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

CORPORATE LAW ECONOMIC REFORM PROGRAM (AUDIT REFORM AND CORPORATE DISCLOSURE) 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.

Today the government is introducing the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Bill 2003. The bill is the ninth stage in the CLERP program and builds on previous reform measures in the areas of accounting standards, directors’ duties, fundraising, takeovers and financial services reform.

The bill is designed to modernise business regulation and foster a healthy and vibrant economy. It progresses the principles of market freedom, investor protection and quality disclosure of relevant information to the market.

The bill contains significant measures covering financial reporting and corporate disclosure more generally. Its provisions will achieve better disclosure outcomes, enhance auditor independence and improve enforcement arrangements in the event of corporate misbehaviour.

The bill generally implements the reforms proposed in the CLERP 9 policy proposal paper released in September 2002 and also reflects the outcome of consultations since that time.

In addition, the bill responds to the recommendations of the Ramsay report, Independence of Australian company auditors, and takes account of relevant recommendations of the report of the Joint Committee of Public Accounts and Audit, Report 391: Review of independent auditing by registered company auditors, and I thank the joint committee for its work. The bill also incorporates recommendations from the HIH and Cole royal commissions.

A draft bill was released for public comment on 8 October 2003 with submissions closing on 10 November. Over 50 submissions were received and these were considered in finalising the bill. The Business Regulatory Advisory Group, chaired by Mrs Catherine Walter, has considered the policy proposals and the provisions of the bill over a number of months. I would like to take this opportunity to thank members of BRAG for their participation in the process and the significant contribution they have made in developing this bill.

I also note that, consistent with the requirements in the Corporations Agreement 2002, state and territory ministers have been consulted regarding these reforms through the Ministerial Council for Corporations and have approved the bill.

Audit Oversight and Auditor Independence

An important part of these reforms is the establishment of a regulatory framework governing audit oversight and independence. Currently the regulation of the auditing profession is predominantly the responsibility of the professional accounting bodies. Legislative requirements are minimal and piecemeal. The bill therefore substantially builds on the current Corporations Act requirements and establishes a comprehensive framework governing the audit standard setting process and auditor independence.
FRC Oversight

The role of the Financial Reporting Council will be expanded to include oversight of the audit standard setting arrangements. The Auditing and Assurance Standards Board (AUASB) will be reconstituted with a government appointed chairman under the oversight of the Financial Reporting Council, similar to the Australian Accounting Standards Board. Auditing standards made by the AUASB will be given legislative backing.

The government considers that the measure to give auditing standards the force of law will significantly enhance the rigour of the standards applying to the auditing profession and improve ASIC's enforcement capabilities.

To facilitate the implementation of this policy, the bill provides for transitional arrangements whereby auditing standards which have been issued by or on behalf of Australia’s professional accounting bodies will be given immediate legal backing. Standards subject to the transitional arrangements are subject to a two-year sunset clause, during which time the auditing standards board would be expected to revise the standards and reissue them as disallowable instruments made under the Corporations Act.

The objective of the provision is to provide a seamless transfer from the existing regime, under which standards are enforced through the professional codes of the accounting bodies, and the new arrangements.

During the consultation period, industry noted that the existing body of professional standards are not sufficiently robust and not in a form suitable to be given the force of law immediately as part of the transition to the new arrangements. Much of the profession’s concern appears to be driven by the fact that criminal penalties will attach to a breach of these standards. In this regard, I recognise the profession’s argument that some of the standards contain significant blocks of guidance which are not suitable for enforcement and were never intended to form part of the rules by which auditors need to abide.

The bill will retain the transitional provision and thereby bring the existing standards within the legislative framework at the earliest opportunity. However, for the purpose of addressing the profession’s concerns, the bill provides that, during the first two years after the commencement of the act, an auditor will not commit an offence by contravening the requirements of either a legislative provision requiring audits to be conducted in accordance with auditing standards or with a provision of an auditing standard. This would only apply in relation to professional standards that are given the force of law on commencement of the act. Once the standard is remade by the auditing standards board, a breach will attract corresponding liability and penalties.

While this would mean that the criminal sanctions of the act would not be available during the transition period in relation to a breach of the standards that are rolled over, it would still be possible for wrongdoing by an auditor involving those standards to be referred to the Companies Auditors and Liquidators Disciplinary Board or drawn to the attention of a professional accounting body for appropriate disciplinary action.

The FRC will also have an oversight and monitoring function in relation to auditor independence. This role will include advising the minister on the nature and overall adequacy of the systems and processes used by:

- auditors to ensure compliance with independence requirements; and
- professional accounting bodies for planning and performing quality assurance reviews of audit work.
Auditor independence

In relation to the oversight arrangements, the bill contains a number of measures to promote auditor independence.

The bill introduces a general standard of independence and a requirement that auditors provide directors with an annual independence declaration.

The bill also prohibits a number of specific employment and financial relationships between auditors and their clients which are considered to compromise independence.

A waiting period of two years will apply to partners of an audit firm or directors of an audit company directly involved in an audit before they can take up a directorship or senior management position with an audit client.

Consistent with the recommendations of the HIH royal commission, the bill also includes a restriction on more than one audit partner joining an audit client as a director or taking a senior management position.

The bill requires auditor rotation after five consecutive years. In light of concerns surrounding the impact of this requirement on smaller audit firms and those operating in rural and regional areas ASIC will be able to extend the period after which rotation is required to up to seven consecutive years.

The bill also requires listed companies to disclose in their annual directors’ report the fees paid to the auditor for each non-audit service, together with a description of the service. In addition, the annual directors’ report of each listed company must include a statement by directors that they are satisfied that the provision of non-audit services does not compromise the auditor’s independence. This also reflects the recommendations of the HIH royal commission.

The exposure draft of the bill dealing with the general standard of independence and cooling-off periods applying before an auditor can move into a directorship or senior management position of the audit client has been changed to reinstate the original CLERP proposals in these areas.

The government believes it is essential to reinforce the independence of auditors from their clients. However, it is also necessary to ensure that regulatory requirements are appropriate for the Australian market. In particular it is important that the rules are not such as to narrow the pool of available competent directors. The standard on independence will promote certainty for auditors in discharging their obligations and will take into account the nature of the Australian market.

Continuous disclosure and infringements

One of the principles of Australian market regulation is that timely disclosure of relevant information is crucial to ensure that markets are well informed. The continuous disclosure regime is one way in which effect is given to this principle.

The bill will give ASIC greater flexibility to deal with contraventions of the continuous disclosure provisions of the Corporations Act by strengthening the enforcement mechanisms for continuous disclosure.

The maximum civil penalty that a court can impose on a body corporate will be increased from $200,000 to $1 million, but remain at $200,000 for an individual.

ASIC will be able to seek civil penalties against persons involved in a contravention of the continuous disclosure provisions.

ASIC will also be able to issue an infringement notice containing a financial penalty to a disclosing entity in relation to less serious contraventions. There are adequate safeguards to ensure that ASIC does not abuse this mechanism and the government will review its operation two years after the provisions commence.
The first step in the process of issuing an infringement notice is that ASIC, after consulting the relevant market operator, gives the disclosing entity a written statement setting out the reasons for believing the entity has contravened the continuous disclosure provisions.

It must then give the disclosing entity an opportunity to appear at a private hearing before ASIC, giving evidence and making submissions in relation to the alleged contravention.

It is only then that an infringement notice can be issued. The contents of the notice are specified, and the penalties are tied to the market capitalisation of the relevant disclosing entity.

ASIC may only publicise compliance with an infringement notice, and is limited in how it may do this. While compliance forestalls court action, if an entity fails to comply, ASIC cannot enforce the infringement notice. Instead, it must decide whether or not to initiate court action.

Should ASIC decide to initiate legal action, the fact that an infringement notice has previously been issued will have no bearing on the subsequent proceedings.

**Remuneration disclosure**

The bill also introduces a number of measures designed to enhance transparency and accountability in relation to decisions surrounding director and executive remuneration.

Details of directors’ and executives’ remuneration will need to be disclosed clearly in a marked section of the annual directors’ report—to be known as the remuneration report. Shareholders will be given an opportunity to comment on the content of the report and vote on a non-binding resolution to adopt the remuneration disclosures.

The vote is a mechanism for shareholders to directly and clearly communicate their views to the board of directors at a company general meeting. It will assist directors to more accurately assess the opinion of shareholders on remuneration than would otherwise be possible from discussion and comment at a general meeting alone.

The vote does not detract from the authority and responsibility of directors to determine executives’ remuneration and the vote is advisory only. This recognises that it is the proper function of directors to determine executives’ remuneration. It also recognises that directors are ultimately responsible to shareholders for the decisions they make, including decisions on executive remuneration.

However, by requiring that shareholders have the opportunity to clearly express their views on a detailed remuneration report, this amendment will enhance transparency and will improve accountability between directors and shareholders.

Consistent with the current provisions of the Corporations Act, directors and senior managers will be required to disclose information on their remuneration. The disclosure requirements will be extended to apply to the corporate group and disclosure of the top five senior managers in the group will also be required.

The bill also amends the shareholder approval requirements in relation to directors’ termination payments. It is proposed that the existing exemptions from the requirement to seek shareholder approval in respect of damages for breach of contract and agreements entered into before a director agrees to hold office will no longer apply where the payments exceed a certain limit.

I consider these measures will substantially improve the information available to
shareholders and enhance the accountability of directors.

Other measures

The reforms in the bill are wide ranging and also include:

- the establishment of a Financial Reporting Panel to resolve disputes between ASIC and companies in relation to accounting treatments in company financial reports; and
- the reconstitution of the Companies Auditors and Liquidators Disciplinary Board to ensure that a majority of persons hearing matters are non-accountants.

The bill also:

- introduces a specific licensing obligation for financial services licensees to have adequate arrangements for managing conflicts of interest; and
- implements proportionate liability in respect of economic loss or damage to property.

Overall, this bill will implement significant reforms in the area of financial reporting and corporate disclosure more generally and will bring our regulatory framework into line with world’s best practice.

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

Debate (on motion by Ms Roxon) adjourned.

CUSTOMS LEGISLATION AMENDMENT (APPLICATION OF INTERNATIONAL TRADE MODERNISATION AND OTHER MEASURES) 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 Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003 is an omnibus bill that contains amendments to the Customs Act 1901, the Customs Legislation Amendment and Repeal (International Trade

The amendments in this bill clarify the operation of the legislation that implements Customs international trade modernisation, enhance Customs border controls and clarify cargo reporting requirements and calculation of Customs duties on alcoholic beverages.

This bill is cognate with the Import Processing Charges (Amendment and Repeal) Amendment Bill 2003.

The most significant part of this bill is the transitional arrangements for the handling of imports during the transition between the Customs legacy electronic systems and the new Integrated Cargo System.

The current legislation provides for no overlap in the operation of the two systems and assumes that transition occurs immediately upon turning off the legacy systems.

Consultation with industry has identified that the nature of the import business requires that there be a period of time for finalisation of import transactions commenced in the legacy system as well as early access to the Integrated Cargo System to allow for compliance with reporting requirements.

These amendments will ensure that importers can continue to operate during the transition without undue administrative burden or interruption to the flow of international trade.

The bill proposes amendments that deal with self-assessed clearance declarations.

A self-assessed clearance declaration is a new communication to be introduced with the Integrated Cargo System and applies to certain low value goods.

Information contained in the self-assessed clearance declaration enables the goods to be assessed by Customs and Quarantine for compliance with prohibitions and restrictions and collection of duties and taxes where required.

These amendments will provide certainty in how the electronic communication is processed and how the release of the goods is communicated to the owner.

The bill also proposes minor amendments concerning the import and export of goods which will clarify the operation of the international trade modernisation legislation.

The bill proposes amendments to the Customs Act to allow the minister to prevent the delivery of certain restricted imports into the Australian community, if the delivery of the goods is not in the public interest.

The provision would operate only in relation to imported goods that are already restricted by the Customs (Prohibited Imports) Regulations 1956. These are dangerous goods such as firearms.

The provision would allow the minister to detain the goods for a specified period, allow incremental release of the goods or allow the importer to re-export the goods.

If detention of the goods results in the acquisition of property, then compensation on just terms will be made.

It is expected that the power to detain goods in the public interest would be exercised by the minister only in limited or exceptional circumstances and the Prohibited Import Regulations would remain the principal means to prohibit or restrict the entry of goods into Australia. The power cannot be delegated.

The bill also clarifies record retention obligations, certain maritime powers in the Customs Act and the Migration Act, existing impoundment provisions and the charges payable in respect of in-transit cargo reports.
Finally the bill introduces a clearer basis for calculating duty on certain alcoholic beverages and also provides authority to vary the timing of outward manifest reports by regulation. I commend the legislation to the House and present the explanatory memorandum.

Debate (on motion by Ms Roxon) adjourned.

IMPORT PROCESSING CHARGES (AMENDMENT AND REPEAL) AMENDMENT 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) (9.24 a.m.)—I move:

That this bill be now read a second time.

The Import Processing Charges (Amendment and Repeal) Amendment Bill 2003 supports the import transition arrangements outlined in the Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003.

It will ensure that cost recovery charges will continue to be payable during the transition period between the Customs legacy electronic systems and the new Integrated Cargo System.

It will also ensure importers and industry will not pay higher cost recovery charges for making documentary entries and reports after the legacy electronic systems are turned off. The lower charges for electronic entries and reports made when the Customs legacy import systems are no longer available for use by importers and industry. I commend this bill to the House and present the explanatory memorandum.

Debate (on motion by Ms Roxon) adjourned.

NEW INTERNATIONAL TAX ARRANGEMENTS BILL 2003

First Reading

Bill presented by Mr Ross Cameron, and read a first time.

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.25 a.m.)—I move:

That this bill be now read a second time.

Mr Speaker, in this year’s budget the Treasurer announced the outcome of the review of international tax arrangements. The government initiated this review because we understand that the future of the Australian economy is fundamentally linked to global prosperity and to Australians being a part of that prosperity. We want our tax system to help that and not hinder it. So, in the budget over 30 initiatives designed to modernise the international tax system were foreshadowed. These initiatives will help Australian companies compete abroad and boost Australia’s status as an attractive place for investment.

These reforms are not just about how we tax current international business transactions. The reforms are also about business that is not going on because some of our current international tax laws impede genuine business decisions, making it more difficult for our businesses to expand into global markets and to access foreign capital. And it is not just about the big end of town—our small and medium businesses are more and more globally orientated. These reforms will free up new and emerging businesses so they can engage internationally and create more jobs for Australians.

The government delivered on the first of these reforms with the signature of a new tax treaty with the United Kingdom which was
enacted by the parliament last week. That treaty reflects the policy position announced following the review.

The bill that I am introducing today covers the first of the foreshadowed legislative reforms. These measures will reduce unnecessary tax compliance burdens for the superannuation and managed funds industries. The government intends to bring forward more of the announced reforms in the new year.

This bill modifies the foreign investment fund rules, which are designed to prevent the deferral of Australian tax by accumulating passive income offshore. However, these rules as they currently stand impose significant compliance costs—resulting in higher costs and lower returns for investors. These compliance costs also disadvantaged internationally focused Australian funds seeking foreign investment, compared to foreign funds. These rules are to be changed to provide a better balance between their integrity objectives and the compliance cost burden for taxpayers.

Compliance costs will also be reduced by increasing the threshold for the ‘balanced portfolio’ foreign investment fund exemption from 1 July 2003. The increase from five per cent to 10 per cent will allow Australian managed funds and investors to diversify their offshore investment portfolios without taking on excessive compliance costs associated with the foreign investment fund rules.

Superannuation entities and certain other concessonally taxed entities will be exempted from the foreign investment fund rules from 1 July 2003. As these entities currently have a low tax rate, their investment decisions are unlikely to be biased towards investment in the kinds of offshore investment vehicles that the foreign investment fund rules are designed to target. It is therefore not necessary to subject this industry to the compliance costs associated with the foreign investment fund rules.

Companies carrying on business in Australia are currently able to receive an exemption from withholding tax on interest payments made to non-residents on debentures and other securities that satisfy a ‘public offer test’. However, other borrowers, including managed funds organised as unit trusts, are not similarly exempted from withholding tax. This bill removes this distortion and reduces compliance costs by extending the withholding tax exemption to public unit trusts and certain other unit trusts.

This bill also amends the controlled foreign company rules, which are designed to prevent deferral of Australian tax on certain income earned by foreign subsidiaries of Australian taxpayers. The amendments will remove the need for taxpayers to consider whether certain foreign source income derived by a controlled foreign company in a country with a broadly comparable tax system is to be included in their assessable income. As a future safeguard, if specific types of foreign source income raise integrity concerns, this bill permits regulations to be made attributing such income under the controlled foreign company rules.

This controlled foreign company change is part of a wider measure arising from the review of international tax arrangements that will pare back the attributable income of controlled foreign companies in broad exemption listed countries. This will principally be achieved by changes, in the first half of 2004, to the current income tax regulations.

I commend this bill and present the explanatory memorandum.

Debate (on motion by Ms Roxon) adjourned.
A NEW TAX SYSTEM
(COMMONWEALTH-STATE
FINANCIAL ARRANGEMENTS)
AMENDMENT BILL 2003

First Reading

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

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.32 a.m.)—I move:

That this bill be now read a second time.

This bill amends the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999. The bill will facilitate the operation of the act by implementing three measures, which have been agreed to by all of the states and territories.

The bill will enable the Commissioner of Taxation to account for all GST refunds when determining the amount of GST revenue collected and to be provided to the states and territories. In 2003-04, it is estimated that the states and territories will receive $31.7 billion in GST revenue.

Currently, the act does not allow the commissioner to deduct all GST refunds when determining GST revenues. In particular, the act excludes GST refunds under the tourist refund scheme, and GST refunds to international organisations, diplomatic missions and visiting defence forces.

As a result, the commissioner’s determination overstates GST, resulting in states and territories receiving more GST revenue than is actually collected.

The bill will fix this problem. It will ensure that the commissioner is able to account for all GST refunds when determining GST revenues for 2003-04 and future years.

The bill will also introduce a mechanism to allow payments to a state or territory to be adjusted, as it comes off budget balancing assistance, to fully account for any over or underestimate of payments in a previous financial year.

The bill also makes minor changes to the statutory deadlines for a number of determinations required under the act, in order to improve the timing of these determinations.

Full details of these measures are contained in the explanatory memorandum and I commend the bill to the House.

Debate (on motion by Ms Roxon) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 9) 2003

First Reading

Bill presented by Mr Ross Cameron, and read a first time.

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.35 a.m.)—I move:

That this bill be now read a second time.

This bill makes amendments to the income tax law and other laws to give effect to several taxation measures.

Schedule 1 to this bill amends the A New Tax System (Goods and Services Tax) Act 1999 to ensure that a GST registered supplier of an eligible first aid or lifesaving course is able to treat the supply as GST free.

The amendments in schedule 2 will amend the Income Tax (Transitional Provisions) Act 1997 to modify the general value-shifting regime so that the consequences arising under that regime do not apply to most indirect value shifts involving services. These amendments will ease compliance costs for taxpayers on the transition to consolidation.

The consolidation measure is an important business tax reform initiative that allows wholly owned corporate groups to elect to be...
treated as single entities for income tax purposes. The consolidation regime will promote business efficiency, improve the integrity of the Australian tax system and reduce ongoing income tax compliance costs for those wholly owned groups that choose to consolidate.

The general value-shifting regime is an important integrity measure designed to prevent the manipulation of tax rules by shifting value between assets by closely held entities that are not part of the same consolidated group. This new regime is complementary to the consolidation regime and reproduces the structural value-shifting integrity achieved by the consolidation regime to those groups outside consolidation.

The measure in this bill ensures that groups that consolidate during a transitional period do not incur compliance costs associated with setting up systems to identify service related indirect value shifts when those systems will not be needed after consolidation. The measure will reduce compliance costs for businesses during the transition to consolidation.

The measure would also allow groups that do not consolidate extra time to establish systems to track service related indirect value shifts that may require adjustments under the general value-shifting regime.

Schedule 3 will amend the Income Tax Assessment Act 1997 to improve the operation of the alienation of personal services income provisions. The Fringe Benefits Tax Assessment Act 1986 will be amended to remove the potential for effective double taxation of payments that are made non-deductible by the personal service income provisions and which may also be subject to fringe benefits tax. This schedule will also make further amendments to the Income Tax Assessment Act 1997 to allow an individual working through a personal services entity to deduct a net personal services income loss.

The amendments in schedule 4 will amend the Income Tax Assessment Act 1997 to specify the taxation treatment of sugar industry exit grants made under the Sugar Industry Reform Program. Sugar industry exit grants that are paid to taxpayers who leave the agricultural industry altogether will be exempt from income tax. Grants that are paid to taxpayers who leave the sugar industry but continue to carry on another agricultural enterprise will be included in assessable income.

Schedule 5 will amend the pay as you go withholding rules in the Income Tax Assessment Act 1997 so that the foreign resident withholding arrangements will apply as intended to alienated personal services payments that are payments of a kind prescribed in the regulations to be covered by those arrangements. This will facilitate the efficient collection of tax on the payments.

The amendments in schedule 6 will amend the Income Tax Assessment Act 1997 to ensure that mutual friendly societies that are life insurance companies which restructure by demutualising can benefit from the taxation framework that applies to other mutual life insurance companies which restructure by demutualising.

Schedule 7 will amend the simplified tax system provisions in the Income Tax Assessment Act 1997 to provide optional rollover relief where there are partial changes in the ownership of a simplified tax system partnership. Rollover relief will ensure that a taxable gain or loss will only arise when the partnership ultimately disposes of its depreciable assets. These amendments will remove a barrier that may be deterring some taxpayers from entering the simplified tax system.

Schedule 8 also makes amendments to the consolidation regime, under which wholly
owned corporate groups are treated as a single entity for income tax purposes.

The amendments will provide additional flexibility in the transition to consolidation by allowing certain choices made by a head company to be revoked or amended before 1 January 2005. The amendments in this schedule also ensure that the rules governing eligibility for the research and development tax offset apply appropriately in cases where companies join or leave a consolidated group part way through an income year.

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

I commend this bill and present the explanatory memorandum.

Debate (on motion by Ms Roxon) adjourned.

TAXATION LAWS (CLEARING AND SETTLEMENT FACILITY SUPPORT) BILL 2003

First Reading

Bill presented by Mr Ross Cameron, and read a first time.

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.45 a.m.)—I move:

That this bill be now read a second time.

This bill ensures that no taxation consequences will arise as a result of a payment out of the National Guarantee Fund under section 891A of the Corporations Act 2001.

The National Guarantee Fund came about as a result of the merging of the various state stock exchanges in 1987 and the amalgamation of the states’ fidelity funds. Like the fidelity funds, the National Guarantee Fund provides fundamental investor protection, encouraging investor confidence in the stock exchange. When investors hand money over to a stockbroker or ask a stockbroker to sell shares they do so in the confidence that the transaction will be completed. In the very rare instance where their broker might fail the National Guarantee Fund can be called upon to complete the transaction.

Besides investor protection, the National Guarantee Fund currently also provides clearing support for the Australian Stock Exchange.

In transactions entered into on the Australian Stock Exchange the matched buyer and seller do not bear the risk that the other party will not be able to complete the transaction. Instead this risk is borne by the central counterparty which is interposed in each transaction. The central counterparty needs strong financial backing and this has been provided by the National Guarantee Fund. This is referred to as ‘clearing support’.

Clearing support and investor protection are quite separate functions. Separating them would allow the National Guarantee Fund to retain its investor protection role and would place the onus for arranging clearing support directly on the dedicated clearing house. Separating the functions would also be consistent with international practice and expectations. Further, it would be consistent with the Reserve Bank’s financial stability standards that apply to licensed clearing and settlement facilities. Finally, a dedicated clearing house function provides greater flexibility for the ASX to provide clearing services in relation to emerging products and services, without the need to amend the law or regulations.

As part of the Financial Services Reform Act 2001, the Corporations Act now provides for the splitting of these functions by allowing the transfer of funds for clearing and settlement system support to another entity.

The Corporations Act provides that if the minister (in the case, the Parliamentary Secretary to the Treasurer) is satisfied that an-
other body has made adequate arrangements covering clearing support, the minister can direct a payment be made out of the National Guarantee Fund to that other body to take over those clearing support functions.

The purpose of this bill is to ensure that such a payment does not have tax consequences.

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

I commend this bill and present the explanatory memorandum.

Debate (on motion by Ms Roxon) adjourned.

### TREASURY LEGISLATION AMENDMENT (PROFESSIONAL STANDARDS) BILL 2003

#### First Reading

Bill presented by Mr Ross Cameron, and read a first time.

#### Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.49 a.m.)—I move:

That this bill be now read a second time.

The purpose of this bill is to amend the Trade Practices Act 1974 and other relevant Commonwealth legislation to support professional standards laws which are currently in force in New South Wales and Western Australia, and which other jurisdictions are expected to adopt in due course.

Professional standards laws seek to minimise damages claims against professionals through improved professional standards—by requiring risk management strategies, compulsory insurance cover, professional education and appropriate complaints and disciplinary mechanisms—in return for caps on the liability of professionals who are covered by schemes which have been gazetted under the relevant state or territory professional standards law.

The amendments made by this bill will establish a structure under which the Commonwealth, by prescribing schemes under state or territory professional standards legislation, can support those laws by allowing liability under the relevant Commonwealth legislative provisions to be capped.

