
<td>2.68%</td>
</tr>
<tr>
<td>Catalan</td>
<td>4.50</td>
<td>0.06%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Language</td>
<td>Total Hours</td>
<td>% of Total Prog Time</td>
<td>% of LOTE Prog Time</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>----------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Croatian</td>
<td>11.81</td>
<td>0.17%</td>
<td>0.32%</td>
</tr>
<tr>
<td>Czech</td>
<td>14.31</td>
<td>0.20%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Danish</td>
<td>17.43</td>
<td>0.25%</td>
<td>0.48%</td>
</tr>
<tr>
<td>Dutch</td>
<td>23.77</td>
<td>0.34%</td>
<td>0.65%</td>
</tr>
<tr>
<td>English</td>
<td>3,370.38</td>
<td>47.91%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Estonian</td>
<td>6.28</td>
<td>0.09%</td>
<td>0.17%</td>
</tr>
<tr>
<td>Farsi</td>
<td>16.65</td>
<td>0.24%</td>
<td>0.45%</td>
</tr>
<tr>
<td>Finnish</td>
<td>7.95</td>
<td>0.11%</td>
<td>0.22%</td>
</tr>
<tr>
<td>Flemish</td>
<td>1.44</td>
<td>0.02%</td>
<td>0.04%</td>
</tr>
<tr>
<td>French</td>
<td>447.48</td>
<td>6.37%</td>
<td>12.22%</td>
</tr>
<tr>
<td>German</td>
<td>427.05</td>
<td>6.08%</td>
<td>11.66%</td>
</tr>
<tr>
<td>Greek</td>
<td>329.23</td>
<td>4.68%</td>
<td>8.99%</td>
</tr>
<tr>
<td>Hebrew</td>
<td>19.40</td>
<td>0.28%</td>
<td>0.53%</td>
</tr>
<tr>
<td>Hindi</td>
<td>18.56</td>
<td>0.26%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Hungarian</td>
<td>31.25</td>
<td>0.44%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Icelandic</td>
<td>1.32</td>
<td>0.02%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Indonesian</td>
<td>129.11</td>
<td>1.84%</td>
<td>3.53%</td>
</tr>
<tr>
<td>Italian</td>
<td>403.93</td>
<td>5.75%</td>
<td>11.03%</td>
</tr>
<tr>
<td>Japanese</td>
<td>239.32</td>
<td>3.40%</td>
<td>6.54%</td>
</tr>
<tr>
<td>Korean</td>
<td>15.98</td>
<td>0.23%</td>
<td>0.44%</td>
</tr>
<tr>
<td>Kurdish</td>
<td>3.87</td>
<td>0.06%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Latin</td>
<td>1.40</td>
<td>0.02%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Malayalam</td>
<td>1.92</td>
<td>0.03%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Maltese</td>
<td>37.52</td>
<td>0.53%</td>
<td>1.02%</td>
</tr>
<tr>
<td>Mandarin</td>
<td>217.58</td>
<td>3.10%</td>
<td>5.94%</td>
</tr>
<tr>
<td>No Dialogue</td>
<td>198.38</td>
<td>2.82%</td>
<td>5.42%</td>
</tr>
<tr>
<td>Norwegian</td>
<td>19.45</td>
<td>0.28%</td>
<td>0.53%</td>
</tr>
<tr>
<td>Polish</td>
<td>67.82</td>
<td>0.96%</td>
<td>1.85%</td>
</tr>
<tr>
<td>Portuguese</td>
<td>31.12</td>
<td>0.44%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Romani</td>
<td>4.10</td>
<td>0.06%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Romanian</td>
<td>8.24</td>
<td>0.12%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Russian</td>
<td>173.31</td>
<td>2.47%</td>
<td>4.73%</td>
</tr>
<tr>
<td>Serbian</td>
<td>4.97</td>
<td>0.07%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Sinhalese</td>
<td>3.60</td>
<td>0.05%</td>
<td>0.10%</td>
</tr>
<tr>
<td>Slovak</td>
<td>7.72</td>
<td>0.11%</td>
<td>0.21%</td>
</tr>
<tr>
<td>Slovene</td>
<td>2.60</td>
<td>0.04%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Spanish</td>
<td>389.71</td>
<td>5.54%</td>
<td>10.64%</td>
</tr>
<tr>
<td>Swedish</td>
<td>47.95</td>
<td>0.68%</td>
<td>1.31%</td>
</tr>
<tr>
<td>Tagalog</td>
<td>17.76</td>
<td>0.25%</td>
<td>0.49%</td>
</tr>
<tr>
<td>Tamil</td>
<td>3.67</td>
<td>0.05%</td>
<td>0.10%</td>
</tr>
<tr>
<td>Turkish</td>
<td>11.65</td>
<td>0.17%</td>
<td>0.32%</td>
</tr>
</tbody>
</table>
(2) SBS provides a comprehensive television service including news, current affairs, movies, documentaries, drama, comedy, lifestyle programs, shorts films, educational programs, sport and arts programs.

SBS is guided in this by its statutory charter, which states that its principal function is to provide multilingual and multicultural radio and television services that inform, educate and entertain all Australians and, in doing so, reflect Australia’s multicultural society.

Each year, about half of all programs broadcast by SBS are in languages other than English.

Australian-made programs are presented in English, although these programs may include non-English components.

Overseas documentaries, drama, movies, comedy and arts programs are selected for acquisition based on relevance to the schedule and on their quality, topicality (where applicable) and affordability.

Except for daily news bulletins, programs acquired from overseas are presented in their original language together with English language subtitles. The purpose of subtitles is to make the programs accessible to all Australians.