Ultimately this will benefit professionals and consumers alike, as professional standards laws will ensure that professionals hold adequate insurance, and this will serve to protect the interests of the community at large. There is also an unequivocal benefit to consumers flowing from the risk management strategies, professional education and disciplinary procedures embodied in professional standards schemes.


Amendments of the latter two acts are subject to the provisions of the Intergovernmental Corporations Agreement 2002. As required by clause 510 of that agreement, I now inform this House that Western Australia, South Australia and New South Wales have voted in favour of these amendments and of truncating the usual exposure period that would apply before the introduction of this bill. Victoria does not favour truncating the usual consultation phase and has voted accordingly, but I assure the Victorian government and others that the processes of this parliament will ensure that the views of the community have adequate opportunity for expression before this bill becomes law.

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

Debate (on motion by Ms Roxon) adjourned.
BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (9.52 a.m.)—I move:

That standing order 48A (adjournment and next meeting) and standing order 103 (new business) be suspended for this sitting.

Mrs CROSIO (Prospect) (9.52 a.m.)—Through you, Mr Deputy Speaker, I would like to ask the Leader of the House whether the intention of suspending standing orders, particularly standing order 103, is so the government cannot slip in new business at any hour of the day or whether it means what he intends it to mean: that at any time in the next sitting of this parliament the government can move, as they are trying to move now, to bring in a bill like the one that had not even been printed last night when they prepared the program. This is a bill that is going to affect the health of all Australians, yet we on this side of the House have not even seen a copy of it. That is my question, through you, Mr Deputy Speaker, to the Leader of the House—with a little indulgence. The fact of the matter is that, before we can really be happy with some of these suspension motions, we would like to have a better explanation of what the intention is.

Question put:

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

The House divided. [9.57 a.m.]

(The Deputy Speaker—Mr Jenkins)

<table>
<thead>
<tr>
<th>AYES</th>
<th>NOES</th>
<th>Majority</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>59</td>
<td>16</td>
</tr>
</tbody>
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AYES

Abbott, A.J.  Andrews, K.J.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.J. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Ciobo, S.M. Cobb, J.K.
Downer, A.J.G. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Forest, J.A. * Gallus, C.A.
Gambino, T. Gash, J. *
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Johnson, M.A. Jul, D.F.
Kelly, D.M. Kemp, D.A.
King, P.E. Ley, S.P.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. May, M.A.
McArthur, S. * McGauran, P.J.
Moylan, J. E. Nairn, G. R.
Nelson, B.J. Neville, P.C. *
Panopoulos, S. Pearce, C.J.
Prosser, G.D. Pyne, C.
Randall, D.J. Ruddock, P.M.
Scott, B.C. Secker, P.D.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Toller, D.W.
Truss, W.E. Tuckey, C.W.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Windsor, A.H.C.
Worth, P.M. 

NOES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Brereton, L.J.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Cox, D.A.
Crean, S.F. Crosio, J.A.
Danby, M. * Edwards, G.J.
Ellis, A.L. Emerson, C.A.
Evans, M.J. Ferguson, L.D.T.
Fitzgibbon, J.A. George, J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hall, J.G. Hatton, M.J.
Hoare, K.J. Irwin, J.
Jackson, S.M. Kerr, D.J.C.
King, C.F. Livermore, K.F.
Macklin, J.L. McClelland, R.B.
McFarlane, J.S. McLeay, L.B.
McMullan, R.F. Melham, D.

CHAMBER
Mossfield, F.W.  Murphy, J. P.  
O’Byrne, M.A.  O’Connor, B.P. *  
O’Connor, G.M.  Organ, M.  
Plibersek, T.  Price, L.R.S.  
Quick, H.V. *  Ripoll, B.F.  
Roxon, N.L.  Sawford, R.W.  
Sciaccia, C.A.  Sercombe, R.C.G.  
Sidebottom, P.S.  Swan, W.M.  
Tanner, L.  Thomson, K.J.  
Vamvakionou, M. *  Wilkie, K.  
Zahra, C.J.  
* denotes teller

Question agreed to.

Mr ABBOTT (Warringah—Leader of the House) (10.02 a.m.)—Mr Deputy Speaker, I would claim your indulgence for a moment while members are present.

The DEPUTY SPEAKER (Mr Jenkins)—Order! Indulgence is granted.

Mr ABBOTT—Thank you. I am sure all members are interested in the likely sittings of the House over the next 24 hours or so. As you know, at this time of the sittings we are very much in the hands of the Senate. I think it is highly likely that we will be back again tomorrow, I am afraid. I will do my best to ensure that we do not sit through the night but, again, to some extent we are in the hands of the Senate and the messages that might bounce backwards and forwards. I also propose that we have a dinner break between 6.30 and 8.30 p.m. tonight.

FREEDOM OF INFORMATION

Mr McMULLAN (Fraser) (10.03 a.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Fraser moving the following motion:

That this House:

(1) reaffirms its commitment to open government and the democratic principles of the Freedom of Information Act;  
(2) condemns the decision of the Treasurer, Mr Costello, to issue a conclusive certificate to exempt certain documents from the FOI Act—that is, documents requested by the Australian newspaper relating to mal-administration of the first homebuyers scheme, the extent of income tax bracket creep and baseline information used in the preparation of the Government’s Intergenerational Report; and

(3) orders the Treasurer to table forthwith, without any further amendment or debate, the above listed documents.

This is the first time in history that any Treasurer has tried this cover-up—

Mr ABBOTT (Warringah—Leader of the House) (10.03 a.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [10.08 a.m.]

AYES

Abbott, A.J.  Andrews, K.J.  
Anthony, L.J.  Bailey, F.E.  
Baird, B.G.  Baldwin, R.C.  
Barresi, P.A.  Ballett, K.J.  
Billson, B.F.  Bishop, B.K.  
Bishop, J.I.  Brough, M.T.  
Cadman, A.G.  Cameron, R.A.  
Causley, I.R.  Charles, R.E.  
Ciobo, S.M.  Cobb, J.K.  
Downer, A.J.G.  Draper, P.  
Dutton, P.C.  Elson, K.S.  
Entsch, W.G.  Farmer, P.F.  
Forrest, J.A. *  Gallus, C.A.  
Gambaro, T.  Gash, J. *  
Georgiou, P.  Haase, B.W.  
Hardgrave, G.D.  Hartsuyker, L.  
Hawker, D.P.M.  Hockey, J.B.  
Hull, K.E.  Hunt, G.A.  
Johnson, M.A.  Jull, D.F.  
Kelly, D.M.  Kelly, J.M.  
Kemp, D.A.  King, P.E.  
Ley, S.P.  Lindsay, P.J.  
Lloyd, J.E.  Macfarlane, I.E.  

Noes………… 60

Majority……… 16
Mr McClelland—I second the motion. We want to know what the government has got to hide. What are they covering up?

Mr ABBOTT (Warringah—Leader of the House) (10.10 a.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [10.11 a.m.]

(The Deputy Speaker—Mr Jenkins)

AYES


NOES


Mr McClelland—I second the motion. We want to know what the government has got to hide. What are they covering up?

Mr ABBOTT (Warringah—Leader of the House) (10.10 a.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [10.11 a.m.]

(The Deputy Speaker—Mr Jenkins)

AYES


NOES


* denotes teller

Question agreed to.

The DEPUTY SPEAKER (Mr Jenkins)—Is the motion seconded?
Truss, W.E.  Tuckey, C.W.  
Vaile, M.A.J.  Vale, D.S.  
Wakelin, B.H.  Washer, M.J.  
Williams, D.R.  Worth, P.M.  

**NOES**  
Adams, D.G.H.  Albanese, A.N.  
Andren, P.J.  Beazley, K.C.  
Bevis, A.R.  Brereton, L.J.  
Burke, A.E.  Byrne, A.M.  
Corcoran, A.K.  Crosio, J.A.  
Crean, S.F.  Edwards, G.J.  
Ellis, A.L.  Emerson, C.A.  
Evans, M.J.  Ferguson, L.D.T.  
Ferguson, M.J.  Fitzgibbon, J.A.  
George, J.  Gibbons, S.W.  
Gilard, J.E.  Grierson, S.J.  
Griffin, A.P.  Hall, J.G.  
Hatton, M.J.  Hoare, K.J.  
Irwin, J.  Jackson, S.M.  
Kerr, D.J.C.  King, C.F.  
Livermore, K.F.  Macklin, J.L.  
McClelland, R.B.  McFarlane, J.S.  
McLean, L.B.  McMullan, R.F.  
Melham, D.  Mossfield, F.W.  
Murphy, J. P.  O’Byrne, M.A.  
O’Connor, B.P.  O’Connor, G.M.  
Organ, M.  Plibersek, T.  
Price, L.R.S.  Quick, H.V.  
Ripoll, B.F.  Rippon, N.L.  
Sawford, R.W.  Sciacca, C.A.  
Sercombe, R.C.G.  Sidebottom, P.S.  
Swan, W.M.  Tanner, L.  
Thomson, K.J.  Vamvakinou, M. *  
Wilkie, K.  Windsor, A.H.C.  
Zahra, C.J.  

* denotes teller

**AYES**  
Adams, D.G.H.  Albanese, A.N.  
Andren, P.J.  Beazley, K.C.  
Bevis, A.R.  Brereton, L.J.  
Burke, A.E.  Byrne, A.M.  
Corcoran, A.K.  Crosio, J.A.  
Crean, S.F.  Edwards, G.J.  
Ellis, A.L.  Emerson, C.A.  
Evans, M.J.  Ferguson, L.D.T.  
Ferguson, M.J.  Fitzgibbon, J.A.  
George, J.  Gibbons, S.W.  
Gilard, J.E.  Grierson, S.J.  
Griffin, A.P.  Hall, J.G.  
Hatton, M.J.  Hoare, K.J.  
Irwin, J.  Jackson, S.M.  
Kerr, D.J.C.  King, C.F.  
Livermore, K.F.  Macklin, J.L.  
McClelland, R.B.  McFarlane, J.S.  
McLean, L.B.  McMullan, R.F.  
Melham, D.  Mossfield, F.W.  
Murphy, J. P.  O’Byrne, M.A.  
O’Connor, B.P.  O’Connor, G.M.  
Organ, M.  Plibersek, T.  
Price, L.R.S.  Quick, H.V.  
Ripoll, B.F.  Rippon, N.L.  
Sawford, R.W.  Sciacca, C.A.  
Sercombe, R.C.G.  Sidebottom, P.S.  
Swan, W.M.  Tanner, L.  
Thomson, K.J.  Vamvakinou, M. *  
Wilkie, K.  Windsor, A.H.C.  
Zahra, C.J.  

Question agreed to.

Original question put:

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

The House divided.  [10.14 a.m.]

(The Deputy Speaker—Mr Jenkins)
Thursday, 4 December 2003  HOUSE OF REPRESENTATIVES

Gambaro, T. Gash, J. *
Georgiou, P. Haase, B.W.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Johnson, M.A. Jull, D.F.
Kelly, D.M. Kelly, J.M.
Kemp, D.A. King, P.E.
Ley, S.P. Lindsay, P.J.
Lloyd, M.A. Macfarlane, I.E.
McGauran, P.J. Moylan, B.J.
Nairn, G. R. Neville, P.C. *
Neville, P.C. * Panopoulos, S.
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Ruddock, P.M. Scott, B.C.
Secker, P.D. Sliper, P.N.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Toller, D.W.
Truss, W.E. Tuckey, C.W.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Worth, P.M.

(The Deputy Speaker—Mr Jenkins)

| Ayes............. | 77 |
| Noes............. | 61 |
| Majority......... | 16 |

AYES

Abbott, A.J. Andrews, K.J.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Ciobo, S.M. Cobb, J.K.
Downer, A.J.G. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Forrest, J.A. * Gallus, C.A.
Gambaro, T. Gash, J. *
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Johnson, M.A. Jull, D.F.
Katter, R.C. Kelly, D.M.
Kelly, J.M. Kemp, D.A.
King, P.E. Ley, S.P.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. May, M.A.
McArthur, S. * McGauran, P.J.
Moylan, J. E. Nairn, G. R.
Nelson, B.J. Neville, P.C. *
Panopoulos, S. Pearce, C.J.
Prosser, G.D. Pyne, C.
Randall, D.J. Ruddock, P.M.
Scott, B.C. Secker, P.D.
Sliper, P.N. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Thompson, C.P. Ticehurst, K.V.
Toller, D.W. Truss, W.E.
Tuckey, C.W. Vaile, M.A.J.
Vale, D.S. Wakelin, B.H.
Washer, M.J. Williams, D.R.

NOES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Brereton, L.J.
Burke, A.E. Byrne, A.M.
Corcoran, A.K.  
Crean, S.F.  
Danby, M. *  
Ellis, A.L.  
Evans, M.J.  
Ferguson, M.J.  
George, J.  
Gillard, J.E.  
Griffin, A.P.  
Hatton, M.J.  
Irwin, J.  
Kerr, D.J.C.  
Livermore, K.F.  
McClelland, R.B.  
McLeay, L.B.  
Melham, D.  
Murphy, J. P.  
O’Connor, B.P.  
Organ, M.  
Price, L.R.S.  
Ripoll, B.F. *  
Sawford, R.W.  
Sercombe, R.C.G.  
Swan, W.M.  
Thomson, K.J.  
Wilkie, K.  
Zahra, C.J.  

*C denotes teller

Question agreed to.

Question put:
That the motion (Mr Abbott’s) be agreed to.

The House divided. [10.30 a.m.]
(The Deputy Speaker—Mr Jenkins)

AYS..............  79
NOES..............  59
Majority........  20

AYES
Abbott, A.J.  
Andrews, K.J.  
Bailey, F.E.  
Baldwin, R.C.  
Bartlett, K.J.  
Bishop, B.K.  
Brough, M.T.  
Cameron, R.A.  
Charles, R.E.  
Cobb, J.K.  
Draper, P.  

Cox, D.A.  
Crosio, J.A.  
Edwards, G.J.  
Emerson, C.A.  
Haase, B.W.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G.  

Elson, K.S.  
Farmer, P.F.  
Gallus, C.A.  
Gash, J. *  
Haae, B.W.  
Hartsuyker, L.  
Hockey, J.B.  
Hunt, G.A.  
Jull, D.F.  
Kelly, D.M.  

Entsch, W.G.  
Forrest, J.A. *  
Gambharo, T.  
Georgiou, P.  
Hardgrave, G.D.  
Hawker, D.P.M.  
Hull, K.E.  
Johnson, M.A.  
Katter, R.C.  
Kelly, J.M.  
Kemp, D.A.  
Ley, S.P.  
Lloyd, J.E.  
Macfarlane, I.E.  
McArthur, S. *  
Moylan, J. E.  
Nelson, B.J.  
Panopoulos, S.  
Prosser, G.D.  
Randall, D.J.  
Scott, B.C.  
Sliper, P.N.  
Southcott, A.J.  
Thompson, C.P.  
Tollner, D.W.  
Tuckey, C.W.  
Vale, D.S.  
Washer, M.J.  
Windsor, A.H.C.  

NOES
Adams, D.G.H.  
Beasley, K.C.  
Breardon, L.J.  
Byrne, A.M.  
Crosio, J.A.  
Edwards, G.J.  
Emerson, C.A.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G.  
Hoare, K.J.  
Jackson, S.M.  
King, C.F.  
Macklin, J.L.  
McFarlane, J.S.  
McMullan, R.F.  
Mossfield, F.W.  
O’Byrne, M.A.  

Albanese, A.N.  
Bevis, A.R.  
Burke, A.E.  
Corcoran, A.K.  
Crean, S.F.  
Danby, M. *  
Ellis, A.L.  
Forrest, J.A. *  
Gambharo, T.  
Georgiou, P.  
Hawker, D.P.M.  
Hull, K.E.  
Johnson, M.A.  
Katter, R.C.  
Kelly, J.M.  
Kemp, D.A.  
Ley, S.P.  
Lloyd, J.E.  
Macfarlane, I.E.  
McArthur, S. *  
Moylan, J. E.  
Nelson, B.J.  
Panopoulos, S.  
Prosser, G.D.  
Randall, D.J.  
Scott, B.C.  
Sliper, P.N.  
Southcott, A.J.  
Thompson, C.P.  
Tollner, D.W.  
Tuckey, C.W.  
Vale, D.S.  
Washer, M.J.  
Windsor, A.H.C.  

CHAMBER
I want to make it clear that Australia has one of the best health systems in the world. For the past 20 years, Medicare has provided Australians with essential protection through affordable access to medical, pharmaceutical and hospital services. But the environment in which health care is delivered is changing. Consumer expectations, advancing technology and an ageing population bring new challenges for our health system.

Through MedicarePlus, the government has made a substantial investment in improving Medicare to meet these future challenges. There has been a significant level of consultation leading up to the introduction today of this legislation. MedicarePlus responds to the concerns raised and seeks to guarantee that Medicare remains a universal system of affordable access to high-quality health care.

MedicarePlus makes it easier for doctors to bulk-bill concession card holders and children, it provides more convenient Medicare claiming, it increases the supply of doctors and nurses in areas that need them most and, most importantly of all, it gives all Australians peace of mind with the introduction of a new safety net.

The government is committed to a high level of bulk-billing as a key element of Medicare. But I should point out that no government can force any particular level of bulk-billing, although governments certainly can take measures that support doctors and encourage them to bulk-bill, as this particular bill does.

MedicarePlus makes it easier for GPs to bulk-bill patients. It provides a new $5 payment for every bulk-billed service that a GP provides to a child under 16 or to a person covered by a Commonwealth concession card. As has been the case since the start of Medicare, GPs can choose to bulk-bill any patient.
Under MedicarePlus there will be more convenient claiming for patients who are not bulk-billed, through incentives to accelerate and extend the take up of HIC Online to all GP and specialist practices. Through HIC Online technology, patients who are not bulk-billed will be able to choose to have their claims lodged electronically and their rebates paid directly into their bank accounts. There will be no need to stand in line at a Medicare office.

A key factor in maintaining the affordability of medical services is having an adequate supply of doctors and nurses. MedicarePlus is Australia’s most extensive effort ever to attract and retain a larger medical work force. It makes an immediate and sustained investment in supporting the equivalent of about 1,500 more doctors and 1,600 more practice nurses by 2007. More than $1 billion supports these initiatives to 2006-07.

More doctors will be trained, and more will be encouraged to work in areas of shortage. MedicarePlus also supports an increase in the availability of GP services to residents of aged care homes, supports rural GPs and helps doctors return to the work force after a break.

Finally, and central to this bill, MedicarePlus adds a new and comprehensive government funded safety net that gives all Australians peace of mind about their health costs.

Since Medicare was introduced in 1983, the complexity and cost of medical services have grown enormously. Many more tests and treatments are now available, and they can be done safely in the community rather than in hospital. With this has come an increase in the cost of medical services by specialists, diagnosticians and treating doctors.

For many Australians, it is difficult to plan for unforseen major health care costs that may arise due to an accident or major illness requiring hospitalisation. The government has recognised this and addressed it through a range of measures to support private health insurance. But private health insurance does not cover out-of-hospital medical expenses.

Each year, many individuals and families face an unexpected illness or need to manage a chronic health condition requiring large numbers of out-of-hospital services not covered by private health insurance. (Quorum formed) People in this position can face very significant costs.

This bill provides a new MedicarePlus safety net that protects all Australians from high out-of-pocket costs for medical services provided outside hospital. For Commonwealth concession card holders and families who receive family tax benefit A, the government will reimburse 80 per cent of out-of-pocket costs for medical services provided outside hospital once an annual threshold of $500 per individual or family is reached. This will cover 12 million people, including four out of five families with children.

For the remaining eight million Australians, the government will reimburse 80 per cent of out-of-pocket costs for medical services provided outside hospital once an annual threshold of $1,000 per individual or family is reached.

The MedicarePlus safety net will apply to all out-of-hospital services covered by the Medicare Benefits Schedule, including general practitioner consultations, specialist services, pathology, X-rays, CT scans and radiotherapy.

The Health Insurance Commission will keep track of costs. Families or individuals who reach the MedicarePlus threshold will automatically be eligible for the safety net. Through the MedicarePlus safety net, all Australians will have the peace of mind of knowing that they will never be out of
pocket for more than 20 per cent of the cost of medical services provided outside hospital once the threshold is reached.

A world-class health system helps everyone stay healthy, provides support and treatment when people need it and is financially sustainable. The government is committed to ensuring that Australia has just such a system, now and into the future.

The MedicarePlus safety net is a structural improvement to the Medicare system. Through this $2.4 billion investment in MedicarePlus, the government is making a very substantial commitment to strengthening, improving and extending Medicare.

Medicare is too important, and health security is too important, for a legislative vacuum to persist over Christmas. That is why the government is putting this bill into the House now and passing it today. I commend the bill to the House and present the explanatory memorandum.

Ms GILLARD (Lalor) (10.45 a.m.)—For a government that has plumbed the depths of new lows of contempt for this parliament, this is the worst moment. The Health Legislation Amendment (Medicare) Bill 2003 is nothing to do with health care; it is nothing to do with Medicare; it is a political stunt from a minister who was put in not to run the health system but to engage in a political fix for the next election. Of course, he would not show a level of interest to actually sit here during this debate, because he does not know and does not care about the health system in this country. He is there for one reason and one reason alone, and that is to shove in a political fix for health in the run-up to the next election.

We also know, as we have proved in the last few moments, that the government backbench does not care about health either. Here they have their minister supposedly moving a major package of amendments in this House and there is not a quorum, because they are too disinterested in health care to even sit and listen to their minister present what they believe is a major package. Every member of the coalition backbench stands condemned today for not showing any level of interest in this debate. This is a political fix—nothing more, nothing less. It has been premised on a foundation of untruth, and I am going to expose that now.

Let us go back to the beginning when we had Minister Patterson and the so-called, grossly misnamed, A Fairer Medicare package. We know what that was about. Under the spin of the so-called A Fairer Medicare it was about seeking to destroy the Medicare system. That was in the May budget initiatives, and Labor and the community campaigned against it. Whatever this government believe, whatever they think about health policy, Australians believe in Medicare. Australians know that this Prime Minister has for all of his political life been completely opposed to universal health care in this country, that he has always wanted to go back to a system which he very recently described as a good system—the system pre-Medibank, when people could not get access to bulk-billing GPs, when people faced means testing for public hospitals and when people were jailed for medical debts. That is the sort of health system that the Prime Minister thinks is a very good health system, and he is on the record as having said so. He wanted to take a step towards that health system, a step towards means-tested Medicare, and then, if he had got that through, he would have taken the next step towards means-tested public hospitals—because that is what this Prime Minister has believed in all of his political life.

So he instructed Minister Patterson—‘Patterson’s curse’, the Prime Minister’s patsy—to run up the flag, the so-called A Fairer Medicare package. Under all of the
spin it was about the destruction of Medicare, and Labor exposed it to be so. Then the Prime Minister, still seized with the need to destroy Medicare, thinks to himself, ‘This isn’t working; I’ve got Minister Patterson going all around the country trying to defend a package that Australians have seen through I had better try something else.’ The appointment of Minister Abbott was the something else, and his instructions to Minister Abbott could not have been clearer. His instructions were: ‘Don’t care about the health system; don’t care about the health of Australians; I am completely disinterested in that. You’ve got two tasks, Minister, and those two tasks are: try and do something about health because it is running badly for us as a political issue and try and get the destruction of Medicare under way because that is where I want to take us. I want to get us through the next election pretending we believe in Medicare and then after the next election it will be back to business, back to the destruction of Medicare.’

Under those political instructions this minister put together the ‘MedicareMinus’ package, and the amendments necessary to implement that package were moved in the Senate. Now, the Senate did the right thing—Labor did it willingly, cheerfully and immediately and so did some of the Independents, and the Democrats ultimately did it—and said that this package, which is for the destruction of Medicare, needs to go out to the community for commentary. People in the Australian community—doctors, nurses specialists, people in emergency departments, people in maternal and child health services, people who immunise babies, people who provide Indigenous health services—all have a right to have a say about this package, and we are going to give them that opportunity.

The Senate said it was going to give them that opportunity over January. There is an essential untruth at the centre of all of this. The Senate could give the community that opportunity and the legislation could come back in February. Let us just assume—and I would certainly hope this was not the case—the government then got a deal to put the package in place: it would be able to get its package through the Senate in February without jeopardising any of the implementation dates of the package. That is the truth. The Senate sent it out to the community and said, ‘We’ll give the community a say,’ but the government, in trying to suggest that that is holding up the implementation of the package, ultimately is not telling people the truth. And then Minister Abbott was humbled yet again at his complete and continuing failure to ever deliver a major piece of legislation through this parliament—he never has and he probably never will. In his industrial relations portfolio the scoreboard is zero for major changes. By taking that kind of approach to dealing with health he is back where he started, and he is now worried that he has not got a piece of legislation through. So he has cobbled together the desperate stunt that is on display today.

I want to tell you about how desperate this stunt is. Late last night, the bill was at the printers. It was printed overnight. That is how carefully this major health legislation has been put together; it was at the printers overnight. The opposition, which represents millions of Australians, has not had a copy, a briefing or any information about it until it was circulated just then, when the minister got up and spoke to it. That is the circumstance we are in. This minister, supposedly presenting a major health package, got the bill to the printers last night—it has probably got 3,000 errors in it, but who would know, because they would have just sent the truck around to the printers and got it here. We, who are democratically elected to represent millions of Australians, have not even been given the courtesy of five minutes to read it;
and we are expected to vote on it in this place.