SBS aims to represent a wide range of languages and cultures on screen, subject to considerations of availability, quality and affordability of content. In programming the network, SBS has regard to Australian census data on languages spoken in the home, and is presently looking to enhance the content of its World News Channel and WorldWatch program stream to reflect trends in that regard.

(3) SBS welcomes suggestions from viewers as to programs of interest to them that SBS might acquire. SBS receives these suggestions regularly. It also receives, from time to time, more general requests for increased programming in particular languages. These matters are continually evaluated and efforts are made to locate affordable programs of quality.

Communications: Special Broadcasting Service

(Question No. 2286)

Mr Jenkins asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 18 August 2003:

(1) What is the difference in staffing arrangements for (a) SBS TV and (b) SBS Radio between the Sydney production centre and the Melbourne production centre.

(2) Which SBS (a) radio and (b) TV programs are sourced from (i) Sydney, (ii) Melbourne and (iii) other capital cities.
Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) SBS Television

SBS Television is broadcast nationally from Sydney. Functions of program acquisition, commissioning, production, scheduling, classification, subtitling, closed captioning, publicity, on-air promotion, presentation to air, transmission, engineering, audience research and the other activities that make up television are handled by the 396 staff of the Television Division located in Sydney.

SBS also maintains a bureau in Melbourne which contributes to SBS World News, World News Tonight, Toyota World Sport, Insight, The World Game, and, on occasions, SBS-produced lifestyle programs. The Melbourne bureau also houses two staff of SBS Independent, the section of SBS Television that commissions documentary, drama and other programs from Australia’s independent production sector. The total number of SBS Television staff employed in Melbourne at present is 14.

SBS Radio

Staffing arrangements for SBS Radio are the same in the Sydney and Melbourne production centres. The SBS Enterprise Agreement and Awards are applied equally in both centres. There are differences between staff across the production centres such as broadcaster-journalists who are on fixed rosters in alignment with program times compared with operators who work rotating rosters in line with studio needs. In both production centres there is a minimum staffing formula for broadcaster-journalists of 12 hours preparation and presentation for each hour on-air.

There are differences in staff numbers between Sydney and Melbourne. For the month of June 2003 – the last full month available – the number of full-time equivalent (FTE) positions in Sydney was 108.64, compared to 128.05 in Melbourne. These equate to 173 full-time and part-time employees in Sydney and 190 in Melbourne. For the three months up to and including June 2003, the average FTEs was 112.78 in Sydney and 125.15 in Melbourne. These figures take into account all individuals on the payroll for each production centre and so include people on leave and those backfilling for leave.

(2) SBS Television

All programs produced by SBS itself are produced in Sydney apart from rare occasions when a program is broadcast from Melbourne and partly produced in that city.

The SBS Melbourne bureau contributes to programs as described in the answer to part (1). The SBS Canberra bureau contributes to news and current affairs programs.

SBS commissions or purchases programs which are made in different parts of the country. In 2002-03, the breakdown based on State/Territory location of the production company was as follows (the great majority of these production houses are located in the capital city):

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Programs Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland</td>
<td>The Trouble with George, Trash, Hard Choices, Triple Zed, (S)truth, 2 short films for eatcarpet</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Wild Turkey, Oz Concert, 1 short film for eatcarpet</td>
</tr>
<tr>
<td>South Australia</td>
<td>2 short films for eatcarpet</td>
</tr>
<tr>
<td>State</td>
<td>Title</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Victoria</td>
<td>Stories from the Golf</td>
</tr>
<tr>
<td></td>
<td>John Safron vs God</td>
</tr>
<tr>
<td></td>
<td>Little Siberia</td>
</tr>
<tr>
<td></td>
<td>A Grade</td>
</tr>
<tr>
<td></td>
<td>Tales from Turnbuckle</td>
</tr>
<tr>
<td></td>
<td>Troubled Minds</td>
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<tr>
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**QUESTIONS ON NOTICE**
Tasmania

SBS Radio

Programs in 53 languages are produced in Sydney in a fortnightly networking cycle between the two production centres. Programs in 54 languages are produced in Melbourne. See Appendix A for the full list.

No programs are broadcast from other capital cities. Many language programs have their own correspondents in cities where there are significant populations of their language communities. SBS Radio also has State Correspondents in Canberra, Adelaide and Perth feeding reports and features to the National Radio Newsroom. The National Radio Newsroom is staffed equally in Sydney and Melbourne and serves programs in both centres.

Appendix A

Programs produced in Sydney and Melbourne by language

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<th>MEL</th>
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Mr Jenkins asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 18 August 2003:

What is the breakdown for SBS broadcasting by language for the (a) Melbourne AM station, the (b) Melbourne FM station, the (c) Sydney AM station, the (d) Sydney FM station and the (e) national network.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

Appendix A (attached) shows the breakdown of broadcasting by language for the Sydney and Melbourne AM and FM signals and the National Radio Network (NRN):

- 30 languages are broadcast on the Melbourne AM signal.
- 35 languages are broadcast on the Melbourne FM signal.
- 31 Languages are broadcast on the Sydney AM signal.
- 36 languages are broadcast on the Sydney FM signal.
- 54 languages are broadcast on the SBS National Radio Network.

Although languages are allocated varying amounts of airtime (for example, Italian 14 hours per week on the FM frequency compared to Malay with one hour per week on AM), overall the total number of hours for all languages on the four Sydney and Melbourne frequencies and NRN (from 6 am to mid-
night) are the same. That is, the total hours on each of the Melbourne AM, Melbourne FM, Sydney AM, Sydney FM frequencies and NRN is 126 hours per week.

### Appendix A

**Programs broadcast in Sydney, Melbourne and nationally by frequency**

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**QUESTIONS ON NOTICE**
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QUESTIONS ON NOTICE