Why is the minister doing this? Not because doing so will implement the package. Even this minister—who does not know anything about health and is supposed to know a bit about the procedures of this parliament—would know that this bill will not make any difference unless it clears the House of Representatives and the Senate today. He knows that is not going to happen. This is a stunt. It would not matter whether this bill sat here until next February; it would make no difference to any functioning aspect of the health system. There is no medical consultation, immunisation, health expenditure or interaction between a doctor or a nurse that will be affected by this bill being brought into this place today, because it is a stunt. The minister knows it is a stunt, and everybody speaking to it is implicated in the stunt. To those on the other side I say: I would be thinking about putting yourself in that position, particularly if you are a marginal seat holder, because I will tell you one thing—Australians do not like people playing politics with Medicare, and that is all that this is, a shambolic attempt at politics using the Australian health system.

If there is any pious cant from anybody on the other side suggesting that this bill is going to make any difference to any health care service in this country, then they will stand condemned as having knowingly peddled things which ought not to be peddled. They must know—if they know anything about this House and anything about the Senate—that this bill will be of no effect, because clearing it through this House does not make it law. These are the circumstances we are in: the minister, instructed to destroy Medicare and put in the political fix, is playing politics with people’s health because he does not care about it. All he cares about is votes for the Liberal Party. That is all that this is about: cheap politics, playing with Medicare and showing an absolute disregard for the health care of this nation. That is what the coalition is doing today.

Let us turn to the actual details of this bill—which would know? I have not had an opportunity to read it. I would suspect that some of the members who are about to speak could have had it for days and still not have taken the opportunity to read it—

Mr Edwards—Or understand it.

Ms GILLARD—that is right. As it is, we know that they cannot possibly have read it either. But let us just go through the elements of the ‘MedicareMinus’ package and how it is going to destroy Medicare. There is one thing that the Prime Minister stands for and that the Liberal Party has stood for since the day that it was formed. Much has changed in the cycle of Australian politics over the half-century or more we have had the Liberal Party, but one thing has remained a universal truth throughout all of that time in office: they have always been opposed to a universal health care system. They have always wanted a health care system with money at its centre, and they have always wanted means-tested fees for public hospitals. That was the system under Menzies: means-tested fees for public hospitals and you paid if you wanted to go to the doctor. Then, of course, the Whitlam government came and swept that all away with Medibank, and the current Prime Minister opposed it viciously and continuously—

Ms Jackson—he has been around that long.

Ms GILLARD—as my colleague reminds me, yes, unfortunately he has been around that long. Then he was a member of the government that was implicated in the Fraser government’s destruction of Medibank. And I would remind Australians, just in case they have forgotten: Malcolm Fraser
went to the 1975 election promising to retain Medibank and, in office, he immediately set about its dismantling. So the one thing you know is that you cannot trust the Liberal Party to tell you the honest truth about health.

When Medibank was dismantled, where were we back to? We were back to a system where private money and private insurance were at the centre. There were fees for public hospitals, and it took the Hawke government to come and sweep all of that away. Where we are with this bill is back in that cycle of Australian politics. Labor believe in the universal health care system. We built it, we built it again after they destroyed it, and the incoming Labor government will build it again—despite the Liberal Party’s continuing attempts to destroy it. Let us make no mistake: that is what this bill is.

What this bill has at its heart is a system where you say: Medicare is not a universal health system; it is a system that, through grace and favour, when we feel minded to do so, we will probably extend to the people who, on that day, we are prepared to define as poor. That is what this bill is about. It is about targeting incentives for bulk-billing concession card holders and children under 16. It is forever putting in place a scheme of arrangements so that, when you go to the doctor, categories of Australians will be treated differently. It is means-tested Medicare. It is the end of a universal health system in this country.

Doctors are rational human beings and they respond to the price signals that government sends them. I am not critical of that. Of course they would respond to the price signals that they are given—like anybody else who is trying to make a living. If this package is implemented, doctors will say, ‘If I’m going to bulk-bill anyone, I will bulk-bill those people that I get the extra $5 incentive for. I will only bulk-bill concession card holders and children under 16.’ And that is if they bulk-bill; many will not. For the government to contend anything else is wrong. Sometimes Minister Abbott does. One day he is telling you that bulk-billing is an arrangement between a doctor and a patient, then obviously someone in his office gets to him and says, ‘Oh, no. We might think that but we don’t say it in public.’ So he jumps on the other foot and he says what he said today: that the government has a role in bulk-billing. Then he forgets again and he says, ‘No, it’s all about a patient and a doctor.’ And then he gets back on the other foot.

**Dr Emerson—**Flip-flop.

**Ms GILLARD—**Flip-flop. They still have him in training. We know he does not know anything about health and cares about it even less. But what this minister sometimes tries to contend is that this package will support bulk-billing rates generally. It will not. To believe anything other than that is to believe that a doctor will see a concession card holder, bulk-bill that concession card holder and get paid $5 more for it and then see the next person, who is not a concession card holder, and accept getting $5 less for that consultation. That is completely irrational. No-one could rationally contend that that is how doctors are going to behave.

This package is a recipe for driving bulk-billing rates down to around 50 per cent. That is what the experts have modelled it as. Health care card holders and children use about 60 per cent of GP services. Obviously, not all of them are going to be bulk-billed. So this package will cause the national bulk-billing rate to drop to around 50 per cent. If the government succeed in passing this package they will wear the proud track record of having driven national bulk-billing rates in this country down by 30 per cent in their determination to destroy a universal
health care system. This package should be opposed because of that element. Australians believe in universality.

The minister says, ‘Why should the Prime Minister and Kerry Packer get access to bulk-billing?’ That simple statement ignores the fact that the Prime Minister has a full-time paid public sector physician to look after his health—a few other Australians would not mind that deal. The Prime Minister does not have to wander around looking for bulk-billing because his needs are catered for by the taxpayer.

But Australians would respond to the proposition as follows: they would rather have a health care system that everybody is in and that everybody pays for together. They do not mind Kerry Packer having access to that public health system as long as he is paying his fair share of tax and as long as his place in the queue is determined by his medical need and not by his money or prestige. That is the definition of an Australian fair go: making sure that the people who have the most need get seen to first. We should all be in a health system together and all be paying into a health system—Medicare—so that we can jointly look after our needs. This bill is the destruction of that.

To engage in a bit of flim and flam to try and pretend that that is not what is going on here, the government is advocating this complete bandaid ‘safety net’ arrangement. I would like to turn to that now. This arrangement is not going to help the vast majority of Australians—and that is true on the government’s own figures. On the government’s own figures only about 200,000 Australian families will get some assistance from this new arrangement. You have to spend $500 or $1,000 before you get anywhere near the so-called safety net arrangements. On the government’s own figures only about 200,000 Australian families will benefit. What about the 19 million other Australians who get absolutely nothing from these arrangements? These arrangements are really no more than a bit of wrapping paper around what is ultimately a poison pill. That is what the government is trying to get away with here with these arrangements.

I ask the minister: why do you need to build a safety net? Why don’t you actually invest in the core of Medicare? You only need to have these complicated and nightmarish bureaucratic arrangements if the central assumption you are making is that Medicare will fail. Why make that central assumption? Why not instead invest in the central core of Medicare and rebuild it? Labor has shown the way to do that through our $1.9 billion plan to get doctors bulk-billing again—a plan which experts say will take bulk-billing rates back up to 80 per cent nationally. Why don’t the government want to do that? They do not want to do that, because they do not believe in a universal health care system. It is absolutely as basic as that.

An indefensible part of this package is the nightmarish bureaucracy and cost which come with these bandaid arrangements. Nearly a third of the money allocated for these bandaid arrangements goes in administration—not in health outcomes, not in making anybody feel better, not in making sure that somebody has seen a doctor, but in administration. Why? It is because these arrangements are going to require the Health Insurance Commission database to be linked to the family tax payment database.

We know what a nightmare the family tax payment database is. Any member of parliament who was doing their job would have had hundreds if not thousands of people complain to them about the shambles of the family tax payment database—and the government is going to put those databases together. The whole system cannot work unless
that happens and the record of this government on the delivery of IT projects is so spectacularly unsuccessful that if you have a bet that they are going to deliver that then you must have a bet on a horse that is still running in the Melbourne Cup. It is absurd to suggest that the government are going to get that done in a timely way.

Every Australian who is not on a concession card or does not have access to family tax benefit has to separately register with the Health Insurance Commission and describe the nature of their family unit. Every time you get married, every time a family breakdown occurs—a separation or a divorce—every time a child is born, every time someone dies, every time a dependent child moves to the stage of being independent, every time a formerly independent child comes back into the family home, you are going to have to contact Big Brother at the Health Insurance Commission and explain to them what has happened with your family unit. I do not think Australians who have had a recent bereavement in the family want to get on the phone to the Health Insurance Commission. They probably want to spend some time grieving for their loved one.

I do not think people who are going through family difficulties, separations and breakdowns—people who are under pressure—want to deal with the Health Insurance Commission at such times. They probably want to deal with immediate family arrangements and see that they make decisions in the best interests of every family member. But Big Brother will require them, every time there is a change in family arrangements, to notify the Health Insurance Commission. This measure is intrusive and costly, and I am willing to lay down a bet that it will not work.

There will be Australians all over this nation who are eligible for payments who will never receive them. There will be other Australians around this nation who will get a payment and think that they should not have it but not know what to do next. This measure will not work, and yet it is the central core of this package. It is indefensible. Most people will not get anything out of it. It is premised on the foundation that Medicare is going to fail. It is an administrative and costly nightmare, and it will degenerate into a bureaucratic shambles. These so-called safety net arrangements should be opposed because they are really a lot more hole than net. They should be opposed, and the government should do the sensible thing and rebuild the core of Medicare.

From the day Tony Abbott was appointed to the health portfolio, nobody would have been under any illusory other than that the minister was there to engage in a political fix. But, if there were any doubt in anybody’s mind that these arrangements are in the nature of a political fix, let us remember that a central part of this package is advertising. In fact, $21.1 million was allocated to advertising the old, failed A Fairer Medicare package. This government had the audacity to spend some of it before the parliament got to consider the package.

Opposition member—That is arrogance.

Ms GILLARD—It is arrogant, wasteful and out of touch with the needs of the community. The government created a package called A Fairer Medicare and they started spending money to advertise it to Australians, yet now even they recognise that it was a bad package.

Government member interjecting—

Ms GILLARD—A backbencher is interjecting. If you are to be honest with your constituents, you are going to have to say: ‘The May budget was absolutely flawed, and it was a dreadful package. I am sorry we did it; the Labor Party were right.’ If the Liberal
Party had a modicum of standards—and I know that is a completely absurd proposition—or any sense of ethics, it would be repaying to Australian taxpayers the hundreds of thousands of dollars wasted on advertising a package that it has now ditched.

Of course, the cycle continues. The government have refused to disclose what they are going to spend on advertising this package but they have already started advertising it. Every time you see advertisements in the newspaper you can tot up about another half a million dollars of taxpayers’ money that has been wasted in advertising a package that this parliament has not had an opportunity to consider, a package that community members have had no opportunity to express feedback on. That is the standard of this government; that is what they are out for.

In the mode of the political fix—because that is what this is about—wait for the TV advertising campaign. That will be next. This government have never been shy of getting their paws into taxpayers’ money to put on TV what is really party political advertising. I make the bet that they probably will not use Joe Cocker to deliver a health message; but let us wait for the advertising. Every time Australians see that advertising, they should think to themselves: ‘This is the mark of the standards of the current Prime Minister and the current government. They would rather pay for advertising for political advantage than pay to immunise a baby against pneumococcal disease.’ Every time they see those advertisements, they should think to themselves: ‘The standard of this government is that they would rather spend money hunting for votes and looking for political advantage than immunising a baby against pneumococcal disease.’ Let us remember that pneumococcal disease kills more Australians in this country every year than meningococcal C, for which the government does pay for vaccinations. That is the mark of the standards of these people.

The Health Legislation Amendment (Medicare) Bill 2003 should be rejected because it is a political stunt and is not at all about Australia’s health care system. It is holding the democratic process in contempt to run into this parliament a bill, still dripping from the printers, which no-one—possibly apart from the minister for health, if he bothered to do so—has had an opportunity to read. That is a contempt of the processes of this place and it is being done only for political advantage, or perceived political advantage. There is not one health care delivery system, service or payment in this country that will be affected by this bill going through this House.

**Dr Southcott—**Rubbish!

**Ms GILLARD—**Don’t you know about the Senate? Why don’t you get out the book that explains to you about the Senate?

**Opposition member—**He’s a doctor, too. You would think he would know.

**Ms GILLARD—**From a remark like that, the member for Boothby is obviously not a doctor of public policy. Maybe one of his Senate colleagues could explain to him what they do in the Senate and that they actually need to pass legislation for it to become law, because it has obviously passed him by. But just because the government do not understand the functioning of parliament does not mean that we should delay ourselves from engaging in the processes of parliament. This parliament should vote for the second reading amendment standing in my name. I move:

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

“the House condemns the Government for seeking to destroy Medicare and calls on the Government to withdraw the Bill and introduce provisions to increase the Medicare Rebate by a
further $5 for every bulk billed GP consultation across Australia”.

When the debate on this bill is finished in this parliament today, if members of the government vote against then let us be absolutely clear: they have voted against bulk-billing for all Australians. They have voted against national bulk-billing rates, they have voted against Medicare. And, if the government want to have a debate in the community about those matters, we are ready to give them a debate. Australians value Medicare and they will not support a government or a local member who has come into this place, engaged in a political stunt and, in the course of that political stunt, put their name on paper to vote against the universality of our health care system and to vote against bulk-billing for all Australians. That is what this government is probably about to do, because the Prime Minister has never believed in Medicare and this government have never believed in Medicare. They are seeking to destroy Medicare. They are trying to fool Australians to get through to the next election. (Time expired)

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

Dr Emerson—I second the amendment and reserve my right to speak—although I am not very hopeful!

Mrs DRAPER (Makin) (11.16 a.m.)—Once again, we have had to listen to the member for Lalor’s diatribe and personal attacks on the Minister for Health and Ageing and the Prime Minister—vicious vitriol, no facts, no health policy and no answers from the Labor Party, just personal attacks. For half an hour, while listening to the member for Lalor on the Health Legislation Amendment (Medicare) Bill 2003, all we heard about was racehorses, funerals and political fixes. Joe Cocker was even mentioned. What any of that has to do with this bill, I do not know, and I would have to say the only attack on and destruction of Medicare will come from the Labor Party if they do not support the bill. The last time I spoke on this issue was during an MPI debate. The then Leader of the Opposition, Simon Crean, was leading the attack. We now have a new Leader of the Opposition, Mark Latham, who will probably continue the attack on Medicare. Next week, who knows? It might even be Kim Beazley.

I rise to speak in favour of this bill because of the benefits it will bring to the families and pensioners in my electorate of Makin. The Howard government supports Medicare and is strengthening its very foundations. Free treatment as a public patient in public hospital is safe under the Howard government; payment of a Medicare rebate for 85 per cent of the schedule fee for a visit to a doctor outside hospital is safe under the Howard government; and affordable pharmaceuticals through the Pharmaceutical Benefits Scheme are guaranteed under the Howard government. These are the very pillars of our health system and they remain rock solid under the aegis of this government.

This government believe that the concerns of the people of Australia ought to be heard by their elected representatives. We are not a government that is blinkered by ideology. We believe in finding practical and workable ways to help the citizens of this country lead happier and healthier lives. That is why the Prime Minister and the Minister for Health and Ageing sat down and worked together on a new package that would not only protect Medicare but improve it. They consulted widely with the Australian people and their parliamentary colleagues. I am pleased to report to the House on the excellent level of consultation undertaken with the members of the government’s policy committee on health and ageing, a committee I chair.
MedicarePlus is a direct response to the concerns expressed by the Australian people. We listened, we consulted and now we are delivering a Medicare package that will improve Medicare and provide the opportunity for increased levels of bulk-billing for families and pensioners. In introducing this bill, it must always be remembered that as Australians we enjoy one of the best health systems in the world. One of the reasons for this is that, unlike our opponents, this government do not take a doctrinaire view to public policy, particularly when the health of the Australian people is at stake. Labor unfortunately remains wedded to the failed belief that all manner of things can be cured by government control of everything—and, listening to the member for Lalor earlier, you can understand why. In this mistaken ideological mind-set, there is no room for choice; all must be the same.

Labor does not want Australians to have the choice of privately insuring for their own health needs. When it was last in government, the private health care system was brought to its knees, and even that old Labor warrior, Graham Richardson, warned about the dangers of having too few Australians privately insured. To put it simply, the public hospital system would not be able to cope with the influx of thousands upon thousands of Australians who would be forced to wait in ever-lengthening queues for important surgery. What Australia needs and Australians want is a healthy private sector and a strong public system so that no Australian is without access to high-quality and affordable health care.

With MedicarePlus the government has responded to the concerns of the Australian people by investing an extra $2.4 billion between now and 2006-07 and about $1 billion more each year thereafter. This adds some $1.5 billion to the $917 million funding commitment under A Fairer Medicare. The government remains committed to a high level of bulk-billing as a key element of the Medicare system. Levels of bulk-billing vary throughout Australia; the greatest influence on these levels is the supply and availability of doctors. No government can compel doctors to bulk-bill their patients, but it can take measures to increase the supply of doctors and other health professionals and provide additional incentives for doctors to bulk-bill.

Under MedicarePlus, an additional $5 per patient will be paid to a general practitioner for every bulk-billed service they provide to children under the age of 16 and to Commonwealth concession card holders. As has always been the case, GPs will retain the right to decide to bulk-bill their patients, but there will now be more incentive for them to do so. Families with young children and pensioners are the chief beneficiaries of this new measure.

Many of us who represent people living in outer metropolitan and rural and regional areas recognise the need to encourage more doctors into those areas. Under MedicarePlus, more doctors will be trained and encouraged to work in areas where there is a shortage. The MedicarePlus package will support about 1,500 more doctors and 1,600 more medical practice nurses by 2006-07.

Finally, the MedicarePlus package offers Australian families even further relief from the costs of visiting a GP. A new safety net will apply to all Australians to ensure that we can continue to enjoy access to affordable health care. For concession card holders, pensioners and families receiving the family tax benefit A, the government will cover 80 per cent of the out-of-pocket costs above $500 per individual or family per year for medical services provided outside hospitals. This new entitlement will cover 12 million Australians, including four out of five Australian families. For all other Australians, the
government will cover 80 per cent of their out-of-pocket medical costs above $1,000 per individual or family per year provided out of hospital. This will cover a further eight million people. When a family or individual reaches the MedicarePlus threshold, they will automatically be eligible for the safety net payments.

This completely new measure is designed to take the pressure off those families who may be struggling to balance the family budget and meet their health care needs. To those families in my electorate of Makin, this is a big step forward, and many of them have told me how they would welcome such relief. It would be a sad day indeed if the party that claims to represent the workers of this country were to deny needy families this relief.

Mr STEPHEN SMITH (Perth) (11.28 a.m.)—I oppose the Health Legislation Amendment (Medicare) Bill 2003 and support the amendment moved by the shadow minister for health, the member for Lalor. That amendment goes right to the heart of this debate, and I will read it again to remind the House:

... the House condemns the Government for seeking to destroy Medicare and calls on the Government to withdraw the Bill and introduce provisions to increase the Medicare Rebate by a further $5 for every bulk billed GP consultation across Australia.

That goes right to the heart of this debate and of the legislation before the House. When Labor created Medicare in the 1980s, following on from the creation of Medibank in the 1970s, at the heart of Medicare was its universality. It was a universal health care system with quality health care for all Australians that depended upon the state of their health, not on the state of their wealth—health not wealth. What this piece of legislation does is seek to establish and achieve John Howard’s longstanding ambition to restrict Medicare’s universality, to restrict bulk-billing effectively to pensioners and concession card holders and, in a sop through this legislation, to restrict it to children under the age of 16. That goes right to the heart of this debate.

This legislation—this package—sends a signal to medical practitioners: ‘You are only required to bulk-bill pensioners, concession card holders and children under the age of 16.’ That is the signal that it sends—the destruction of Medicare’s universality. And we know John Howard’s longstanding ambition so far as Medicare is concerned. I do not need to remind the House in the brief time available to me of all the comments he made...
in the 1980s about how he was going to destroy Medicare and how bulk-billing was a scandal and a disgrace. The Prime Minister at the dispatch box in the course of the last period has said, 'No, don’t worry about what I said in the 1980s; have a look at what I said before I was elected in 1996.' What he said before he was elected in 1996 was that Medicare stays, universality stays, bulk-billing stays. His then shadow health minister Michael Wooldridge, who became the health minister for the bulk of this government’s period in office, on the same day that John Howard committed himself to bulk-billing, said, ‘Universality applies to bulk-billing. It is universality of bulk-billing as well.’

Labor has never believed nor asserted nor intended that bulk-billing would apply to everyone. Why is that? Because you cannot force doctors to do what they do not want to do. Every member of this House knows that, in accordance with the determination of the High Court, under the Constitution as currently interpreted by the High Court you cannot force doctors to do things. As a consequence the Medicare legislation in its current form seeks to send a signal to doctors, to provide incentives to get them to bulk-bill the vast bulk of the Australian population.

When John Howard came to office bulk-billing rates in this country were at 80 per cent. What have we seen over his term in office? They have fallen from 80 per cent to 68 per cent. That is the effect of a process of stealth and attrition. John Howard sat back and said, ‘I’ve given a commitment about universality of Medicare, I’ve given a commitment about bulk-billing staying, but by sitting on our hands and screwing down the doctors’ rebate we will see bulk-billing start to decline and go into free fall’—which is where it is now.

How have the government responded? Not with any attachment to the principle of universality. They have responded on two separate occasions, both of which are simply political fixes to try and slide the government through to the next election. The first political fix has been overturned comprehensively, with the old health minister out the door. Now we have a second political fix, but it is a political fix which goes right to the heart of Medicare, which seeks to destroy Medicare’s universality and which confirms John Howard’s longstanding view that Medicare should simply be a matter of public policy charitable disposition and not available to everyone, that it should be restricted. We also know John Howard’s comments in the 1980s where he went on the record with the Australian Financial Review saying he also believed that access to the other great plank of universality—public hospitals—ought to be means tested.

This legislation seeks to try and pretend to the Australian community that the government has a commitment to health care. In actuality it is trying to slide through to the next election by pretending that it is concerned about access to quality health care. What the government is really doing is seeking to achieve John Howard’s longstanding aspiration and ambition: to restrict bulk-billing to particular categories and classes of people. It is effectively a backdoor means test—a de facto means-testing arrangement—and we will end up with two health care systems in this country. We will have a second-class system of health care for pensioners and concession card holders, and everyone else will get a quality of health care which is entirely dependent upon how much money they have in their pockets.

On the other hand, if you look at Labor’s response that was presented with the Leader of the Opposition’s budget reply back in May you will see that it seeks to establish incen-
tives to medical practitioners to get them to increase their rates of bulk-billing. It provides incentives by increasing the rebate across the board initially to 95 per cent of the current rebate and then to 100 per cent while also putting in place geographically and regionally based incentives to get doctors to increase the rate of their bulk-billing. The qualitative distinction between the government’s approach and Labor’s approach is that the only incentive the government puts in place for medical practitioners is to bulk-bill different classes of people—to destroy the notion that in Australia when you walk into a doctor’s surgery you will be dealt with on the basis of your clinical needs, not on the basis of how much money you have in your pocket.

So far as this piece of legislation and its timing is concerned, the government stands up and says it is absolutely essential that we rush this through the House by way of guillotine today. The truth is that these measures, if they do come into effect at all, will be effective from 1 March 2004. There is more than ample time for this legislation to be properly considered, not just by the House but by the Senate committee, which is currently occurring. There is no reason other than as a political stunt for the government to do anything other than process this legislation in the usual way.

The amendment moved by the shadow minister for health, the member for Lalor, goes right to the heart of the key issue at stake for the future of health care in Australia: whether you restrict Medicare to different classes and types of people or whether you say, ‘We have as a great aspiration in Australia society, we have as part of the Australian way, we have as part of our attitude of egalitarianism and a fair go that health care in Australia will be dispensed in accordance with the condition of your health, not in accordance with your wealth.’ I urge the House to reject the legislation and to support the second reading amendment moved by the shadow minister for health.

Dr SOUTHCOTT (Boothby) (11.36 a.m.)—To clarify, the Health Legislation Amendment (Medicare) Bill 2003 deals specifically with the MedicarePlus safety net. This is the safety net whereby concession card holders and families who are receiving the family tax benefit part A, once they have over $500 in out-of-pocket expenses on anything on the MBS—which includes diagnostic imaging, pathology, specialist services and obstetrics as well as general practice—will receive an 80 per cent rebate from the Commonwealth government. Eighty per cent of it will be paid for them. For those people who do not meet the criteria for family tax benefit part A, which is very generous, or who do not hold a concession card, it will be $1,000 of expenses.

In the contest in which we are now engaged, we have two competing packages. The opposition package looks specifically at the bulk-billing rates in general practice and believes that our goal should be to get up to an 80 per cent bulk-billing rate. The government’s MedicarePlus package is much more comprehensive and much better targeted. The Labor package is a very crude and unsophisticated instrument. If we have an 80 per cent bulk-billing rate, Labor will be happy with that. Essentially, and I will go into it in some more detail later in my speech, that does not tell us a great deal about the health of Medicare. The government package is much more comprehensive. There will be an additional $5 for every bulk-billed service for children under 16 and for cardholders, which covers 60 per cent of services.

We have heard from previous speakers that this means that the bulk-billing rate will further fall. The problem with that logic is that right now there are no specific incen-
tives for anyone to bulk-bill and yet 67 per cent of general practice is bulk-billed. Under the Labor logic, the bulk-billing rate right now should be zero because there are no incentives. The bulk-billing rate will continue to be a complex factor which relates to access to doctors, numbers of doctors in the area and what the competitive practices are doing as well.

The Medicare rebate will be deposited in a patient’s bank account if they pay the full amount upfront at their health provider, and this increases patient convenience. This shows how comprehensive the package is. The Labor plan just deals with people who are bulk-billed and ignores the rest. It actually only deals with people who are bulk-billed in general practice and ignores other services.

Another aspect is the safety net, and this is valued at $266 million up to 2006-07. This is a very important part of the package and is in the legislation that we are considering now. With the safety net, once out-of-pocket expenses for any Medicare items—much more than general practice: specialists, pathology, obstetrics and so on—has reached $500 for the concession card and family tax benefit part A category, or $1,000 for others, the government will pay for 80 per cent; patients will only pay 20 per cent of the existing expenses. This will be expenses accrued from 1 January next year, and it was planned that people would be able to start claiming from March 2004. The problem is that holding up this legislation will hold up the families that are able to claim. One of the previous speakers said that this will only affect 200,000 people. There are some categories to which this will apply that do not affect a lot of people but are actually very important.

Of the services which are delivered across Australia, obstetrics forms only a small part. Only 20 per cent of obstetrics is bulk-billed. It has always been low; it was low under Labor, and it has been low under the current government. So most people are paying an out-of-pocket payment, and anyone who has had any contact with anyone who has been to an obstetrician lately will know that these payments can be quite high. So if the Labor Party and other parties oppose this safety net for that category—which is a small category but, I think everyone would agree, for the national interest quite an important category—they will be opposing people making this claim if their out-of-pocket expenses are over $500; or $1,000, depending on what category they are in.

There are other aspects of MedicarePlus. There are more doctors and nurses now and for the future, there are the 457 full-time equivalent practice nurses, there will be a new Medicare item for wound management and immunisation, and there will be practice nurse grants in RAMAs 1 and 2 for areas of work force shortage. There will also be better access to medical care for residents of aged care homes, in that there will be a new MBS item which will allow comprehensive medical assessment for residents of nursing homes. This will probably be for an amount of $140; it is still to be negotiated with the profession. This means that 40,000 new residents will be able to receive an assessment in 2006-07 and 85 per cent of the 50,000 existing residents will be able to receive an assessment. This is something that responds to a need that is there now.

There will also be more general practice training places and support for practices—150 new places in general practice. There will be more graduate doctors for areas of need—280 placements in outer metro, rural and remote areas. There is also a specific initiative which relates to overseas training of doctors, international recruitment, decreasing the red tape for registration and increasing the training so that these doctors can
meet Australian standards. It is hoped that this will provide 725 full-time positions by 2007.

There are other initiatives helping general practitioners and specialists to re-enter the work force, more medical school places—234 publicly funded and bonded places which will commence next year—and a higher rebate for non-vocationally registered GPs who were practising prior to 1996. There are a lot of measures in MedicarePlus, and it is much more comprehensive than Labor’s plan; on the Labor side you have a very crude thing which is just looking at bulk-billing rates, and I will go on to talk about to bulk-billing rates in general practice in some detail later.

In October this year, Medicare turned 20. It was greeted by a press release from the Prime Minister pointing out how the government has supported Medicare and that Medicare is in good shape. To paraphrase Mark Twain: reports of its demise are exaggerated. The claims by the former Leader of the Opposition and the member for Lalor that John Howard and the government are destroying Medicare are hyperbole and are not backed up by any examination of the facts. Australia’s health remains at the front rank internationally. Amongst developed countries, only Japan, Sweden and Switzerland have longer healthy life expectancies than we do.

Overall, at 9.3 per cent of GDP, we spend a greater proportion of our economy on health than ever before. For a long time in the 1990s and early 2000, it was about 8.5 per cent of GDP; it is now 9.3 per cent of GDP. Most of that increase in health spending has come from the Commonwealth government—from the Howard government. When we look at Medicare specifically, each year Australians receive on average more than 11 services per capita from Medicare—I think the figure for 2002-03 was 11.1 services per capita. That is almost as high as it has ever been. Of these services, about five are visits to a general practitioner, 3½ are for pathology, one is for a specialist attendance and the rest are made up of diagnostic imaging, operations, optometry, obstetrics, anaesthetics and other services.

When Labor talk about Medicare they are generally only talking about general practice visits, which take up only five of the 11 services that people need. When you look at the bulk-billing rates for each of the categories they refute Labor’s claim that Medicare is dying. It confirms that Labor never intended to provide universal bulk-billing—we have had confirmation of that from the member for Perth—and it demonstrates how pointless it is to mandate a specific bulk-billing rate for general practice.

When we look at the bulk-billing rates for optometry and pathology, they are as high now as they have ever been: the rate for optometry is 96.5 per cent, which is as high as it has ever been, and the rate for pathology is 84 per cent, which is as high as it has ever been. When we look at the bulk-billing rates for specialist visits, obstetrics and anaesthetics, they are low and they have been low for 20 years. They were low under Labor; they were low under the Liberal Party. Throughout Medicare’s history, under both Labor and Liberal governments, we have had some services which have had high levels of bulk-billing, like optometry; we have had some services which have had low levels of bulk-billing, like specialist services and so on.

But in their flawed critique of the Howard coalition government’s health record, Labor fail to mention the high rates that we are seeing now, and they have nothing to offer for the low rates in things like specialist services and obstetrics—absolutely nothing. There is not one thing in Labor’s plan that addresses
the low rates of bulk-billing in these areas and the high out-of-pocket expenses that people can see in specialist services, obstetrics, anaesthetics, diagnostic imagining and so on. The bill that we are discussing now is to provide a safety net not just for general practice but for the whole of Medicare: the 11 services per head that everyone is receiving.

We have heard a lot about the bulk-billing crisis. What exactly is it? In the early nineties, seven out of 10 visits to a general practitioner were bulk-billed. By the mid-nineties and late nineties, that rose to eight out of 10 visits to a general practitioner. Over the last three years, it is has fallen to seven out of 10 visits being bulk-billed. There is nothing enshrined in the tablet of Medicare to say, ‘Medicare must have a bulk-billing rate of 80 per cent.’ It never did. It never did under Labor and, whether eight out of 10 or seven out of 10 services are bulk-billed, the change is entirely consistent with a strong Medicare.

During the Hawke government, the Labor Party saw nothing wrong with bulk-billing rates of about 70 per cent. In 1987, when bulk-billing rates were much lower than they are now in general practice, Neal Blewett said:

What we have mostly in this country is ... compassionate doctors using the bulk billing facility to treat pensioners, the disadvantaged and others who are not well off or who are in greater need, which was always the intention.

Neal Blewett never claimed that Medicare was about universal bulk-billing. In 1991, when the bulk-billing rate for general practice was about what it is now, the federal Labor Minister for Health, Housing and Community Services, Brian Howe, told parliament:

So while bulkbilling decisions are for individual doctors, I am confident that Medicare will continue to operate to ensure very high rates of bulk-billing.

It helps to quantify what we are talking about. Over the last three years, the annual out-of-pocket contribution by patients—(Quorum formed) This bill will help individuals and families with significant out-of-pocket expenses on all of the items on Medicare. I support the bill and endorse the bill to the House.

Mr ORGAN (Cunningham) (11.53 a.m.)—I oppose the Health Legislation Amendment (Medicare) Bill 2003 not only because of its content, its attack on Medicare and its various implications but also because I only received it 45 minutes ago. As the representative of the people of Cunningham, it is my duty and obligation to give detailed consideration to any piece of legislation brought before this House and discuss it with my constituents. I cannot do that in 45 minutes, and I do not believe any member can.

The government’s revised Medicare package—it calls it MedicarePlus, but the community knows very well and good that the package strips away the universality of Medicare, so ‘MedicareMinus’ is more appropriate—proposes to increase the patient rebate for general practitioner services for two groups of Australians as an incentive to encourage bulk-billing for these people. The government proposes to introduce discriminatory safety nets which endorse substantial out-of-pocket expenses for medical services. The Greens strongly disagree with the government’s plans for Medicare and call on the Senate to stand firm to save Medicare for all Australians, now and into the future.

All Australians deserve access to quality health care, regardless of their capacity to pay, and this package does not ensure that. The Greens believe Medicare should be defended and extended. The Australian people deserve no less. Once our universal health care is gone, it will be very difficult to get it back. The government is not strengthening
and improving Medicare, as the Minister for Health and Ageing told us a couple of minutes ago; it is doing the opposite. It is just more lies from the government. We live in a comparatively wealthy society where we can easily afford for all people of this nation to be adequately cared for in their times of need. A universal health care system is vital to the ongoing maintenance of a healthy social structure. The people of Australia want Medicare. They support Medicare, they need Medicare and they believe in Medicare. They know that this government is making medical care more expensive for them. That is a fact, and the spin doctors cannot disguise that fact.

The Greens condemn the government for undermining the principle of universality by failing to propose measures to increase bulk-billing for all Australians. We strongly disagree with the plans to encourage higher private fees for medical services, which will cause hardship for many Australians and discourage them from seeing their doctors. It will perhaps discourage them when it is imperative that they do go and see their doctor. I know from my own experience that this happens. My elderly mother and her friends are now forced to think about whether they can afford to go to their local doctor. That is just disgraceful.

The Greens strongly disagree with the government’s proposal to rely on so-called safety nets in place of genuinely strengthening Medicare. Its so-called safety nets are full of holes, and lots of Australians are going to fall through those holes. The extended safety net of schedule 1 of this bill is, once again, a blatant misrepresentation to the people of Australia. The proposed safety nets are no substitute for a universal national health care system. Safety nets will lead to people paying more directly for their medical care, and some people in need will invariably miss out. The safety nets will not provide peace of mind to all Australians about the cost of their health care, and they do not protect Medicare. The community is concerned that safety nets will become the focus of government policy and that, before long, bulk-billing rates will be ignored and the principle of equality of access to health services, which is at the core of Medicare, will disappear.

The Greens call on the government to cease its program which will result in making health care unaffordable for many Australians. We do not want to end up with the American model, where a visit to the doctor costs over $100 and we hear that people are left to die on the streets if they do not have private cover. We call on the government to increase the patient rebate for all Australians and to develop a plan to promote bulk-billing as an essential means of ensuring timely, affordable access to primary health care. That is the core issue—supporting and adequately reimbursing the doctors of this nation. That is at the heart of it.

It is clear that this government wants to destroy Medicare. This bill is simply the latest instalment in the government’s long campaign to destroy our wonderful universal national health care system. The Howard government has been running down Medicare since it came to office. We know that the Prime Minister does not like Medicare. He has said so. This is simply the government’s latest attempt to con the Australian people into believing that it cares about equitable access to health care.

If the Senate supports this legislation and allows this move by the government to go unchallenged, then the Senate will stand condemned for failing the Australian people and putting politics ahead of good policy. Medicare is in peril, because this legislation is part of a plan to turn it into a welfare safety net and not a universal system for all. This is in blatant disregard of what Austra-
lians deserve and want. Australians value Medicare. It also ignores the long-term costs of making it more expensive for sick people to get the treatment they need.

The government’s first attempt to address the rising tide of concern among Australians about access to general practitioners and the continued decline of bulk-billing—the so-called A Fairer Medicare package—was overwhelmingly rejected. That is because it sought to turn Medicare into a welfare measure and to push most Australians into private health care. Privatisation of everything is apparently this government’s vision—privatising Telstra, health care, education and even Australia Post. Forget about taking care of ordinary Australians and those who need help. Leave them to the free market. Let them, no matter how poor, join a private health fund. That appears to be the direction this government wants all Australians to take. That is just not acceptable.

The government’s revamped package offers some more money but no change in philosophy. The so-called MedicarePlus package is more of the same. It is targeted at those the government deems to be needy, and there is an unsatisfactory safety net for everyone else. The government wants to replace the entitlement to bulk-billing of every Australian with a safety net and a little extra for the people it deems to be needy. The principle of universality is at the foundation of Medicare. The government’s Medicare package overturns this principle by discriminating against Australians seeking medical services.

All Australians fund Medicare through their taxes and the Medicare levy. In return for this financial contribution, all Australians have access to medical services when they need them. Cost should not be a barrier to care. A person should not have to put their hand in their pocket for another $20, $25, $50 or even more to see a GP. But under the government’s package no longer will all Australians be treated equitably. The government thinks only the neediest people in our community should have access to bulk-billing.

In some electorates, the percentage of people being bulk-billed has fallen to the low 30s, and it is likely to keep falling because the government is giving GPs a green light to bulk-bill some people and to not bother bulk-billing the rest. The government does not care that bulk-billing will be less and less available to some Australians; we know that the Prime Minister has never liked bulk-billing.

The Greens believe that bulk-billing is vital, that every Australian has an entitlement to be bulk-billed and that the government has a responsibility to give meaning to that entitlement. Several factors have caused the fall in bulk-billing rates and it will not be easy to reverse this—but it is not impossible. What is lacking is the desire by the government to reverse the fall. This government has bullied people into taking out private health insurance. It wastes $2.4 billion every year on the private health insurance rebate, and the coalition members of the Senate Select Committee on Medicare wanted to add to that scandalous waste of public money by lifting the rebate level.

The government’s Medicare package in this bill continues the privatisation push. Privatising health care is poor social policy. Just look at the US, which spends 14 per cent of its gross domestic product on health care and has 42 million people without some kind of cover, and where health costs drive hundreds of thousands of people into bankruptcy every year. The Greens have a different vision for Australia’s public health system. We regard access to health care as a human right. We believe that all Australians have a stake in a
strong public health system, and we advocate measures that build on this.

Commentators have been proclaiming the government’s package as clever politics, but the Greens see nothing clever or commendable in it. The government has its eye on the next election, when it ought to be focused on addressing the problems with our health system here and now. Instead of tackling the many complex core issues, the government is throwing more money at the problem in the hope that voters will be lulled into a false sense of security. But the voters of Australia are smarter than the government thinks. They will see through this political bribery and understand that the Howard government intends to let our national health insurance system wither while it inflicts upon Australians a market-based, privatised health system, with a little bit of charity thrown in to pacify the liberal conscience.

This government does not understand—or it does not care—that access to affordable quality health care is a human right. Any one of us can be struck down with illness and every one of us needs our health system to be in good shape to support us. That is why we should fund it collectively according to capacity to pay. That is why we should be building on Medicare, not tearing it down.

The Greens will continue to defend Medicare and work towards strengthening it because, unlike the government, we believe in the benefits of a truly universal national health insurance system, funded by progressive taxation, that delivers quality health care to every Australian—based on medical need, not capacity to pay. In summary, I therefore condemn the government for pushing this legislation through this place with so much undue haste; I reject it. I also commend the member for Lalor’s amendment. The issue of Medicare is too important to be rushed through this House. It is also too important to serve as a stunt for the government’s purposes—and the government must be condemned for its action here today.

Mr HARTSUYKER (Cowper) (12.03 p.m.)—I rise in the House today to speak on the Health Legislation Amendment (Medicare) Bill 2003. This is a very important bill, and it really provides a challenge to Labor. The new Leader of the Opposition, the member for Werriwa, made some interesting statements. He said that he would look to get on with the government and end Labor’s policy of mindless opposition to every proposal that this government puts forward to advance this country. I was really hopeful that the member for Werriwa’s words would be mirrored by his actions. We have heard him talk the talk; it is now time for him to walk the walk.

I cannot see how any political party with a conscience, that really feels for this country, can oppose this bill. A package of $2.4 billion of additional expenditure for the nation’s health care system has to be a good thing. We have even seen some disagreement occurring amongst members of the Labor Party. We had the member for Lalor saying that a very simplistic $5 for every bulk-billed consultation will apparently cure everything: ‘You just pay all the GPs $5 more and it will all be cured.’ Then the member for Perth got up and seemed to dispute that proposition by saying that the Labor Party does not guarantee universal bulk-billing. So there is still division and confusion on the Labor side. For the life of me, I really cannot see why that party would oppose this legislation.

It has always been very important to the Nationals that, with the provision of services, regional and rural areas have excellent medical services. There is an incredibly strong correlation between the supply of doctors, the supply of health professionals and the level of bulk-billing in those areas. So a sim-
plastic ‘$5 across the board and let’s go away and forget it’ type policy will not get the maximum benefit for the community per dollar.

The previous member for Werriwa back in the seventies, Mr Whitlam, always used to throw money at everything; he used to go down to the Mint, turn on the turbo charger and crank it up and throw out the money—and we know what that did to the country. This government has taken a much more targeted approach to the issue of health services. This government has provided a $2.4 billion package that will meet the needs of Australia’s population. It looks at the very important area of workplace shortages, and that is a major driver in the issue of bulk-billing. This package provides for an additional 1,500 doctors and an additional 1,600 practice nurses by the year 2007. It is a well-targeted proposal and it contains training initiatives.

For the life of me, I cannot see how the members opposite could oppose this package. Training additional doctors and getting additional numbers into regional, rural and metropolitan areas is a good thing. How can those opposite not come on board and support the government and cheer for our having another 1,600 practice nurses to support and free-up our highly trained GPs in order that they might do more difficult procedures; how can they not support these practice nurses working with the doctors to provide a better level of service—better medical care for Australians?

The government has not left behind the financial area in terms of increasing funding for bulk-billed consultations. It has addressed that through providing an extra $5 for each bulk-billed consultation for health care card holders and children aged under 16. That should be supported—an additional $5 for health care card holders and children aged under 16.

Mrs De-Anne Kelly—Rural Australians love it.

Mr HARTSUYKER—Rural Australians do love it; I thank the member for Dawson. This measure will be welcomed in rural Australia. It is certainly well targeted; it is targeted at those most in need—children aged under 16 and health care card holders.

The package also provides for medical services for aged-care facilities. I do not hear members opposite supporting the idea of improved medical services for people in aged-care facilities. This package will provide funding of up to $8,000 per GP to encourage GPs to provide services to aged-care facilities. I think that is a great thing. In addition, this package will provide a new Medicare item in the order, I understand, of $140 to provide medical assessments for residents of aged-care facilities. These are well-targeted measures. This measure aims to address the issue of elderly people having to be put into an ambulance and driven up to a casualty ward at hospital to be treated at a hospital by bringing GPs into aged-care facilities on a more regular basis. This will save money on ambulances and take a load off our hospital emergency departments. It is a great measure, but I do not hear the members opposite supporting it. I do not hear them cheering. I do not hear them supporting those workplace initiatives. The silence is deafening. All we hear is their endless whingeing and moaning.

Then there is the issue of convenience for patients of GPs. Under this package patients will have the ability to go into a GP’s office with HIC Online, run the swipe card through and have their refund from Medicare deposited directly into their bank account. If members opposite went down the main street in their electorates and asked their constituents,
'Would you rather queue up in your lunch hour at a Medicare office or be able to just swipe a card and have the money deposited into your bank account?’ I know which option their constituents would choose. Once again, the silence is deafening. The opposition are not supporting greater convenience for their constituents. They are not supporting a time-saving measure and a more efficient system; they are just pursuing the endless, mindless opposition that we have come to know so well over all these years.

This brings me to the safety net, another vital element of this package. Again, this is an area where the Labor opposition—they would love to win government, but that is highly unlikely—try to throw a spanner in the works and block these measures. The message from those of us on this side of the House is: ‘Get out of the way and let these measures past. Get out of the way and let us reimburse out-of-pocket costs for families for medical services outside of hospitals over $500.’

This is a great measure. It will reimburse 80 per cent of the out-of-pocket medical costs for out-of-hospital service, and it is very generous. This safety net applies to people who receive family tax payment A. For instance, for a family with one child that benefit continues for those up to earning $85,702, for a family with two children the benefit continues up to $92,037 and for a family with three children the benefit continues up to $99,572. So that is a very generous safety net making sure that the medical needs of all Australians are adequately catered for. What do get from the opposition? Nothing but mindless opposition.

For those families who earn a greater income than those figures I stated, there is still a safety net. They would have to pay the first $1,000 themselves and then the safety net would cut in. So, basically, the people of Australia are well catered for under those measures in the package I mentioned previously and then we have the safety net, a safety net which the Labor opposition are going to oppose tooth and nail in this House. They are going to oppose it in the Senate and withdraw from the people of Australia the ability to have a safety net. Who could vote against a safety net?

Mrs De-Anne Kelly—Who indeed?

Mr HARTSUYKER—Who indeed but the Australian Labor Party. This is a terrible thing. I cannot believe that they would go back to their electorates and say, ‘We are against 1,500 new nurses and 1,600 new practice nurses. We are against $5 extra for each bulk-billed consultation for health care card holders and children under the age of 16. We are against better health-care services for people in aged-care facilities. We are against the swipe card and we are against the safety net.’ It is a very hollow opposition indeed. All they can do is whinge and moan. All they can do is knock the advances that this government are trying to provide. The member for Werriwa faces a big test on this issue. He faces the test to come on board, end the policy of mindless opposition and support better health services for all Australians—particularly Australians in regional, rural and outer metropolitan areas, where bulk-billing rates tend to be lower. I reject the proposition that the Labor Party have the best interests of Australia at heart; if they did, they would be supporting this legislation, supporting the safety net and cheering for those measures which I mentioned earlier.

Ms HALL (Shortland) (12.12 p.m.)—I start by saying that we on this side of the House are for affordable medical treatment for all Australians, not just a few. We are for a universal health system that ensures that everybody, no matter how much money they have, can get the best quality health services available. We are for Medicare, for ensuring
that Medicare continues and bulk-billing is available for all Australians, not just a few. This is really despicable legislation. It demonstrates the mean and tricky nature of the Howard government. This legislation is mean, because it is seeking to divide and conquer and only pay $5 extra for those people who have a health care card, and tricky, because it is trying to trick the Australian people into believing that the government are putting before the parliament today a health package that will improve Medicare—rather than what it will really do, which is to destroy Medicare. It is a political fix and a stunt. It is introduced into this House by the king of stunts, the Minister for Health and Ageing—a minister who I do not believe really understands the health portfolio and a man who has not come to terms with the intricacies of the health portfolio.

This piece of legislation was introduced into this parliament today after 10.30 a.m. That gives us two hours to discuss a piece of legislation that I believe every member on this side of the parliament would have liked to make a contribution on. Instead, only a few of us have been able to express our thoughts in this parliament, put on record our opposition to what the government are seeking to do and the division they are seeking to create, and express the fact that this is not about providing better health care to all Australians. This legislation is about dividing, conquering and creating a two-tiered system with groups of have-nots.

As a member who consults with their constituents, I would like to quickly put before the parliament how ineffective this legislation will be. I have a letter here from Ron and Kathy Green, both pensioners who live at Lake Munmorah and who go to the local medical centre. They asked their local doctor whether the government’s package would affect the way he charges his patients and whether he would start bulk-billing. Currently, patients who attend this practice are $12 out-of-pocket after covering the gap, and from 1 January there will be a further increase in this gap payment. Their doctor told them that, no, he would not be changing his fee structure or accepting the government’s promise of an extra $5; rather, things would continue in the same way. For these people to qualify for the safety net, they would have to visit their doctor 40 times; that is nearly four times a month. To be quite honest, that is not something that this pensioner couple would do. It requires a very high level of service to qualify for the safety net, and it is not being accepted by doctors.

I have other examples. A gentleman in my electorate, who is also pensioner, is charged $45.70 by his doctor for a consultation. His doctor will not be embracing the Howard government’s Medicare package being discussed today. This gentleman would have to visit his doctor 25 times to qualify for the safety net. Another example is that of a young boy whose doctor does not bulk-bill and charges $50 a visit. This young boy would be lucky to go to the doctor more than two or three times a year—his doctor will not be accepting the safety net.

One of the saddest cases that has come across my desk is that of a couple who recently moved to the Central Coast. They had come from Sydney where they had a bulk-billing doctor. The husband suffers from dementia, a heart condition and a skin condition. They have been unable to find a doctor who bulk-bills. They cannot afford to go to a doctor who does not bulk-bill, and they are having to return to Sydney. In this case it is extremely important for medical reasons that this couple are linked into a local doctor. They found that on the Central Coast there are no doctors who will bulk-bill. On the Central Coast there is not one doctor who embraces the government’s proposed safety net.
I believe that this legislation is a backdoor way of introducing means testing. It sets up a system where there are different payments to pensioners and children. I re-emphasise that, while this legislation is putting in place a system that will allow that to happen, in fact it will not come to fruition because doctors are not embracing it. Even with the $500 for lower income earners, as I have already emphasised with the fee structures within my area, it will take a significant level of service before a person qualifies for that safety net.

This safety net will also be a bureaucratic and administrative nightmare. The Minister for Health and Ageing referred to eligibility for the safety net based on the family tax benefit A. We members of this House only have to look at how many people have had problems with that system and how inefficient it is to understand what a bureaucratic and administrative nightmare this safety net proposal will be.

The government are forcing this legislation through the parliament today for purely political purposes. They are not interested in what is good for the Australian people. This legislation will not get through the Senate; it is going nowhere. The whole purpose of this exercise today is to block debate on the bill but get it through the House and then have it rejected in the Senate; it is to create division. It is flawed legislation.

The minister stands condemned for the bullyboy tactics he constantly employs in this House—and no doubt will continue to employ. His bullyboy tactics will achieve nothing. The government also stand condemned for its failure to sit down and look at the needs and interests of Australian people to ensure that there is affordable health care and to improve the bulk-billing rate of doctors by paying them an extra $5 for every service as opposed to selecting how they are going to pay it and who they will pay it to. It is a government that thrives on division. It is a government that has always opposed Medicare. The Prime Minister, time and time again, has said that he would like to get rid of Medicare. This is getting rid of Medicare by the backdoor. The government stands condemned.

Mr ANDREN (Calare) (12.21 p.m.)—I rise to speak very briefly on the Health Legislation Amendment (Medicare) Bill 2003. This bill provides for the government’s safety net measures and comprises part of its MedicarePlus package. I voted earlier to allow the government to bring this business on, as is its right, but I am appalled at the short notice, the short debate and, I believe, the quite blatant political intent rather than genuine policy outcomes that this represents.

This bill comes to this place at this late stage despite the fact that the Senate Select Committee on Medicare is set to inquire into key areas of the MedicarePlus package and is not due to report until 11 February next year. The terms of reference require the committee to inquire into and report on the government’s MedicarePlus package, including but not limited to the government’s proposed amendments to the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003—the bill that includes the original safety net proposal. So we are not debating that legislation but only the narrowed safety net provisions which, to my mind, continue to avoid the need for a realistic payment to doctors.

As this bill has been introduced too late to make the cut-off for introduction to the Senate, there is no reason why this House should be debating it without the benefit of the committee’s findings. There is no valid point for this rushed introduction and debate if the bill has no chance of advancing to the Senate and being passed before February. The intent of the exercise is so that the government can
leave this sitting with the expected non-government support for its safety net proposals. I guess they hope it will be a powerful message to spin over the summer break. But I suggest that it is not going to have too much traction, because, as I understand it, the government’s new extended safety net would work as follows: concession card holders and families in receipt of family tax benefit A would have 80 per cent of their out-of-pocket expenses rebated once these expenses exceeded $500. For all other Australians, the extended safety net would cover 80 per cent of out-of-pocket expenses beyond $1,000. Peace of mind it may give but, for low- and middle-income families, reaching those thresholds is a big ask.

There are many questions about this safety net proposal, the answers to which could be provided during the committee’s consideration. The Australian Consumers Association commented that the safety net measures might prove to be grossly inflationary, and it asked what is to stop a doctor or specialist from raising their charges when they know the taxpayer will foot 80 per cent of the bill. In that sense, I have to agree with Dr Tim Woodruff, of the Doctors Reform Society, who says that a well-funded public health system does not need a safety net.

Accessible and affordable health care will not result from safety nets and incentives. A genuine solution for the future of Medicare would come from raising the rebate to doctors and, hand-in-hand with this, raising the schedule fees for medical services that have lagged well behind doctors’ costs for the past decade. The AMA and the Productivity Commission have both pointed to around $50 being the recommended charge for a standard consultation. The current schedule fee is around $28. This difference is the greatest deterrent to bulk-billing.

The minister’s MedicarePlus package continues the government’s practice of throwing money around the edges, and I can only restate that a well-funded health system does not need a safety net. When some 70 per cent of Australians have indicated, in a survey earlier this year, that they would be prepared to pay more for a fairer, stronger health system, the solution would appear to be simple for both sides of politics: have the courage to raise the levy to truly ensure the future of Medicare for everyone and stop the slide to a two-tiered health system. I want to read into Hansard a message I got from Ray Nolan, one of my constituents. He said:

As a self-funded retiree (involuntarily retired for health reasons), I am not a holder of any concession card. I would like you to ask the PM to explain how it is an improvement to Medicare, to raise the EXISTING Safety Net from $319 to $1000.

The member for Perth rightly said in his remarks that Medicare should be about health and not wealth. The Prime Minister said this week during question time that opponents of MedicarePlus want Kerry Packer to be bulk-billed. He should be, given the huge gaps that he has no doubt paid for surgery in recent years. He is part of our society as well; he should be part of a universal health scheme. But the government’s own plan would provide the grandkids of Kerry Packer—or anyone else with means who is under 16—with bulk-billing yet exclude people like Ray Nolan. How fair is that?

With the MedicarePlus bill still subject to inquiry and the final amendment, no doubt, in the other place, this bill becomes no more than a political stunt. That fact is given away by the cynical way in which it was introduced. I reject it for those reasons.

Question put:

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

The House divided. [12.32 p.m.]
(The Speaker—Mr Neil Andrew)

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Question agreed to.

Original question put:

That this bill be now read a second time.

The House divided. [12.37 p.m.]

(The Speaker—Mr Neil Andrew)

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Katter, R.C.  
Kelly, J.M.  
King, P.E.  
Lindsay, P.J.  
Macfarlane, I.E.  
McArthur, S. *  
Moylan, J. E.  
Nelson, B.J.  
Panopoulos, S.  
Prosser, G.D.  
Randall, D.J.  
Scott, B.C.  
Slipper, P.N.  
Southcott, A.J.  
Thompson, C.P.  
Tollner, D.W.  
Tuckey, C.W.  
Vale, D.S.  
Washer, M.J.  
Windsor, A.H.C.  
Murphy, J. P.  
O’Connor, B.P.  
Organ, M.  
Price, L.R.S.  
Ripoll, B.F. *  
Sawford, R.W.  
Sercombe, R.C.G.  
Smith, S.F.  
Tanner, L.  
Vamvakinou, M. *  
Zahra, C.J.  
O’Byrne, M.A.  
O’Connor, G.M.  
Pilbrow, T.  
Quick, H.V. *  
Roxon, N.L.  
Sciaccia, C.A.  
Sidebottom, P.S.  
Swan, W.M.  
Thomson, K.J.  
Wilkie, K.  
Georgiou, P.  
Johnson, M.A.  

* denotes teller

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

The SPEAKER—The question now is that the remaining stages of the bill be agreed to.

Question put.

The House divided. [12.40 p.m.]

(The Speaker—Mr Neil Andrew)

Ayes............. 79
Noes............. 61
Majority.......... 18

AYES

Abbott, A.J.  
Anthony, L.J.  
Baird, B.G.  
Barresi, P.A.  
Billson, B.F.  
Bishop, J.J.  
Cadman, A.G.  
Causley, I.R.  
Ciobo, S.M.  
Costello, P.H.  
Draper, P.  
Elson, K.S.  
Farmer, P.F.  
Gallus, C.A.  
Gash, J. *  
Haase, B.W.  
Hartsuyker, L.  
Hockey, J.B.  
Hunt, G.A.  

NOES

Adams, D.G.H.  
Beasley, K.C.  
Berreton, L.J.  
Byrne, A.M.  
Cox, D.A.  
Crosio, J.A.  
Edwards, G.J.  
Emerson, C.A.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G.  
Hoare, K.J.  
Jackson, S.M.  
Kerr, D.J.C.  
Livermore, K.F.  
McClelland, R.B.  
McLeay, L.B.  
Melham, D.  
Albanese, A.N.  
Bevis, A.R.  
Burke, A.E.  
Corcoran, A.K.  
Cream, S.F.  
Danby, M. *  
Ellis, A.L.  
Evans, M.J.  
Ferguson, M.J.  
George, J.  
Gillard, J.E.  
Griffin, A.P.  
Hatton, M.J.  
Irwin, J.  
Jenkins, H.A.  
King, C.F.  
Macklin, J.L.  
McFarlane, J.S.  
McMullan, R.F.  
Mossfield, P.W.  

Ayer, K.J.  
Bailey, F.E.  
Baldwin, R.C.  
Bartlett, K.J.  
Bishop, B.K.  
Brough, M.T.  
Cameron, R.A.  
Charles, R.E.  
Cobb, J.K.  
Downer, A.J.G.  
Dutton, P.C.  
Entscht, W.G.  
Forrest, J.A. *  
Gambaro, T.  
Georgiou, P.  
Hardgrave, G.D.  
Hawker, D.P.M.  
Hull, K.E.  
Johnson, M.A.  

CHAMBER
Mr ABBOTT (Warringah—Leader of the House) (12.42 p.m.)—I move:

That leave of absence be given to every Member of the House of Representatives from the determination of this sitting of the House to the date of its next sitting.

Question agreed to.

SPECIAL ADJOURNMENT

Mr ABBOTT (Warringah—Leader of the House) (12.42 p.m.)—I move:

That the House, at its rising, adjourn until Tuesday, 10 February 2004, at 2 p.m., unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker fixes an alternative day or hour of meeting.

Question agreed to.

MILITARY REHABILITATION AND COMPENSATION BILL 2003

First Reading

Bill presented by Mrs Vale, and read a first time.

Second Reading

Mrs VALE (Hughes—Minister for Veterans’ Affairs) (12.44 p.m.)—I move:

That this bill be now read a second time.

The Military Rehabilitation and Compensation Bill 2003 is the government’s detailed response to the findings of the inquiry into the Black Hawk disaster and the recommendations of the Tanzer review of military compensation for a new scheme that recognises the distinctive nature of military service.

This bill sets in place the most comprehensive changes in military compensation legislation in nearly two decades.
From the commencement date, planned for 1 July 2004, the new scheme will cover all injuries or conditions arising from service in the Australian Defence Force (ADF).

This bill has no impact on current veterans or war widows who are receiving benefits under the Veterans’ Entitlements Act 1986 (VEA). Current beneficiaries under the Safety Rehabilitation and Compensation Act 1988 (SRCA) will continue to receive their benefits under that act.

An exposure draft of the bill was published in June this year. Subsequent consultation with the veteran and Defence Force communities has been important in developing the legislation.

Several changes resulted from the consultation process, among them:

- inclusion of a further choice of part lump sum and part periodic payments for permanent impairment;
- extension of the time allowed to choose between a lump sum and weekly payments from three to six months; and
- eligibility for the special rate disability pension safety net payment for those who are unable to work more than 10 hours per week—this encourages some part-time work for eligible members.

**Governance**

The new scheme will be administered by an independent Military Rehabilitation and Compensation Commission, supported by the Department of Veterans’ Affairs.

**Rehabilitation**

Rehabilitation is emphasised and aimed at providing injured members with the support they need to make a full recovery and to return to work where possible. Assistance provided will be sensitive to an individual’s needs and circumstances. Protocols will be developed in consultation with defence and ex-service organisations to document the manner in which rehabilitation is managed.

The bill also addresses the need for assistance in the transition to civilian life for ADF members being discharged on medical grounds.

**Compensation**

The bill adopts the VEA’s beneficial ‘beyond reasonable doubt’ standard of proof for warlike and non-warlike service and the normal civil standard of ‘reasonable satisfaction’ for peacetime service claims. It uses the statements of principles from the VEA in linking injury, disease or death with service.

There will be two types of compensation available to injured members—economic loss and non-economic loss.

Compensation for economic loss will be through incapacity payments. These payments will match, and in many cases surpass, payments under the VEA and the SRCA.

A safety net will provide a choice for eligible veterans between receiving taxable incapacity payments up to age 65, or a tax-free special rate disability pension payment for life.

Commonwealth-funded superannuation benefits will be taken into account when calculating incapacity payments so a Commonwealth benefit is not paid twice, extending the practice that already applies under the SRCA to Commonwealth public servants and members of the Australian Defence Force.

Permanent impairment payments are non-economic loss compensation. For warlike and non-warlike service, these payments will match the VEA, while members who are severely injured will have their compensation enhanced.

In most cases, permanent impairment payments for injuries from peacetime service will be enhanced from those available under the SRCA.
Members entitled to the maximum permanent impairment compensation will receive the same amount regardless of whether they were injured on warlike, non-warlike or peacetime service. In addition they will receive a lump sum payment for each dependent child.

**Death**

For eligible partners and dependants of members who die as a result of ADF service, the bill combines the best elements of existing entitlements. For widowed partners, benefits include:

- an additional aged-based amount of up to $41,200 for death connected to non-warlike or peacetime service, and up to $103,000 for death connected to warlike service; and
- a choice of a periodic payment equivalent to the VEA war widow’s pension, or its lump sum lifetime equivalent.

Dependent children may be eligible for a lump sum death benefit, initially set at $61,800 plus a weekly allowance.

These benefits are in addition to military superannuation benefits, free lifetime health care for widows through the gold card, and ancillary benefits including education allowances for dependent children.

**Treatment**

This bill blends the VEA and SRCA regimes for medical treatment. Where members have accepted conditions that do not require regular, ongoing treatment, payment will be made for reasonable costs of treatment required.

Where members require ongoing treatment, care will be provided using the VEA gold and white repatriation health cards.

**Conclusion**

The Military Rehabilitation and Compensation Bill and the associated transitional and consequential provisions bill are proof of this government’s commitment to a military-specific rehabilitation and compensation scheme that will meet the needs of all Australian Defence Force members and their families in the event of injury, disease or death in the service of our nation.

I present the explanatory memorandum to this bill.

Debate (on motion by Mr Edwards) adjourned.
I am pleased to say that this bill provides for members who have service on both sides of the commencement date to make a deliberate choice to take advantage of the new military rehabilitation and compensation scheme benefits.

A member who suffers an injury or illness after that date will be able to combine prior impairments from the SRCA and the VEA with the new arrangements to get the best possible outcome.

Importantly, this bill will ensure that equivalent income taxation and income and assets testing rules apply to the new scheme in the same manner as applies under the VEA and the SRCA.

The government has also recognised the need for all compensation entitlements to be administered by a single body whether they arise under the VEA, the SRCA or the new scheme.

This bill enables the new Military Rehabilitation and Compensation Commission to take responsibility for the operation of the SRCA as it relates to claims from defence service, currently managed on behalf of Comcare and the Department of Defence by the Department of Veterans’ Affairs.

I am pleased to say that the government has decided not to proceed with the proposal to offset future grants of the VEA special rate (the TPI pension) by the Commonwealth-funded component of superannuation. We have heard the concerns of the veteran community and the strong representations on their behalf. We agree it would be unreasonable to treat differently two veterans with the same service and the same incapacity.

I present the explanatory memorandum to this bill.

Debate (on motion by Mr Edwards) adjourned.
ment’s neglectful approach to workplace safety.

Undoubtedly, workers in critical situations will have difficulty in contacting one of the new federal safety officers, with their calls invariably being placed in a queue—and having to press one then five for assistance et cetera—all the while adding to the risk of death or serious injury due to unnecessary delay and processing time. Surely, even the most passionate anti-union ideologue would think the government should ditch its administratively short-sighted proposal in the interests of protecting the community, families and citizens. However, if you listen to the government they would have you believe that the construction and building industry is riddled with lawlessness—almost Wild West style. We have heard some speakers from the other side of the House make that accusation. My view is different. It is different because I have looked at this issue from the perspective of the workers who make our skyscrapers, schools and sports stadiums—the workers who build our community and who built this very parliament and perhaps even the chair you are seated on at the moment, Mr Deputy Speaker Hawker. When you consider these bills from a worker’s perspective—from the view of workers who routinely do hard, unrelenting and dangerous work—it is clear that this legislation is insulting, unreasonable and unnecessary. The government must go back to the drawing board with these bills and incorporate the amendment that I will be moving at the end of my speech—an amendment that responds to the inadequacies of chapter 4 of the main bill and to the real issue facing workers, particularly building and construction workers in this country. That issue is workplace safety, and the fact that industrial manslaughter legislation with terms of imprisonment for negligent employers who kill does not feature on the statute books in any Australian jurisdiction—apart from the ACT, where landmark legislation was passed last week with the support of the ALP and the Greens.

More people in Australia die at, or because of, their work than they do on the roads, but still the government sits on its hands and presents us with a 200-page bill that basically misses the mark. This government could help reduce the carnage that costs lives and causes trauma, but it chooses not to. Instead, it fiddles around the edges with OH&S legislation—which, to be brutally frank, is not working—and it hides behind the false argument that it does not have the constitutional power to introduce industrial manslaughter legislation and to incorporate it as part of the bills before us.

I am no lawyer or academic, but I do know one thing about this argument that makes its conclusion false. That is the fact that there are only seven people in Australia who can assess the constitutionality of any legislation—not the Attorney General, not the workplace relations minister, not the Treasurer, not the premiers of New South Wales or Tasmania, not the Governor-General and not even the Prime Minister himself. In fact, the only people who have the power to assess the constitutionality of any law in this entire nation coming from any parliament are our High Court judges. That is what they do and that is their fundamental role, along with being the highest court in the land. So claims that federal industrial manslaughter laws are unconstitutional and claims by the minister that they do not fit into this legislation that we are currently discussing are false. This point alone reveals the government’s position as being one that puts profit over lives and relies upon a clear-cut falsity to do so.

If the government wants industrial peace in the building and construction industry the first step that is needed is the insistence on
and promotion of safety. These bills do not do that and instead focus on attacking the rights of workers and unions, who are already in very vulnerable positions. The way forward—which has existed in Great Britain since the early 1990s—is to criminalise industrial manslaughter and serious injury in circumstances of neglect, in the same way as a person who negligently drives a car and causes the death or grievous bodily harm of another will face jail. It is only fair. It is patently ridiculous that employers have immunity from imprisonment when they negligently kill workers at work but face the full wrath of the law if they negligently kill that very same person at home or on the street—away from the workplace. Criminalising industrial manslaughter—and not this bill before us—is one of the keys to industrial peace and goodwill, because it will reduce the instances of death and serious injury in the Australian building and construction industry. But this government does not see it that way. It prefers to sit back and let the carnage continue.

The statistics are out there: in 1997-98, 48 construction workers were killed; in the following year, 1998-99, 58 were killed; in 1999-2000, 48 were killed; in 2000-01, 44 were killed; and, in 2001-02, 39 were killed. In addition, 37 manufacturing workers were killed and 50 transport and storage workers were killed. At the very least, a significant proportion of those deaths were entirely preventable. We should be putting more effort and resources into bringing these numbers down, as we do in attempting to lower the death toll on our roads. The federal government should really be looking at this issue.

The bills before us should have addressed the issue of industrial manslaughter, but they do not. With all this death and dangerous work, is it any wonder that workers join unions? It may prove a matter of life or death, as it has already in many instances, for unions have saved lives in this industry. The clauses in this legislation which put restrictions on unions and union delegates and their ability to enter workplaces, I would suggest, are going to put people’s lives at risk and increase their chances of being injured, and there is ample evidence of that. Unions and delegates have enabled families to rest assured that loved ones will arrive home from work, safe and sound.

In presenting these bills, the government is suggesting that the health of the industry is contingent on their passage. I disagree, for the construction industry is generally a healthy one, where profits exceed the average of other industries and where billions of dollars of profit are routinely generated. So the justification for these bills is revealed for what it is. I think that is an important part of this debate: why are these bills currently before us?

The legislation is not about ensuring jobs or the long-term survival of the industry; it is about maximising profits for construction companies, as well as being the latest instalment of this government’s anti-union dogma. That is right: these bills are merely an application of neo-Liberal ideology. The industry is profitable and not in need of this drastic legislative surgery. Companies make billions of dollars, thanks in the main part to the efforts of workers. Workers should share in these profits, yet this government would rather see their wages and conditions further restricted and limits placed on their effective representation by the union of their choice. The Prime Minister’s claim that no worker would be worse off under this government is a hollow one indeed.

The Cole royal commission showed us just how healthy the building and construction industry is. For the years 1999-2000, 76.6 per cent of all building and construction industries made a profit which exceeded the
national average of all industries, while more construction and building industry firms broke even even than the average of all industries. Better still, these firms were less likely than other industries to make a loss. Clearly then, by the Cole royal commission’s own figures, the construction and building industry makes more money more often, breaks even more often and loses money less often than other industries throughout the nation. The government’s talk of a crisis in the sector is alarmist nonsense, with its foundation based on fiction.

Why then the need for these bills? The minister tells us that they are a key plank in the most significant reform of the building industry ever attempted. Why the need for reform when the sector is so healthy? Who is making this push? Is it the big end of town? Is it developers and business owners who wish to generate even more profits at the expense of workers? Talk about greed! Grocon Constructions, for example, generated $600 million in revenue over the year ended 30 June 2003, up from $425 million on the year before. Meriton Apartments generated over a billion dollars over the same period, up from $850 million on the year before. Multiplex made over $2.28 billion, up from $1.4 billion, whilst Lend Lease made a net after-tax profit of $174 million, and the year before it made $239 million.

What is the relevance of these bills, you may ask, and the reason that they are before us now? The Business Review Weekly of 14 August 2003, in an article entitled ‘The property kings’, states that Walker Constructions holds over $2 billion in assets and that the developer Mirvac expects to make $220 million in profits this year, while Meriton Apartments holds over $1 billion in assets. It seems clear to me that the industry is awash with money and profits. These bills are therefore tainted because large construction companies feature prominently on the donations register of the Liberal Party, and they give the distinct impression that they are a pay-off for those donations. Both Lend Lease and Leighton Holdings have each donated over $100,000 to the New South Wales Liberal Party since 1998. Meriton Apartments has given $145,000 and Multiplex tops this list with over $250,000. In fact, property donors and building and construction industry donors have given over $2.63 million to the New South Wales Liberals in the period mentioned.

So is it any wonder that legislation such as this comes before this chamber? It is legislation that clearly alters the relationship between workers and employers. It is legislation that manifestly benefits employers and burdens workers. Unlike this government, the Australian Greens put people first. Profits must take second place to the safety of individual workers. There is no argument there. That is why we believe industrial manslaughter and serious injury caused by proven negligence should be criminalised with jail terms. That should be a part of these bills. Accordingly, had I not been gazumped by the member for Rankin, I would have moved the following amendment to the Building and Construction Industry Improvement Bill 2003:

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

“This House rejects the Bill and:

(1) notes the unacceptably high levels of death and serious injuries in the building and construction industry and across all workplaces and therefore demands that the Government introduce industrial manslaughter legislation immediately that provides for prison terms of:

(a) 25 years for employers that are found to have killed an employee through proven criminal negligence;

(b) 10 years imprisonment for employers that are found to seriously injure an
employee through proven criminal negligence;
(c) fines of up to $50 million for corporations and $5 million for company directors that negligently kill or seriously injure employees;
(2) condemns the Government’s attempts at restricting the rights of people to be properly represented by their relevant union in the construction industry; and
(3) re-affirms the inherent value of trade unions in protecting and advancing the pay and conditions of employment for all workers.

Noting the member for Rankin’s and the opposition’s concern about workplace death and the specific case of Joel Exner and in light of ACT Labor supporting industrial manslaughter legislation just last week, I ask the member to withdraw his amendment so the real issue of industrial manslaughter can be addressed by this chamber and my amendment can be put.

Mr GAVAN O’CONNOR (Corio) (1.08 p.m.)—It gives me great pleasure to rise in this House to oppose the Building and Construction Industry Improvement Bill 2003 and the Building and Construction Industry Improvement (Consequential and Transitional) Bill 2003. I do so not only on behalf of the many construction workers and their families in Geelong and the electorate of Corio, which I represent in this place, but also on behalf of all working people in the Corio electorate. This legislation is merely an extension of the industrial relations agenda that has been pursued by the Prime Minister, the former workplace relations minister, Mr Abbott, and the current minister over the period of time since the election of the Howard government to power in this country. If we condense in a nutshell what is enshrined in this legislation, we see that it establishes two new regulatory bodies, the Australian Building and Construction Commissioner and the Federal Safety Commissioneer, in an attempt by the government to extend its power into the construction workplaces of this country. The Building and Construction Industry Improvement Bill 2003 also severely restricts the legally protected industrial action that could be taken by building workers under the current provisions of the government’s industrial relations laws. It limits a union’s right of entry to work sites, it imposes severe penalties on unions and officials who contravene the provisions or the related provisions in the legislation, and it enhances access to damages for unlawful conduct.

When we strip away all the rhetoric, deceit and trickery of the Howard government over these matters, what we have left is a very industry specific piece of legislation which fairly and squarely panders to the prejudices of not only the Prime Minister but also the current minister and the former minister. When we strip all the rhetoric away and look at the reason why we are debating this legislation in the House today, we can see very clearly an extension of the industrial relations agenda that the Howard government has pursued from day one. I want workers in my electorate to reflect on the particular provisions of the bill that I have mentioned because it will not be long before this type of industry specific legislation is extended to other sectors of the Australian economy. Workers in Corio are very familiar with the attempts of this government to introduce penal provisions into legislation and to strip away the awards and conditions that have been hard won over a long period of time.

This bill is not an improvement to the industrial relations framework of the building and construction industry. This legislation is based on the Cole royal commission. Commissioner Cole is on record as saying that the way the government set up this particular inquiry required him to make findings about
conduct or practices that 'might have broken the law'—so we had a $60 million exercise into what might have happened in the building industry. In the electorate of Corio we could have used that $60 million that was wasted on the Cole royal commission in providing more aged care places, early childhood places, sustained funding for the men and family relationships program and a whole range of other services that really do address the needs of workers and their families. But what we had was a $60 million witch-hunt against a union and its members in Australia.

That is the extraordinary length to which this Prime Minister, this minister and the former minister will go to get at who they see as their political enemies. It is not as if this particular industry is on its knees. As we know, the building and construction industry in this country has been the centrepiece of economic growth. For the four years that Labor left the coalition with four per cent growth it was the central feature of that economic growth. It has been a central feature of the economic growth that Australia has enjoyed since the coalition came to power—but if you listen to the members opposite you would say that the economic growth rate was all their own work! We left the coalition with single digit interest rates. We broke the back of inflation. We left the coalition with four years of four per cent economic growth, and the cornerstone of that economic growth was the good economic performance of the construction industry.

One has to ask the question—and I think it is a reasonable question—why do we have this legislation here today on the floor of this parliament? It is not because the government is on a quest for reform, because reform suggests that you carry the agenda forward. This is not a reform agenda; these are bills and regressive measures that pander to the worst instincts of the Prime Minister and the prejudices of the coalition government.

We heard on the floor of this parliament only yesterday the minister telling us the reasons why this particular legislation is necessary. In the dorothy dixers served up to the current minister we heard a lot of talk about union thuggery. From the Hansard, this is what the minister had to say in this House on 2 December. When he was asked about a union official who was bashed, he said:

... this thuggery and intimidation in parts of the union movement is a disgrace.

The workers in my electorate of Corio remember the rottweiler dogs and the mercenaries who were trained in Dubai by the coalition government. We understand a little bit about the thuggery of coalition governments. We will not have any of this pious nonsense about the necessity of this legislation to get at thuggery in the union movement. Members of this House, I think we need a bit of legislation to get at the thuggery of the coalition government—of John Howard, the Prime Minister of this country, and his ministers. After all, they were the ones who set dogs, and hoodlums in balaclavas trained in Dubai, onto Australian workers. Geelong construction and waterside workers were amongst those workers. We simply do not forget.

The Cole royal commission which underpins this legislation was, the government said, a commission into the construction industry. But, in reality, it was a witch-hunt against construction unions. The government has had very bad experiences in the past with royal commissions that blew up in its face. The current Prime Minister knows very well about the Costigan royal commission into the painters and dockers union. What it uncovered was rampant tax evasion. The Prime Minister had been the friend of the tax bludgers when he was Treasurer of this coun-
What we found from that royal commission was that prominent Liberals were involved in massive tax evasion and cheating on the Australian public with the bottom-of-the-harbour schemes. Who was the Treasurer at the time that particular situation occurred? It was the current Prime Minister—the friend of the tax bludgers who were uncovered by the Costigan royal commission.

The government got a bit smarter in this particular royal commission. It excluded from the terms of reference any measures that would investigate tax evasion in the building industry, and we know that it is rife amongst employers. But that was not a matter for examination by the government through this royal commission. Is it any wonder that the Cole royal commission did not uncover one instance of tax evasion in the construction industry? In an industry that averages one workplace fatality a week, this $60 million, expensive exercise found only two breaches of occupational health and safety by employers Australia wide in this industry. That is a joke.

Mr Laurie Ferguson—A costly one.

Mr GAVAN O’CONNOR—It is a costly joke, as my honourable colleague reminds me, for the construction workers who die each week in this industry. It is no joke to their families or to the construction workers who leave home in the morning and do not come home at night, but that issue was not worthy of examination by this government. No, they wanted to get at the representatives of those workers, who have been very vigilant in making sure those industrial construction sites are up to speed in the occupational health and safety sense.

What is the government’s response to this beat-up royal commission that was so expensive to mount, at a cost of $60 million? How does the government respond to this very successful industry in the Australian economy? It introduces draconian measures designed to alienate and eliminate the very union presence that has made these workplaces safe. An example of that is seen in the legislation. We have the return of Big Brother to the construction sites in this country with the establishment of an Australian Building and Construction Commission, which, if you want to look at it, is really this conservative minister’s own special industrial police force.

The directors of this outfit—and that is all you can describe it as—will be appointed by the minister and will take directions from him. We will have teams of inspectors roaming around the construction sites and building sites of this country gathering evidence about workers and their activities. These inspectors will have greater rights to enter a workplace than the union representatives of the workers who actually build the buildings in this economy. This is an anti-union team of inspectors that will be given wide powers over everyone working in the industry. They will be able to force workers and their representatives to attend their offices, to answer questions and to hand over documents.

If you do not comply you will get six months in jail. This will make it more difficult for workers in a very dangerous industry to take industrial action in protection and defence of their interests. Fines for breaches of the no right to strike provision could reach up to $110,000 for unions and $22,000 for individuals. A minister can blow $45,000 on a telecard, abusing the public purse, yet in this legislation, when you exercise one of your fundamental industrial rights you will cop a fine of $22,000. The freedom of association provision will see penalties and sanctions in the order of $110,000. There will be no industry bargaining, and awards will be stripped bare.
So let us have no illusions about the agenda behind this pernicious legislation. I ask the question again: why are we debating this legislation in this House today which affects a sector of the economy that ranks fourth in productivity and is the centre of a boom that is delivering growth to the Australian economy? I leave the members opposite, and the electorate, to ponder that question. In my electorate of Corio, in the greater Geelong region, in 2001 the construction industry employed well over 5,000 males and 643 females; it comprised about eight per cent of the work force. Over 2001-02 building activity went up by 36 per cent. So I ask again: why this particular legislation? It is an expensive exercise in union bashing; that is all it is.

In the remaining time available to me I want to pay tribute to the construction union in Geelong and to the workers in the construction industry in my electorate of Corio. The honourable members opposite can get behind closed doors and dream up schemes to train mercenaries in Dubai to come back onto the wharves and waterfronts of Australia to belt up Australian workers and Geelong workers. They can train their rottweilers and they can pull their balaclavas over their heads and engage in acts of thuggery. But against whom? I will tell you about the construction workers in my electorate. When somebody is down and out, and when a family is disadvantaged, they are the first to take the hat around the building sites. How do I know this? I have seen it. The members opposite will not talk about the CFMEU in my electorate, which supports a breakfast program for disadvantaged young children at Whittington Primary School and Rosewall Primary School. They will not talk about that, and you will not see that come out in the evidence to the Cole royal commission. But this is what the government’s thuggery in this bill is designed to do: to get at these people.

Today I pay tribute to the late Glenn Hodgman, a shop steward for the CFMEU in Geelong, who last week was tragically killed in a motor vehicle accident. He will be a real loss to Geelong construction workers because his brief on the construction sites in both Geelong and Melbourne was to ensure occupational health and safety. He will be sorely missed, and my sympathies go to his family. The construction workers of Geelong have lost a committed friend who devoted his life to ensuring that the workplaces of Geelong and Melbourne are safe so that building workers can come home to their families. (Time expired)

Mr BEVIS (Brisbane) (1.28 p.m.)—I join with Labor members on this side of the House in opposing the Building and Construction Industry Improvement Bill 2003 and the Building and Construction Industry Improvement (Consequential and Transitional) Bill 2003. This legislation singles out for victimisation the workers and employers in this one industry. It seeks to impose heavy-handed and restrictive controls on those who work in the construction and building industry and it seeks to take away from them rights that are applicable to all workers. The few government members that have risen to speak in this debate all claim that the industry must have these special restrictions placed on it because illegal standover tactics are widespread, endemic and part of its culture. But if there is a culture and a widespread endemic problem of this sort of illegal activity, you would have to ask: where are all the prosecutions for these activities over the last seven years that this government has been office? Forget the convictions, they have not even had the prosecutions!
The activities that the Liberal and National Party members purport to be endemic are so rare as to scarcely ever come before the courts of Australia. They base this therefore not on practice that can be tested in our judicial system—because the evidence is not there to support these draconian measures—but on the Cole royal commission. The Cole royal commission was demonstrably a kangaroo court. It was more a royal rort than a royal commission. I am indebted to the work of Jim Marr in his book *First the Verdict: the Real Story of the Building Industry Royal Commission*, which sets out some of the interesting background to the establishment of the commission and the way in which it conducted affairs.

This royal commission was not seen as a rort—a kangaroo court, a witch-hunt—just by those whom the government might tag as union members or sympathisers; it was seen in that light by the major commentators throughout the country at the time at which it was set up. Jim Marr’s book quotes comments from various editorial writers at the time. The *Canberra Times* said:

The Government’s appetite for expensive election stunts continues unabated. The most recent example is yesterday’s decision to launch a royal commission into the building industry.

The *Australian* said:

Is the royal commission a political stunt? Yes.

The *Australian Financial Review*—hardly known for its preference and support for the trade union movement generally, let alone the CFMEU or the BLF—said:

There are more effective ways for the government to fix the industry than by pursuing an expensive exercise that smacks of political opportunism in an election year.

The *Sydney Morning Herald* said:

When inquiries of this sort, carried out at substantial public expense, are seen to have been set up primarily to embarrass the opposition, the currency of judicial investigations tends to be debased.

Even the *Courier-Mail*, in my home state, said:

The inquiry and its timing are intensely political. It is not difficult to imagine lurid accounts being given by counsel assisting the inquiry before any evidence is called and tested.

They were right. The *Courier-Mail* hit the nail on the head. We saw the lurid tales drawn out without any evidence ever being tested. Worse than that, the royal commission then put in place a series of procedures for the conduct of the inquiry that meant those wild assertions could not be tested and that facts could not be freely put before it. This was a royal commission that the taxpayers have paid dearly for, in more than one way. The taxpayers paid dearly for it out of their pockets. The government had to dig deep into the taxpayers’ wallets to fund this rort to get the answer that it was seeking.

When the building royal commission was set up, we were told it would cost about $7 million. In fact it cost over $60 million. Mr Deputy Speaker Hawker, you might recall—and I am sure many listeners to this broadcast will recall—that, at about the same time, we had the largest corporate collapse in Australian history, at HIH. A royal commission was established into HIH, reluctantly, by this government, as there was a rising tide of concern in the community about how such a major collapse could occur. The royal commission into HIH cost the taxpayer $29 million, less than half the amount of money the government spent on this witch-hunt to pursue its political agenda in the construction industry.

When you have a look at where some of that money went, you see how transparently political the entire exercise was. Some $683,000, well over half a million dollars, went to media relations. That was for the
spin doctors trying to get the government message—the Peter Reith, Tony Abbott, John Howard message—out there on the issues that were coming before the royal commission. But they had to look after the royal commissioner as well; after all, he was going to be the person responsible for writing the final report on which this legislation is based. They looked after the royal commissioner very well indeed. He managed to negotiate for himself a salary of $660,000—not bad for a part-time job, particularly when you consider that his counterpart at the HIH inquiry, Justice Owen, was being paid $226,000. The royal commissioner that pulled the rort for this government ended up getting three times more money than the royal commissioner investigating HIH.

But that was not all that Royal Commissioner Cole managed to benefit by out of this. He had some very extraordinary arrangements agreed to. Out of working hours, he was entitled to 52 return air fares to Sydney each year for himself, his wife and his family. When he was not in receipt of travelling allowances, he picked up an additional allowance of $308 a day just for being there. When he was in Melbourne, which is where the royal commission was headquartered, the taxpayers paid out $850 a week for him to have a rented house. When he was in Sydney—which, incidentally, was his home town—he managed to get $2,000 a week to rent a furnished house in the inner suburbs. But Sydney was his home town, and he also had the 52 flights a year for himself, his wife and his family, as well as the $660,000 a year salary—not a bad deal. The taxpayers paid dearly out of their wallets so that this government could contrive a royal commission to produce the basis for the bills that are now before us.

If you have a look at how the royal commission conducted affairs, you can also see how transparently biased it was. The royal commissioner adopted and implemented procedures for cross-examination of witnesses that restricted the cross-examination to the evidence of the witness. That made it very difficult for those wanting to test the evidence to introduce any other matters. Moreover, it prevented cross-examination on matters not already subject to the evidence, which restricted the opportunity to test the credibility and prevented the eliciting of evidence that might support or be favourable to those who were under attack. Indeed, those who had been accused did not have the right to call witnesses of their choosing to counter the adverse evidence or to support their version of events. This was, by any definition, a kangaroo court and a witch-hunt—one to which the taxpayer paid extremely good money to furnish a report for this government’s use in this legislation.

If we were fair dinkum about looking at the problems in this industry, we would realise that it is an industry that has had difficulties over time. It is a difficult industry. It is a hard industry. People who work in it are tough and hard people. But the government and the royal commission have chosen to ignore a raft of information and evidence that was either put before the royal commission or which unions sought to have before the royal commission.

In my state of Queensland, the union found that rorts in the industry totalled $1.3 billion a year in the underpayment of wages, the evasion of income and payroll tax, the non-payment of superannuation and redundancy entitlements, and the failure to pay WorkCover premiums. Was the government interested in that? Is the government moving today to deal with that $1.3 billion black hole? No, it is not. Instead, it chooses to pursue the agenda it established at the outset, which is to victimise the people who work in the industry and use this royal commission as a front for their activity. Why would they do
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that in an industry which is actually one of the world’s most competitive construction industries?

Labour productivity in the Australian construction industry is recognised, in study after study, as being one of the best in the OECD. An Access Economics study in 1999 ranked Australia’s labour productivity in the construction industry second only to the United Kingdom. Access Economics are hardly in the pockets of the CFMEU or the BLF. The OECD, in a report that was the subject of a study by the University of Newcastle in 1999, found Australia second in the OECD world to Canada in having the highest output per person. We should in fact be proud of the productivity, particularly the labour productivity, within our construction industry, but this government is not interested in pursuing questions of productivity and increase in wealth. When it comes to matters of this kind, it is obsessed by its agenda of attacking the rights of workers to organise collectively.

In a recent international comparison, a well-known group of quantity surveyors found that the base cost of construction in Australia was ranked as being less expensive than Germany, the United States of America and the United Kingdom. That study was done by Page Kirkland Partnership in 1999. The Australian construction workers work long hours by international standards, ranking only second to American construction workers on average—again, that is from the Access Economics report of 1999.

If the ordinary person on the street needed any other concrete proof of the international competitiveness of our industry, they need only remember the construction of the venues at the Sydney Olympics: all built before time and under budget. For the first time in the modern Olympiad, an Olympic village and all of its facilities were completed in advance and under budget—unheard of in the modern Olympiad—and that was done by Australian construction workers. I might say that was done by Australian construction workers and companies operating under a New South Wales Labor industrial framework. It could not have been done operating under the Howard government’s industrial relations laws, because it was subject to broad agreements across the industry that the Howard legislation does not permit. So the success of the work of those people in Sydney—the companies and the construction workers—was facilitated in no small measure by the access they had to the New South Wales Labor government’s industrial relations laws.

Comment has been made about the problems of safety in the industry. That is important, and it needs to be recorded in this debate that the government has shown no regard for these problems. Fifteen per cent to 20 per cent of all workplace injuries happen on building sites. Lost time due to accidents accounts for five times the amount of time lost in industrial disputes. If the government is concerned about industrial activity at building sites then surely it must be concerned about lost time through accidents, which accounts for five times the lost time through industrial disputes, but it is not. Instead, it continues to pursue its ideological vendettas.

In 1998-99—which is the time for which the most recent figures were available when the document before me was published earlier this year—it is estimated that the industry lost 49,440 weeks due to employment related injuries. That cost the industry some $109 million. Is this government proposing to do anything about that? No, it is not. For the past 10 years there has been an average of 50 deaths a year on construction sites in Australia. A person dies every week on construction sites in Australia. That is hardly an
acceptable level for any civilised society. It happens to be a fact—and it is supported not just by research in Australia but by research in like countries, such as the United Kingdom—that the level of accidents and deaths on construction sites is markedly lower on those sites that are unionised. In fact, in the United Kingdom a recent study showed that there were 50 per cent fewer accidents on those sites that were unionised.

All of this would make you think that the government would want to legislate to improve the safety and viability of what has been a very internationally competitive and productive industry, but it does not. Instead, it wants to continue with its plans, plans that were laid out some years ago by Peter Reith. Indeed, they were laid out some years before that by John Howard, when he was shadow minister for industrial relations—at the time when he said that he wanted to stab the Industrial Relations Commission in the stomach—and now, as Prime Minister, he is able to have people like Peter Reith, Tony Abbott and the current minister to do that for him.

We see the Office of Employment Advocate being used as a political police force in workplaces throughout the country, and I have spoken in this parliament about that before. More recently we have seen the building industry task force being set up to specifically target building sites to create mayhem and havoc. I say that deliberately because on an earlier occasion, in March this year, I spoke about the activities of that task force at Lang Park, at Suncorp Stadium, which was then under construction. There was an industrial dispute at the site at that time, and that dispute was worked out—as all these things are—amicably, by negotiations, and the site has been completed. Those who have been to Lang Park would know that it is truly one of the great sporting stadiums of the world. But at the time that dispute occurred, this government fetched its task force onto the work force, inflaming the situation by personally intimidating builders, individual workers and even apprentices, and threatening people with telephone taps and loss of income if they did not do what this government wanted them to do. That is a matter I spoke about in an earlier debate. I do not have time to repeat those details, but it is indicative of the sort of agenda this government has sought to run.

There are issues in the construction industry that need to be solved. The responsibility for the errors is not all on one side of the fence. But it happens to be a fact that those issues will never be resolved by a Liberal government—never. In industrial relations, this Liberal government, more than any previous one, has never acted as an honest broker. We have had Peter Reith, Tony Abbott and the current minister. I have got to say that it has been a downhill run in ability from day one. The one thing you had to say about Peter Reith when he was minister was that whilst he was vicious and dogmatic he was competent: he knew what he was doing and he was good at doing it. I used to describe his successor, Tony Abbott, as Peter Reith in short pants and long socks. Tony Abbott used to describe himself as a minister with L plates. Both descriptions are pretty fair. The current minister is barely worth powder and shot, I have got to say, because he is clearly out of his depth in all respects.

But throughout this period there has been an underlying policy that the government has sought to pursue. Everybody knows—not just those in the workplace but people in the community—that this government has not sought to behave as an honest broker in industrial relations disputes, whether it has been Peter Reith on the waterfront, Tony Abbott telling workers in an auto industry that they were traitors, even though they were taking industrial action that was actually lawful and in accordance with his own act of
parliament—nonetheless, they were traitors—or the current minister.

The only time in which there is an opportunity to address these matters—and people can argue whether this is good, bad or indifferent; it happens to be a fact—is when there are Labor governments. Some years ago when this industry was in the spotlight it was in fact a Labor government, the Bob Hawke government, that took action to deregister a number of branches of the BLF, although not all of them. I am very pleased to say that the BLF in my home state of Queensland was not deregistered. I have many good friends in the BLF and the CFMEU in Queensland; they are both very good unions and I am happy to be associated with them. But the ACTU, the labour movement, the Labor Party and the Labor government recognised that action needed to be taken and it was. This government will never be in a position to do that.

The current minister stands in the parliament and tells us there is thuggery. What is the example he uses? He uses the example of the National Secretary of the Metal Workers Union being bashed. Excuse me! The union official was the victim! But the government gets up and actually accuses the trade union movement and the Labor Party of perpetrating this violence. Look no further than the waterfront, look no further than G&K O’Connor’s, where an employer went out and brought thugs into the workplace. It was the subject of a current affairs media program at the time. One of the thugs got sick of the task he was required to do and told the world how he had been asked to go in, paid by the employer, to bash people and encourage fights. That is thuggery in the workplace and it needs to be addressed, no matter who is responsible for it. This bill is not about addressing those problems. As the government has done in the past, it seeks to do no more than pursue its one-handed, one-eyed, ideological industrial relations vendetta.

*(Time expired)*

Mr ANDREN (Calare) (1.48 p.m.)—I rise to speak in this cognate debate on the *Building and Construction Industry Improvement Bill 2003* and the *Building and Construction Industry Improvement (Consequential and Transitional) Bill 2003*. I listened with interest to the former shadow minister for industrial relations. I certainly concur with some of the comments he made about the hypocrisy in many respects of the treatment of industrial relations in this country. There is no doubt though, reading the Cole royal commission report, that there are some serious abuses occurring in the building industry by employees and employers or, rather, unions and employers. That commission report contains 212 recommendations, most of which suggest changes to federal workplace relations legislation governing the building and construction industry.

The report recommended that structural reforms focus on four areas: that bargaining occur at the enterprise level, with limitations on pattern bargaining or the seeking of common employment conditions beyond an individual business; that any party causing loss to another party through unlawful industrial action be held responsible; that disputes be resolved in accordance with dispute resolution procedures; and that an independent body be established to ensure participants comply with industrial, civil and criminal laws. While there is no doubt a need to closely scrutinise behaviour in the building and construction industry—it has been a fact of life for many decades, in fact—there is debate on the need to superimpose another set of laws on top of the existing workplace relations legislation. It begs the question as to whether we are to see further workplace-specific legislation aimed at, say, the health industry down the track or, indeed, the higher education sector.
It can be argued that the royal commission has made a special case about the need to set up an industry oversight to study the extent of corruption and illegal practices by unions and employers. But from what I have seen in researching this bill, we may well risk a complete overkill, the creation of overlapping authorities and confusion among participants rather than the clarification of rights and responsibilities. Indeed, the building industry scene, despite the sensational headlines that accompanied the royal commission, is certainly not the same environment as that in which the 1980s royal commission into the painters and dockers union was conducted. The Cole commission turned up allegations of bribery and property damage, but it did not turn up the widespread tax evasion, bottom-of-the-harbour schemes, underworld links and extreme physical violence of the Costigan inquiry into the painters and dockers union.

The previous speaker questions the objectivity of the commission in this latest inquiry. I want to have confidence in royal commissions and royal commissioners and the independence of commissioners. I want that to be the case, and I want that to be the case too for the public so they can enjoy that same sort of confidence. I make no comment on any lack of fairness in this particular process. But an investigation by the Australian Financial Review a month or so ago into the Cole commission was interesting. It was headed ‘Cole inquiry empty charges’. When you read that article, it makes one wonder at the need for this establishment of a virtual police force to supervise one industry. The Australian Industry Group have questioned the role and powers of the proposed ABCC and the Federal Safety Commissioner, as well as the proposed building code and its role in regulating workplace relations. The ACTU believe the establishment of the Australian Building and Construction Commissioner is unnecessary and undesirable and that enforcement of industrial relations legislation can be adequately handled by existing structures. According to the ACTU, workplace relations inspectors and the Office of the Employment Advocate have the powers appropriate to the investigation and prosecution of industrial relations law. These include the power to enter premises, to require the production of documents and other things and to interview relevant persons. The ACTU further say there is no evidence to suggest these authorities do not have sufficient powers to deal with alleged unlawful conduct in the building and construction industry. This statement is germane to this whole complex set of legislation.

This very issue needs to be teased out by the Senate inquiry into this legislation. As I have said on many occasions, it is a blight on this place that we do not have legislation committees to look at legislation like this. Here we have debate on legislation of a complex nature about industrial laws in this country—a very sensitive issue surrounding the building industry with allegations of a lack of objectivity around inquiries and so on and a questioning of the very reason for this legislation—and we are asked to debate and vote on this legislation on what is supposed to be the last day of parliament this year. It is an absolute outrage. If the government are serious about proper debate in this chamber, instead of shoving this legislation through to the Senate to let the senators do the job that the House should be doing the government should be introducing it in an orderly fashion, holding any parliamentary inquiries first and then delivering those results. I do not even have a Bills Digest to help me sort through the complexities of this particular
legislation, and yet here we are supposedly debating the whole issue.

The same thing applied back in 1996-97 when workplace relations bills were introduced. Again, we needed the outcome of a parliamentary inquiry. Amendments were needed—a huge number of amendments—and they were sensibly negotiated. And where were they negotiated? They were negotiated in the Senate between the government and the Democrats—Senator Kersot and Senator Murray were the ones who did that work. Why is it that on this occasion in this place the government is not able to introduce meaningful amendments to this particular legislation? There is no way that this legislation does not need similar amendment. There are conflicts of opinion between employer and employee advocates over sections of the legislation. I will not go into all the detail, but one question is whether the building and construction industry really needs separate workplace relations legislation, especially from a government that preaches deregulation and non-intervention in these processes. In fact, this legislation has been described as ‘uninvited third-party intervention’ on a whole new scale by Anthony Forsyth of the Faculty of Law at the ANU. The Australian Industry Group say the case for reform has been made out by the royal commission, but they have several concerns about aspects of this legislation and certain contradictions in it and they want those properly explained.

As far as I am concerned, it is not clear what workers are covered by this legislation. We do not know what the breadth of coverage of the so-called building work is in this legislation. Does it extend beyond the building industry? How extensive is the role of the ABCC and the ABC Commissioner? Why shouldn’t the new building code be a disallowable instrument reviewable by parliament? How secure are the provisions dealing with unsafe work practices and the Federal Safety Commissioner’s role? It strikes me that we should be incorporating far tougher employer penalties for abuse of safety standards in the industry if we are targeting employees in such a fashion as this legislation does. There appear to be no criteria for the so-called accreditation scheme relating to contracts for Commonwealth work. In fact, the ACTU argues that health and safety protection could well be undermined if workers on a site or related sites were subject to different provisions by different governments—state, territory or federal. There appears to be a highly confusing overlap of state, territory and federal occupational health and safety laws, according to some of the expert assessment I have seen of this particular legislation.

The minister suggests the new Federal Safety Commissioner could deal with industrial manslaughter issues and crimes of safety negligence, but these roles are not spelled out in any detail as far as I can see. The issue of pattern bargaining creates problems for both employers and employees, with the Australian Industry Group saying the definition of pattern bargaining in the legislation fails to deal with the most damaging aspects of union behaviour that constitute pattern bargaining. But it is also concerned its own activities in regularly giving advice to its member companies about union claims may also be construed as pattern bargaining. So it has doubts about the efficacy of the bill in terms of the perspective it is coming from. Of course, union groups for professions such as nursing are very concerned at the eventual implications of such pattern bargaining laws for their own industry, and other professions, if this industry by industry approach to industrial relations is adopted. Indeed, there are concerns—concerns which demand consideration by a parliamentary inquiry—that this legislation includes additional restric-
tions beyond those in section 89A of the existing Workplace Relations Act on the range of allowable award matters for the building and construction industry and that there is the potential for these restrictions to be eventually applied in other industries.

There are a host of other issues that cannot be considered properly in the time constraints that have, again, been imposed on us in this House and around this legislation.

Honourable members interjecting—

Mr ANDREN—It is not a gag debate, but it is an inadequate debate that we are having on these most complex of pieces of legislation. If the building industry is in such disarray and in need of such complex reforms then we need a very complex debate that allows us to study this legislation in the detail it demands. I will continue my remarks after question time.

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

MINISTERIAL ARRANGEMENTS

Mr ANDERSON (Gwydir—Acting Prime Minister) (2.00 p.m.)—I inform the House that the Prime Minister, as I am sure members are aware, will be absent from question time today. He is travelling to Nigeria to attend CHOGM, the Commonwealth Heads of Government Meeting. I will answer questions on his behalf.

Mr LATHAM (Werriwa—Leader of the Opposition) (2.00 p.m.)—I seek you indulgence, Mr Speaker.

The SPEAKER—The Leader of the Opposition may proceed.

Mr LATHAM—I wish to advise you and the House that this morning the federal parliamentary Labor Party elected the member for Hotham and the member for Perth to its frontbench. Full portfolio allocations will be announced in due course. In terms of the management of the House, I can also advise that I have appointed the member for Hotham as the Deputy Manager of Opposition Business.

Mr Downer—He’s gradually working his way back!

The SPEAKER—The Minister for Foreign Affairs! When the House has come to order!

Mr Murphy interjecting—

The SPEAKER—I am well aware of that, Member for Lowe, but we have a long way to go.

QUESTIONS WITHOUT NOTICE

Medicare: Bulk-Billing

Mr LATHAM (2.01 p.m.)—My question is to the Acting Prime Minister. I refer to the government’s so-called Medicare safety net. Shouldn’t a universal health system cover all Australians and not exclude over 10 million people who the government thinks are not worthy of an extra $5 incentive to be bulk-billed? Acting Prime Minister, isn’t it true that Medicare only needs a safety net because the Howard government has failed to provide Australia with enough bulk-billing doctors?

Mr ANDERSON—What all Australians need is access to affordable, reliable health care. In the end, we do not actually run a politburo in Australia. Doctors themselves—medical practitioners—should be entitled to determine the extent to which they are going to bulk-bill. We are putting very significant further incentives into Medicare to encourage bulk-billing, but I do not see how the concept of a safety net can be confused, dis-
torted, misrepresented or underestimated in its importance and its benefits. It will protect all 20 million Australians. Everyone will be protected by it.

I think it is also worthy of note that the number of people likely to use and need the safety net is not actually terribly large. That is evidence that we have a fundamentally sound health system in this country. We are taking the necessary steps, or offering to take the necessary steps, to ensure that Medicare is secured as a mechanism for delivering health care to all Australians on an affordable basis. The minister’s plan, in my view, is an extremely good one. It ought to passed, we need it in place and I would have thought it was one of the first tests of the new-found leadership of the Labor Party and its stated willingness to support this government whenever we put in place proposals which will benefit Australians. The question that must be asked is: why are you failing this test so early on?

Honourable members interjecting—

The SPEAKER—Order! I call the member for Braddon.

Mr Sidebottom—Have you read it, John? Of course you haven’t read it. You wouldn’t know what it looked like.

The SPEAKER—Let me remind the member for Braddon that, under standing order 55, even conversation should be deemed to be out of order. It is not an action I would normally take, but when I have called the House to order I expect him to come to order along with everyone else.

Defence: Antiballistic Missile System

Mrs GASH (2.04 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the government’s decision to participate in the United States ballistic missile defence program?

Mr DOWNER—I thank the honourable member for her question. I think the House would be aware, and certainly the honourable member is aware, that there has been a proposal for quite some time being worked on by the United States administration and the previous, Clinton, administration to create a ballistic missile defence system. Today Senator Hill and I have announced that the Australian government will, in principle, participate in the United States led missile defence system program. This is a strategic decision to put in place a long-term measure to counter potential threats to Australia’s security and its interests from ballistic missile proliferation. There are several countries in unstable regions that are developing longer range and sophisticated ballistic missiles, and in some cases they would have a weapons of mass destruction capability.

I want to make this perfectly clear: missile defence systems are purely defensive. This is not an offensive system. It seeks to protect the territory and forces of the United States and its allies from ballistic missile attack and it will help deter rogue states from acquiring ballistic missile technology. Australia is not alone in recognising the value of ballistic missile defence. Countries close to us in the region, such as Japan, are very supportive of it. The British Blair Labour government has signed a memorandum of understanding with the Americans to explore possible future cooperation, and NATO allies of the United States are investigating missile defence for their own needs.

Australia has and will continue to keep its regional partners and its friends informed of our participation in missile defence as it evolves. We have taken the opportunity to brief many of the countries in the region about our decision. The United States’ keen interest in Australian participation reflects the very strong alliance relationship between our two nations. Access to technology of
missile defence, including spin-offs for Australian industry, would not be possible without a robust alliance. I very much hope that this will be an example of a policy initiative which the Leader of the Opposition might like to support as part of his commitment to bipartisanship.

**Family Services: Child Care**

**Mr Latham** (2.07 p.m.)—My question is to the Minister for Children and Youth Affairs. I refer to the Prime Minister’s claim earlier this week that the government has created tens of thousands of additional child-care places. Does the minister acknowledge that since 1998 the Howard government’s cap on the number of child-care places has resulted in a national shortage of 28,000 outside school hours places? Given that almost one in three families waiting for outside school hours care and one in two families waiting for family day care places live in Queensland, will the government increase the number of child-care places in that state prior to the Christmas holidays, when thousands more families will be looking for child-care services?

**Mr Anthony**—I thank the member for Werriwa for his question and for his newfound interest in Australia’s greatest asset—our children and our future generation. The Howard government have got a very proud record on what we have done in the area of child care. Since 2000, when we introduced the child-care benefit, the demand for child care has increased dramatically. One of the main reasons why it has increased dramatically is because we have made it more affordable through the child-care benefit.

Since the coalition came to government in 1996, in the area of outside school hours care—which I am glad the Leader of the Opposition is showing some interest in—there has been a 221 per cent increase. Why has that come about? It has come about because of the policies of the Howard government. In the area of family day care, there has been a 17 per cent increase, from around 61,000 places to about 70,000 places. When you look at the number of children today who are using some type of Commonwealth funded child care you see that there has been an increase of 190,000 children, to 750,000. This has been a very good story on child care. Nevertheless, the government is conscious of some of those areas of unmet demand and it will always be responding to assist Australian families. All I can say to the Leader of the Opposition is: watch this space.

**Aviation: Security**

**Mr Neville** (2.09 p.m.)—My question is addressed to the Acting Prime Minister in his capacity as Minister for Transport and Regional Services. Would the Acting Prime Minister advise the House of new measures to improve aviation security in Australia? How will these measures make air travel safer for the Australian public, particularly those travelling to and from regional destinations?

**Mr Anderson**—I thank the honourable member for Hinkler for his question and I note the importance of regional aviation to the people of his electorate—particularly in Gladstone and Bundaberg, but in other areas as well. As members would be aware, we significantly upgraded aviation security arrangements immediately following the September 11, 2001 attacks in America. Furthermore, about this time last year, we announced a wide-ranging suite of further measures, particularly for our major airports in this country, and we have been putting those in place during the course of this year. More recently, we have heard much of the debate about the security of the regional aviation sector and also about the surplus funds from the Ansett levy. We have listened carefully to that debate, we have considered...
the review of aviation security by our intelligence agencies and we have developed a package which will invest any surplus—and a lot more money over and above that—from the Ansett ticket levy to achieve the best outcome for the aviation and tourism sectors.

The package of measures which I launched this morning—and this is very important—is threat and risk based and driven, to ensure that, in the short and long term, the security of Australian aviation and the travelling public is safeguarded. The aviation security regime will now be extended to cover all airports handling passengers—some 180 airports across Australia. Freight aircraft, charter flights, and private and corporate jets will all have to be more accountable for their approach to security. There will be a much greater presence on the ground at airports. The travelling public will be able to see many, but by no means all, of the changes in security. The government will establish a $14 million grant program to assist smaller regional airports to put in place appropriate security measures. We will meet the total cost of installing hardened cockpit doors for all aircraft with more than 30 seats. There will be greater compliance monitoring and enforcement of air freight security. New freight screening technology will be trialled by the Customs Service and by the CSIRO. All staff at airports servicing passenger and freight aircraft will undergo background checking and will be issued with security identification cards to ensure the integrity of security restricted areas at airports.

The likelihood of aircraft theft will be significantly reduced because operators of general aviation aircraft will need to put in place practical measures to guard aircraft against the risk of theft. Pilots and trainee pilots will undergo background checking and be issued with new, tamper proof photographic licences. An inspector of transport security will be appointed to investigate major transport security incidents and an office of transport security—which is an upgrade of the current division arrangement that I have in my department—will be established to deal specifically with the security of Australia’s transport systems.

These measures constitute a very comprehensive approach based on the best and latest intelligence and proper risk management techniques to secure the level of security that we need across aviation in Australia. I believe that they will be widely welcomed; I certainly believe that they very significantly increase the security of the travelling public.

**DISTINGUISHED VISITORS**

*The SPEAKER (2.14 p.m.)—I inform the House that we have present in the distinguished visitors’ gallery this afternoon the Hon. Gough Whitlam, former Prime Minister of Australia. On behalf of all members of the House, I extend to him a very warm welcome.*

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

Aviation: Security

*Mr MARTIN FERGUSON (2.14 p.m.)—My question is to the Acting Prime Minister and Minister for Transport and Regional Services. It relates to the near-hit over Victoria yesterday and his claims in this House that his airspace management system will result in safer skies. Can the minister confirm that before his airspace changes the whereabouts of all three aircraft would have been known to the air traffic controller? But yesterday, the controller learned the light aircraft was on the same path as the jet only because the pilot happened to call him to seek a change of operating mode. Will the minister please now halt the introduction of his system and fix it?*

*Mr ANDERSON—I thank the honourable member for his question and I am*
pleased to give a detailed and comprehensive answer to it, because it is important. It is a serious issue; it deserves a serious response. But I will say at the outset that the opposition spokesman’s lack of understanding of this clearly reveals that he ought to accept my invitation of last week to go down and talk to the experts at Fairbairn.

By way of preamble, it is very important to put this report and other claims about the new airspace arrangements into context. Firstly, in any week in Australian skies, about 100 incidents are reported to the Australian Transport Safety Bureau. As I explained to the House earlier this week, most of those incidents involve minor equipment malfunctions, minor errors by pilots or repositioning of aircraft during their approach to airports. Very few of them are serious. Only on rare occasions do they become life threatening. They are part and parcel of air traffic control around our skies. In the end we have to face the simple reality that, if pilots never made errors and planes never entered the same part of the sky, there would be no need for air traffic control.

All of the types of incidents I referred to are reviewed by the ATSB. They are the body charged with investigating these matters, getting to the bottom of them and, if necessary, making recommendations for changes. Over the course of the year, very importantly indeed—and again, I urge the opposition spokesman to go down and get across the broad facts here—believe it or not, there are about 100 incidents where collision alerts fitted to commercial aircraft are triggered. Every one of those incidents is thoroughly investigated. In the case of the Melbourne incident that is being reported today, the ATSB have decided to conduct a detailed investigation.

From what I have been advised at the very early stages of that investigation, I can confirm to the House that at about 10 minutes past 10 yesterday morning, about 50 miles north of Melbourne airport, the collision alarm was triggered on a Virgin flight, involving a 737 aircraft, en route from the Gold Coast. The alarm was triggered by a Cessna 421 that had entered the separation zone surrounding the 737. The aircraft were flying in the same direction at different altitudes and, very importantly in the context of the way that the member asked the question, both aircraft—I emphasise both aircraft—had been and were in contact with air traffic control. As part of the investigation and in accordance with normal procedure, the air traffic controller involved has been stood down while the inquiries progress.

In relation to the introduction of NAS, it is far too early to draw any conclusions as to why the Cessna impinged on the 737 separation zone. That is the advice from the Australian Transport Safety Bureau. If the Leader of the Opposition or his transport spokesman believe they know more than the ATSB then I suggest they take up a new role and go and apply for a job with the ATSB!

The other thing is that the member for Batman should have learnt from his earlier intervention this week. He claimed in here that a midair collision had only been narrowly averted over Tamworth last Saturday. I was actually in Tamworth at that airport for several hours that day and I must say I did not feel at all threatened. That is what he claimed. They say they are worried about this. That report has been assessed and I have been advised by safety authorities that what actually happened in Tamworth was that, at a little past five o’clock on Saturday afternoon, a privately owned Cessna 172 was making a normal approach to Tamworth airport. As required under NAS procedures, the pilot made radio contact with the tower to seek clearance to enter Tamworth’s class D airspace. He was about 500 feet higher than he
should have been. He was told to delay his descent, which he did. The tower was aware that a Dash 8 commercial aircraft was also making an approach. It told the Cessna pilot to remain outside class D space until the Dash 8 was clear and then to follow it in, maintaining visual separation. That is exactly what happened.

That is a completely normal landing procedure for two aircraft at a regional airport—the sort of thing that happens hundreds of times a day. There was no emergency, no near miss, no incident for either pilot to report. The only thing that went wrong was that the member for Batman came in here with the lines he got from his union mates, scaremongering in the same way as the unions have done with the Tamworth *Northern Daily Leader*. The union made up the story. They gave it to the member for Batman and he did his riding instructions. He came into this place, he did not ask any questions and he did not check with air safety authorities; he just did the union’s bidding.

When NAS was introduced last Thursday and the member for Batman started his daily question from the union, I invited him to go down there—just down to Fairbairn—and get some facts. I invite him to do that again: find out what this is about.

*Mr Martin Ferguson interjecting—*

*Mr ANDERSON—* He laughs. He does not want to be bothered. I can understand that last week he was too busy to do that—he did not have time. But I repeat that invitation today: he should go down and visit the implementation group and make sure that he can actually comment on this in an informed way. We are about improving safety in Australia’s skies. The question is a serious one; I have given it a serious response.

**Population Growth**

*Ms PANOPoulos (2.21 p.m.)*—My question is to the Treasurer. Would the Treasurer inform the House of the latest measure of Australia’s population? What are the major challenges facing Australia from its population and demographic changes?

*Mr COSTELLO—* I thank the honourable member for Indi for her question. I can inform the House that when the First Fleet landed at Botany Bay in 1788 there were 1,000 people aboard, and Australia’s population at that time—the Indigenous population—has been estimated at perhaps 300,000, perhaps some more; some demographers have said up to one million. But the Indigenous population was not counted in the census until after the 1967 referendum. From that beginning population growth was initially very rapid, and we reached one million people in 1858. One hundred years later, in 1959, Australia’s population reached 10 million people. According to the Australian Bureau of Statistics, today, 4 December 2003, Australia’s population has officially become 20 million people.

Over the last 100 years or so, Australia has had some massive achievements. This is a country which has a robust democracy. It has an unshakeable judiciary. It has developed one of the most prosperous economies of the world, and it has given home to many millions of migrants who have come to this country for a better life. Last year, Australia welcomed its 6,000,000th migrant to our shores. There are many people—indeed, in some ways, all of us in this House—who have been part of the migration story of Australia. I think as we look back at the story of Australia on this, the day when our population became 20 million people, there are reasons for great pride at the Australian achievement. Demographers have various projections as to where the Australian population will be going over the next 40 years or so. The medium growth predictions of the ABS are for about 26 million or 27 million in 40 years time.
We know from our Intergenerational Report that, with the ageing of the population, we will be opening up a five per cent fiscal gap between expenditures and revenues over the next 40 years unless we can address that with strong expenditure restraint and increased economic growth based on participation and productivity. This is a government which is thinking very much about the long term. That is why we brought down the Intergenerational Report. That is why we are putting a financially sustainable basis on the Pharmaceutical Benefits Scheme. That is why we are reforming the Australian welfare system. That is why we gave Australia a competitive taxation system to boost our productivity. But, if we look back at the composition of Australia today and its achievements, its ethnic composition is very different to what it was 100 years ago. We have seen an increase in the number of migrants who have come from Asia as opposed to Europe. But we can say that, in spite of differences of culture or race, this is a very successful country, and today we are 20 million people.

_Treasury: Conclusive Certificates_

*Mr McMULLAN (2.25 p.m.)*—My question is to the Treasurer. Can the Treasurer confirm that he is the first Treasurer in history to issue a conclusive certificate to prevent public access to Treasury documents? Can the Treasurer further confirm that his actions to suppress key Treasury documents cover important areas which affect millions of Australians, including information about maladministration and fraud in the Treasurer’s first home owners scheme, the full extent of bracket creep and unpublished information concerning the government’s Intergenerational Report?

*Mr Ross Cameron*—That’s out of order!

*Mr McMULLAN*—What exactly does the Treasurer have to hide by arguing that these documents be hidden from the Australian people—

*Mr Ross Cameron interjecting—*

_The SPEAKER—_I warn the member for Parramatta!

*Mr McMULLAN*—an argument which the head of News Ltd has described as an insult to all Australians?

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

_The SPEAKER—_The member for Sturt will resume his seat. I will recognise him on a point of order if he wishes to raise one in a moment. I first need to point out to the member for Fraser that, as I am sure he is aware as a longstanding member of the House, there was a good deal of imputation and inference in his question. That was a point which I intended to raise prior to recognising the Treasurer. I presume that was also the point causing concern to the member for Sturt.

*Mr Pyne*—It was.

*Mr COSTELLO*—I am asked whether I can confirm that I am the first Treasurer in history to issue a conclusive certificate. Unfortunately I cannot. My predecessor as federal Treasurer was Ralph Willis. He issued a conclusive certificate under section 36 of the Freedom of Information Act. His predecessor was the Hon. John Sydney Dawkins, who also issued a conclusive certificate under the Freedom of Information Act. In 1994, Assistant Treasurer George Gear issued certificates under the Freedom of Information Act. In 1992, Brian Howe issued conclusive certificates relating to taxation matters under the Freedom of Information Act.

I asked the Australian Government Solicitor for statistics on how many conclusive certificates have been so issued. They said they kept certificates between 1982 and
1986. People will recall that the Labor government was elected in 1983. The Australian Government Solicitor kept records between 1982 and 1986, and for the bulk of that time the Labor Party was in office. In that time, there were 55 conclusive certificates issued under the Freedom of Information Act. Fourteen were contested in the AAT. Since that time, the Australian Government Solicitor have only kept records of those that have been contested, and since that time a further 13 have been contested, but many, many more would have been issued. I think the record speaks for itself, and I think the question speaks for itself.

United States of America: Terrorist Attacks

Mr JULL (2.29 p.m.)—My question is directed to the Minister for Foreign Affairs. I refer to the role of the United States in the war against terror. What evidence is there that this war is being won, and is the minister aware of any contrary views?

Mr DOWNER—First, I thank the member for Fadden for his question. I know that he shares with many members of the House great concern about the issue of terrorism and the war against terrorism. There is a long way to go in the war against terrorism, but substantial progress has been made against al-Qaeda. Nearly two-thirds of its senior leaders and operatives have been either taken into custody or killed. Over 3,000 people who have been involved with al-Qaeda are in custody world wide. In Afghanistan the Taliban regime, which harboured al-Qaeda, is gone. On our own regional front line, in South-East Asia, Hambali, who was like the chief executive officer of Jemaah Islamiah, has been captured and the interrogation is yielding valuable information. About 200 Jemaah Islamiah people have now been retained and, through our cooperation with Indonesia, the Indonesians have convicted 29 people responsible for the Bali bombing.

The campaign against terrorist financing is also making headway. Almost $US200 million—about $A250 million—has been frozen in 1,400 accounts around the world. It is also important to say that the end of Saddam Hussein’s regime has been the end of a regime which supported terrorist organisations like the Mujaheddin-e Khalq, the Palestine Liberation Front and Abu Nidal, and even accepted the presence of al-Qaeda operatives in Iraq. The last point I would make is that the country carrying the heaviest burden in the war against terrorism is the United States. In the US international affairs budget for 2004 the American administration sought from the congress $4.7 billion in economic, military and democracy assistance to key foreign partners and allies in the antiterror campaign.

The honourable member asked whether I was aware of any alternative views. Yesterday there was an article in the Age by the Leader of the Opposition, who questioned and, I believe, ridiculed the US performance and capability in the war against terrorism. He used quotes from a disgruntled former CIA officer. The Leader of the Opposition placed great store on these quotes—quotes suggesting that the CIA lacked the capabilities to fight the war against terrorism.

So yesterday the Leader of the Opposition was denigrating the United States efforts in the war against terrorism. But what happened today? A new day dawned and the Leader of the Opposition—I am advised—just before question time held a joint press conference. This press conference, amongst other things, was apparently to demonstrate the Leader of the Opposition—far from being critical of the American alliance, which we all know he has been, in spades, over the last few years, in all of his time in parliament—embracing
the American alliance. What is more, the press conference, I am advised—I am not sure, but I am advised—was held in the caucus room in front of not just an Australian flag but also an American flag. The Leader of the Opposition now, after two days of pressure in the parliament, has almost literally started wrapping himself in the Stars and Stripes. Not only is the Leader of the Opposition on this issue phoney and insincere but I think he is showing himself to be—what is a greater offence for a Leader of the Opposition—very weak.

**Treasury: Conclusive Certificates**

Mr McMULLAN (2.33 p.m.)—My question is to the Treasurer. Has the Treasurer issued a certificate to prevent the public release of a minute estimating the number of taxpayers who are a pay rise away from entering a higher tax bracket? Can the Treasurer confirm that his defence for this decision is that it is contrary to the public interest for this information to be made public? Why is it contrary to the public interest for Australian taxpayers to have access to documents they have paid for and which directly affect their pay packets?

Mr COSTELLO—I have issued a conclusive certificate under section 36 of the Freedom of Information Act, in accordance with the precedent of previous treasurers, including Labor Party treasurers, and in relation to similar documents that the Australian Labor Party has established by the issue of conclusive certificates and, indeed, on appeal in the Administrative Appeals Tribunal. In accordance with the Freedom of Information Act, where that is contested, it will go to the Administrative Appeals Tribunal and be argued in the courts.

Mr Crean—What have you got to hide?

Mr COSTELLO—I do welcome the member for Hotham back to the front bench, and his interventions. But I would suggest to him that politeness would allow the interjections to move to the member for Werriwa from now on.

**The SPEAKER**—The Treasurer will respond to the question.

Mr COSTELLO—This matter will be determined in the Administrative Appeals Tribunal, in accordance with the law under the Freedom of Information Act.

**Insurance: Medical Indemnity**

Mr JOHNSON (2.36 p.m.)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House and the Ryan electorate of the government’s commitment to tort law reform to reduce the cost of medical indemnity insurance? What measures has the Howard government taken to achieve this and do these measures have widespread support? Is the minister aware of any alternative policies?

Mr ABBOTT—On the day that Latham Labor have voted against a brand-new medical safety net for the battlers of Western Sydney—on the day that they have ratted on the battlers of Western Sydney—I regret to inform the House that Latham Labor are also opposing in the Senate a government bill designed to stop plaintiff lawyers, and the member for Lalor used to be one, from exploiting the Trade Practices Act to subvert and undermine tort law reform. Tort law reform is an essential part of solving the medical indemnity crisis. The state Labor governments support tort law reform, but Latham Labor are sabotaging it in the Senate. Tort law reform is not a party political issue, but Latham Labor are playing politics with this issue in the Senate. The member for Werriwa says that he does not want to engage in opposition for opposition’s sake. Well, here is another chance for him to live up to what he says is his principle by joining the Howard government and joining the state Labor governments in supporting tort law reform.
reform in the Senate. Let me quote the New South Wales government. The New South Wales government has written of the government’s bill in the Senate that it would:
... prefer that the bill be passed without amendment. The intention of the amendment to the bill proposed by the federal opposition is not clear.
The New South Wales government knows all about the member for Werriwa. I would like to quote from an article in the Australian earlier this week. It said:
In a line worthy of Oscar Wilde, the NSW Premier mused aloud: “Mark Latham as leader of the federal Labor Party?” ... “That would be a diverting nine months.”
It is not just the New South Wales government which is supporting the Howard government on tort law reform. The South Australian government, the West Australian government, the Tasmanian government, the ACT government and the Northern Territory government—all these Labor governments are supporting the Howard government on tort law reform. It is like Kim Beazley said, it is like the member for Brand put it when he said:
Many in the Labor Party await with bated breath for Mark Latham to do more damage to the Liberal Party than he does to the Labor Party and taxi drivers ...

Ms Gillard—I rise on a point of order. The Minister for Health and Ageing is consistently straying from the question and consistently not referring to people by their proper title. I ask you to correct him on that and bring him back to the question.

The SPEAKER—The member for Lalor makes, I think, a valid point of order. I wondered whether the reference to Mark Latham was a quote or not. In any case, it is customary to refer to members by their electorate. I had not intervened because I was waiting to hear whether it was the conclusion of a quote. It is a valid point of order. There was also a comment made about the member for Brand, and he ought to have been referred to as the member for Brand.

Mr ABBOTT—I simply make the point that the point of order was taken by a former senior partner in a law firm which actually patented the slogan ‘no win, no fee’—the ultimate ambulance-chasing law firm.

The SPEAKER—Order! The minister will come to the question.

Ms Gillard—I rise on a point of order going to relevance. The minister is defying your ruling and completely misunderstands what I did at Slater & Gordon.

The SPEAKER—Order! The member for Lalor will be aware that I had already intervened.

Treasury: Conclusive Certificates

Mr McMULLAN (2.41 p.m.)—My question is addressed to the Treasurer. Does the Treasurer’s certificate prevent the release of a treasury note on the long-term projection of revenue as a percentage of GDP? Why won’t the Treasurer allow the public to know his own department’s assessment of the implications of his tax policy?

Mr COSTELLO—The Freedom of Information Act provides for certain documents which should be released under the act and certain which should not—or may not—including internal working documents. That is set out in section 36. The issue of a conclusive certificate in relation to section 36, as I have previously disclosed, has occurred on a number of occasions—by Labor treasurers, assistant treasurers and in fact Labor ministers—because internal working documents are considered exempt documents under section 36.

Mr Crean interjecting—

Mr COSTELLO—In relation to that, as in relation to all freedom of information requests, where there is a dispute it goes to an independent adjudication by the Administra-
tive Appeals Tribunal. This will be argued in the Administrative Appeals Tribunal. It will be argued according to law. That is the proper jurisdiction in which to determine the question.

Mr Crean interjecting—

The SPEAKER—Order! Let me point out to the member for Hotham that he was accustomed to a good deal of licence being extended to him in his former role. It may be Christmas week and I may be feeling charitable, but I would not advise him to push too hard the latter of the two forms of licence.

Mr McMullan—I seek leave to table a conclusive certificate issued by the Treasurer and associated schedules.

Leave granted.

Economy: Performance

Mrs MAY (2.43 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the latest trade data? What do these results indicate about the strength of the Australian economy?

Mr COSTELLO—I thank the honourable member for her question and inform her that data released this morning by the Australian Bureau of Statistics shows that Australia’s trade deficit for the month of October was $1.6 billion. This was an improvement of around $600 million on September’s trade deficit. The narrowing of the trade deficit reflected an increase in exports and a decrease in imports. Exports rose 1.7 per cent. Services exports were the key driver, rising eight per cent—boosted by the influx of visitors for the Rugby World Cup and consistent with a rebound in international tourism following the SARS epidemic. I pay tribute to the honourable member because I know that she is absolutely focused on Australia’s tourism industry. She represents one of Australia’s premier tourist areas and will be quite pleased to see a bounce back in services tourism.

Exports of rural goods rose slightly in October, increasing by two per cent, which was the second monthly rise; but rural exports remain 21 per cent lower over the year. We have been through the worst drought in 100 years in Australian history. It looks as if it has bottomed and it may have turned, but it has a long way to come back. There are a number of areas of Australia which are still in deep drought. When you put together the last year—a weak world economy still reeling from the effects of a US recession; the worst drought in 100 years; the SARS epidemic, which affected the tourism industry; the war in Iraq, which was also affecting world confidence and world markets—you find that, despite all of those events, the Australian economy showed remarkable resilience. To have a growth of 1.2 per cent for the September quarter, which was announced yesterday, is testament to the resilience of the Australian economy. This government is determined to continue good economic policy.

We know that it is good economic policy that is going to provide the jobs for young Australians, that is going to provide the basis for our health and educational systems. We cannot afford to have the fad policies that some promulgate around this place, that change from hour to hour, from day to day, from Nightline to lunchtime—the kooky ideas that come and go but would do enormous damage to the Australian economy if the person who puts them forward ever got into a position of responsibility. Economic responsibility, economic determination and economic policy require consistent leadership and dedication to the task. That has been a hallmark of the coalition government since 1996, and that hallmark will continue.
Australia Post: Mail Screening Centre

Dr EMERSON (2.46 p.m.)—My question is to the Minister for Employment and Workplace Relations. I refer to the government’s plan for a mail screening facility at Tullamarine in Victoria announced in the 2002 budget almost 18 months ago, following scares in the US and Australia about the delivery of anthrax and other chemical agents through the mail. Can the minister confirm that not a sod has been turned on this vital project because he and his colleague the Minister for Health have overridden legally registered certified agreements and prevented the project from going ahead? Why has the government failed to protect the security of Australian families when they collect their Christmas mail?

Mr ANDREWS—As the honourable member for Rankin knows, this government has put in place a code and guidelines in relation to the building industry. We have done that in addition to putting into place an interim task force, because we are determined that choice, flexibility and freedom for people to be able—

Dr Emerson interjecting—

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

Ms O’Byrne interjecting—

The SPEAKER—The member for Bass, for the third time!

Mr ANDREWS—We are determined that so far as possible in Australia, freedom, choice and flexibility in the workplace and in relations between employers and employees should prevail. That is one of the major trends in workplace relations in this country. It is one to which we are committed and it is one which is delivering real results for Australian workers and their families. Because of the flexibility and choice that this government has put in place through changes to the workplace relations system, we have a situation today where, in the term of this government, there has been the creation of 1.3 million jobs. We have a situation today where the unemployment rate at 5.6 per cent is at a rate which has never been lower for 22 years.

Dr Emerson—Mr Speaker, I rise on a point of order. Under standing order 145, this is entirely irrelevant. We just want to know when this vital project is going to go ahead—

The SPEAKER—The minister had responded to the question about mail facilities, but I was waiting for him to link his comments about unemployment to the question. Has he concluded his answer?

Mr Andrews—Yes.

Environment: Great Barrier Reef

Mr BILLSON (2.49 p.m.)—My question is to the Minister for the Environment and Heritage. Would the minister inform the House of the impact of the Howard government’s Great Barrier Reef rescue package on communities in North Queensland and on tourism in particular? What has been the reaction to this historic zoning plan?

Dr KEMP—I thank the honourable member for Dunkley for his question. I acknowledge his leadership of the government members committee and strong support for the preparation of the zoning plan. The impact of the Great Barrier Reef rescue plan on the coastal communities and particularly on the tourism industry is going to be massively beneficial. It is going to protect one-third of the Great Barrier Reef from extractive activities and it will secure the economic powerhouse of North Queensland.

I am very pleased to say that the Queensland tourism industry has welcomed this plan in a very dramatic way. The Queensland Tourism Industry Council has applauded the plan, saying:
This plan is a crucial step in protecting one of Australia’s greatest natural assets and a milestone in demonstrating our ability to manage our resources. We congratulate Minister Kemp and the Great Barrier Reef Marine Park Authority not only on this outcome but also on the open process of consultation which preceded it.

The executive director of the Association of Marine Park Tourism Operators said:

I doubt that I will see a more important conservation effort anywhere in the world in my lifetime.

The process of consultation has come in for particular commendation. The Game Fishing Association of Australia Research and Development Foundation said:

The minister and the Great Barrier Reef Marine Park Authority have listened to the concerns expressed by hundreds of game fishers from all over Australia and the world, restoring faith in the public consultation process.

The recreational fishing body, Sunfish, through its chair, Bill Turner, has also supported the process and said:

Just like we have stopped the rape and pillage of the rainforest, we think the same should apply to the reef.

It is very satisfying to see that an internationally renowned and respected conservationist such as Sir David Attenborough is quoted in today’s press as saying:

The Australian people are increasing protection for one of the natural wonders of the world.

The Wilderness Society, which has not always been a friend of the government, has described it as ‘a powerful and major step forward’ and states that ‘Minister Kemp and the Howard government have shown clear environmental leadership.’ The world has noticed what Australia is doing here. From al-Jazeera to the Washington Post, to the BBC, from Paris to Durban, people are reading and hearing that the Australian government wants to make the Great Barrier Reef the best-protected coral reef in the world.

In conclusion, the Australian government is very aware that this magnificent plan is going to have some impacts on commercial fishing, and we will be putting in place a very fair and equitable adjustment package to assist these particular members of the north Queensland community. I am pleased to say also that there has been support from the Australian Democrats—which I welcome and acknowledge—but from the opposition, for opposition’s sake, from Latham Labor, we have had simply more carping. The deck-chairs over there have been rearranged, but nothing has changed.

**Trade: Export Market Development Grants Scheme**

**Dr Emerson** (2.54 p.m.)—My question is to the Minister for Trade. I refer to the government’s decision to provide three grants, totalling $200,000, to World Wide Entertainment, which is run by the former director of the failed Pyramid Building Society. Does the minister recall answering my question earlier in the week, when he said, ‘...presumably there are other directors and shareholders of World Wide Entertainment? Isn’t it a fact that there are only three shareholders of World Wide Entertainment—two of them being the former director of the failed Pyramid Building Society and his son? Given that the former director of the failed Pyramid group has said that he intends to apply for further grants, will the minister guarantee that the government will not provide further grants to World Wide Entertainment?
Mr VAILE—I thank the member for his question. I am aware of the information that he indicated in terms of the ownership of the company, but the structure is a little bit different, in that I understand that the individuals that he mentioned hold 10,000 shares each. The third party, Mr Bertrand, holds 20,000 shares, so it is a split in that direction.

As I indicated in my earlier answer, as far as applicants to the EMDG program are concerned, the scheme is non-discretionary. Grants are accessed and paid by Austrade according to the rules set out in the Export Market Development Grants Act 1997. It is a highly successful scheme. Last year, 3,800 small and medium-sized Australian enterprises received assistance from the EMDG program.

I say again: I understand this scheme was launched—interestingly, given that former Prime Minister Gough Whitlam is in the gallery—by the Whitlam government in 1974. It has been conducted and has had rules applied in a similar manner, at arms-length in terms of the scrutiny of applications, the assessment of the appropriateness of businesses that apply, and ensuring that the objectives are maintained—and that is to enhance opportunities for exports into international markets and to sustain the employment in those businesses. I understand that in this business there are some 20-odd employees whose jobs rely on this area. This issue has been brought to my attention by the member for Corangamite. In asking Austrade during the assessment process that was undertaken, the sorts of issues that have been raised were investigated in terms of the appropriateness of the loan according to the rules and the law at the time.

Industrial Relations: Trade Unions

Mr PROSSER (2.57 p.m.)—My question is directed to the Minister for Employment and Workplace Relations. Is the minister aware of any comments regarding trends in Australia’s industrial relations system and the role of trade unions? What is the government’s response?

Mr ANDREWS—I thank the honourable member for Forrest for his question.

Dr Emerson—Yellow ties are out!

The SPEAKER—The member for Rankin, for the third—at least—time!

Mr ANDREWS—I can indicate to him and to the House that there are two significant trends relative to industrial relations and trade unions. The first is a trend towards greater freedom and choice in the workplace. The second is a significant trend in terms of widespread rejection of trade unions in Australia. Indeed, three out of four workers in Australia are no longer members of a trade union.

Dr Emerson interjecting—

The SPEAKER—I warn the member for Rankin!

Mr ANDREWS—If one looks at the private sector, five out of six workers have rejected the trade unions. I have seen some comments in relation to these trends. For example, I came across this quote:

“It is difficult to understand how, in the long term, centralised wage-fixing has helped Australian workers.”

Further:

“The industrial era of big institutions is dying. Big trade unions are approaching their use-by dates. Another comment was:

Trade unionism in this country is in crisis. How can unions survive if they fail to appeal to people in newly-created enterprises and workplaces? The union movement needs to find a way of becoming relevant. Otherwise, it runs the risk of becoming another dinosaur from the industrial age.

Who said this? Was it the Treasurer or the Minister for Health and Ageing? No, each one of these quotes comes from none other...
than the new Leader of the Opposition. ‘Centralised wage fixing hasn’t helped ordinary Australians,’ is what the new Leader of the Opposition said. He said that big unions have approached their use-by date. He said in addition to that—and the workers walking away in their droves are evidence of this—that the unions in Australia, and their bosses, are becoming another dinosaur of the industrial age. We on this side of the House say he is right; we agree.

But there is a major difference between what you say and what you do. Now is a testing time for the Leader of the Opposition. Is he going to stand by the trade union movement, which only represents one in four workers today? I noted, incidentally, that most of their bosses were lobbying over the weekend for their members to vote against him. Is the Leader of the Opposition going to stand by the trade union movement or will he support what the overwhelming majority of Australian workers want: flexibility and choice and freedom to negotiate directly with their employers? That is the choice for the Leader of the Opposition. Is the Leader of the Opposition a man of substance who will do what he believes in and what he has said? We have seen many quotes from him. But will he do what he believes in?

Dr Emerson—Mr Speaker, I rise on a point of order under standing order 145. The minister has strayed a long way. The fact is that there are 1.8 million proud Australians who are members of trade unions.

The SPEAKER—I am not being assisted by the Acting Prime Minister. The Minister for Employment and Workplace Relations was asked a question about trends in Australian industrial relations. I invite him to bring his remarks back to the trends.

Mr ANDREWS—Mr Speaker, I was also asked, ‘What was the government’s response to it?’ and that is what I am doing: responding to the trends.

The SPEAKER—And I am inviting you to focus on the issue.

Mr ANDREWS—What this and the interjection by the member for Rankin show is that there are deep divisions in the Labor Party. We know that. But the question is: is the Leader of the Opposition a man of substance? Will he do what he believes in rather than say one thing and do the other? If he does what he believes in, he will support the government’s workplace relations program.

The SPEAKER—The minister will resume his seat.

Education: University Funding

Ms MACKLIN (3.03 p.m.)—My question is to the Minister for Education, Science and Training. Minister, isn’t it true that Australian universities are the fourth most heavily dependent on private funding and that only Korea, the United States and Japan have higher dependence on private income? Minister, isn’t it a fact that Australia is already near the top of the world scale for student contributions? Minister, won’t a further 25 per cent hike in HECS fees mean Australian students are paying some of the highest fees in the world?

Dr NELSON—I thank the member for Jagajaga for her question. The facts in relation to the contributions made by Australian students—which are made toward the cost of their education once they are graduates and
have left university—are: firstly, students in this country contribute about one-quarter to the cost of their university education, which they pay back through the tax system when they are working; and, secondly, the Australian taxpayer contributes about 75 per cent of the total cost of university education. That continues to be the case under the proposals that have been put before the Senate by this government.

Firstly, what is critically important is that Australians recognise that what the member for Jagajaga has just cited includes in Australia revenues which are derived from 118,000 international students, who contribute in total about $1.6 billion in fees to Australian universities. I would also point out that in the United Kingdom course costs are 35 to 100 per cent higher than they are in Australia. In US public universities course costs are 20 to 75 per cent higher than they are in Australia. In US private institutions university fees are four times higher than they are in Australia.

I also add that under the changes which are being proposed by the government in relation to HECS, for the very first time in this country, Australian universities will be required to set their own HECS charge. There will be absolutely no change at all for nurses and teachers. The universities will set the HECS charge from zero up to a level which is no more than 25 per cent above what it currently is. I also point out to the House that Australian university graduates have a lifetime unemployment rate which is one-quarter that of those who have not been to university and that 92 per cent of such graduates have a job within four months of leaving university.

Ms Macklin interjecting—

The SPEAKER—The member for Jagajaga has asked her question.

Dr NELSON—In Australia last year, university graduates of the 18 most popular courses earned more in total in their first year of working alone than the maximum possible they would pay for HECS. The Labor Party should remember that this government, opposed by the Labor Party, is trying to put another $10.5 billion of taxpayers' hard-earned money into universities over the next decade and that 42 per cent of Australian men between the ages of 25 and 42—

Ms Plibersek interjecting—

The SPEAKER—The member for Sydney!

Dr NELSON—earn less than $32,000 a year.

The SPEAKER—I warn the member for Sydney!

Dr NELSON—I say to the member for Jagajaga and all the people behind her in the Labor Party: remember those hardworking men and women who pay for three-quarters of what happens in Australian universities and who will continue to do so and rely on what those universities do. Drop your obsession with those who graduate as doctors, lawyers, dentists, vets and economists—people who have sound careers in front of them.

Honourable members interjecting—

The SPEAKER—I will not tolerate abuse of the chair by anyone. I warned the member for Sydney but she simply persisted with her interjections. I ought to remove her from the House.

Government members interjecting—

The SPEAKER—Order! She will not be on her own. The member for Sydney can apologise to the chair or face removal from the House.

Ms Plibersek—I am very sorry.

The SPEAKER—Does the member for Hotham have a point of order?
Mr Crean—No. In the last answer, the minister was clearly quoting from a document. It was a very small document, and I would ask that it be tabled.

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

Rural and Regional Australia: Agriculture Advancing Australia

Mr Forrest (3.09 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister advise the House of the benefits to farmers and rural communities of the Australian government’s $800 million Agriculture Advancing Australia package? Could the minister also advise if there are any alternative policies?

Mr Truss—I thank the member for Mallee for his question and recognise his passionate interest in rural communities. The Agriculture Advancing Australia package has certainly made a tremendous contribution to rural and regional Australia, dating back to when the Deputy Prime Minister introduced it in his days as minister for agriculture. Around 58,000 primary producers have participated in FarmBis training programs since July 2001. Those programs, I might add, have been supported on a dollar-for-dollar basis by state Labor governments. A large number of farmers also participate in other elements of the program, such as the Farm Management Deposit Scheme and the welfare program available under Farm Help.

The member for Mallee asked a very important question when he asked about alternative policies. The Leader of the Opposition has now been in office for one whole week of parliamentary sittings, and people in rural and regional Australia are still desperately waiting for some kind of signal from him as to what his attitude might be towards rural and regional areas. What does this Western Sydney-centric leader have to say about rural and regional affairs? Frankly, he has said nothing all week. I have had to go back and search through some of his articles to find any comments at all about rural and regional Australia.

I had to go right back to an article in the Daily Telegraph of 19 February 2001. If this article is a demonstration of the Leader of the Opposition’s attitude to rural and regional Australia, then country people have a lot to be concerned about. In that article he sailed into farmers, claiming that they are the most heavily subsidised part of the economy. That is a completely untrue statement which demonstrated his attitude towards regional areas and underlined the venomous attack on the rural sector that followed. He went on to criticise tax concessions and handouts to people in rural areas. The handouts he was so venomously opposed to included zone rebates; write-offs for water conservation and land care expenses; drought investments; tax concessions for telephones and electricity lines; income tax averaging; the Diesel Fuel Rebate Scheme; education allowances; and exemptions from capital gains tax. That is the list of items that the Leader of the Opposition thinks ought to go from rural and regional Australia. He went on to write:

But wait, there’s more. Just last week I uncovered another nice little earner called FarmBis. The Federal Government is spending $38 million on management training for farmers and their families. No other part of the workforce receives assistance of this kind.

He put aside the billions of dollars that this government spends on education and workplace training, but he lined up the $38 million FarmBis program for particular attention. If this is to be the new look Leader of the Opposition who is going to develop a new direction, he is going to have to do a lot of policy backflips before anybody in rural and regional Australia will be prepared to trust him.
Health: Bulk-Billing

Ms GILLARD (3.13 p.m.)—My question is to the Minister for Health and Ageing. I refer to recent comments by the CEO of Western Health in Melbourne, who said: 70 per cent of these increases in emergency department presentations to Western Health were triage categories 4 and 5 ...

The increase in demand can be largely attributed to:
• shortage of GPs in the west
• reduction in bulk-billing GP clinics
• lack of GP clinics open after hours.

Minister, won’t the pressure on public hospital emergency departments worsen because the government has no national bulk-billing target and no plan to increase bulk-billing for all Australians?

Mr ABBOTT—We do not have a bulk-billing target because no other government has ever had a bulk-billing target. We understand, as the former government understood, that governments do not set bulk-billing rates; doctors set bulk-billing rates. What would the member opposite think if someone said, ‘I have never believed nor asserted nor intended that bulk-billing would apply to everyone’? You would think, ‘That’s just that evil, horrible, monstrous coalition government minister for health.’ In fact, it was none other than the member for Perth, the rooster become frontbencher, who said earlier today: ‘Labor has never believed nor asserted nor intended that bulk-billing would apply to everyone.’ That is exactly the position of this government, and the member for Perth on his first day back on the front bench has completely sabotaged the attack of the member for Lalor.

Education: Funding

Mrs MOYLAN (3.15 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House of the support provided under the schools funding system to the parents of the 1.1 million students attending Catholic and independent schools in Australia; and is the minister aware of other statements or policies in this area?

Dr NELSON—I thank the member for Pearce for her question and very strong support for Ellenbrook Christian College and Sawyers Valley Primary School. This government believes very strongly that every one of the 3.3 million students in Australian schools should be supported through Commonwealth and state taxes and, having paid their taxes to support state government schools, that all parents should be and will be supported by this government in making choices for their children should they send them to Catholic and independent schools. However, there are other views on this subject. The member for Werriwa, now the Leader of the Opposition, told the parliament on 29 August 2001, only two years ago: ... not every school should be entitled to public funding.

I thought perhaps this was just a moment where he was under a bit of duress and he basically lost it—he said something he did not really mean. I had heard a bit of talk about the need to read at night, so last night I picked up a book. I am tucked up in bed and I am reading *What Did You Learn Today?* by Mr Mark Latham. I got to page 44. I read in paragraph six of the book, under the plan for school resourcing, ‘Not every school should be entitled to public funding.’ So I thought, ‘Here we are!’ So the Labor Party has chosen a leader who believes that some children in this country are so unworthy that they will receive no public funding in support of their education. But then I became confused because the member for Jagajaga in the House only two days ago said:

The opposition accept that all schools should receive some public funding …
So Arthur says, ‘No funding for some schools,’ and Martha says, ‘Some funding for all schools.’ So what is it? I will tell you, Mr Speaker. I can tell you what the real agenda is. The real agenda was set out in the Sydney Morning Herald on 7 July this year, under the heading ‘Unions press ALP over Catholic schools’:

Public teacher unions have a $1 million fighting fund to campaign before the next federal election for private school funding to be slashed and have already singled out Catholic schools for special attention.

The president of the Australian Education Union, Pat Byrne, said a group of 12 federal politicians - believed to be mainly Labor - had also been formed to lobby—
in support of this particular view. So here we have it. Where are the dirty dozen? Where is the leader? Is it the Leader of the Opposition? I suspect it is not the member for Lowe, but somewhere at the back here are 12 members of the federal Labor Party who are campaigning, in support of the views of the Leader of the Opposition whom they have just elected, to take money from non-government schools and Catholic schools in particular. This government will not under any circumstances accept a situation where some children will receive no money in support of their education.

Mr Anderson—Mr Speaker, I ask that further questions be placed on the Notice Paper. In so doing, I make the comment that after the MPI there will be an opportunity for leaders in this place to express their goodwill to others for the Christmas period.

BUSINESS

Mr Abbott (Warringah—Leader of the House) (3.20 p.m.)—On indulgence, Mr Speaker. As is often the case we are dependent on the Senate, and what is happening in the Senate is far from certain. So I would propose that we have a dinner break between 6.00 and 8.30 this evening, come back at 8.30 p.m., see what can usefully be done this evening, possibly adjourn and come back tomorrow. Unfortunately, it does seem that we will need to sit for some time tomorrow—hopefully, as briefly as possible.

PERSONAL EXPLANATIONS

Ms Gillard (Lalor) (3.21 p.m.)—Mr Speaker, I wish to make a personal explanation.

The Speaker—Does the member for Lalor claim to have been misrepresented?

Ms Gillard—I do, Mr Speaker.

The Speaker—Please proceed.

Ms Gillard—In question time today the minister for health asserted that I and Labor were holding up the processing of a trade practices bill in the Senate by seeking to amend it. This is not true. Labor has not moved such an amendment. The bill is not being proceeded with because the government has taken it off its program.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Australia Post: Mail Screening Centre

Mr Andrews (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.21 p.m.)—Mr Speaker, I wish to add to an answer.

The Speaker—The minister may proceed.

Mr Andrews—The member for Rankin asked me about mail processing in Melbourne. I am advised that 100 per cent of overseas mail entering Australia through Melbourne airport is currently being screened.

Insurance: Medical Indemnity

Mr Abbott (Warringah—Minister for Health and Ageing) (3.22 p.m.)—Mr
Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr ABBOTT—I was asked a question about medical indemnity. Let me point out that the bill that the government put into the Senate was withdrawn because of Labor’s threatened opposition.

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

Mr ABBOTT—If the member for Lalor is now saying Labor supports it, we will put it back in and pass it tonight.

The SPEAKER—I invite the member for Lalor to resume her seat. I am not denying her the call, but I would simply point out that we will get to the point in the House where personal explanations becomes something of a nonsense because it becomes—

Mr Brendan O’Connor interjecting—

The SPEAKER—I will assume that the comment from the member for Gellibrand was not a reflection on the chair. I am never sure whether to find him to my left or at about 10 o’clock.

Ms Roxon—He is always on your left.

The SPEAKER—I will assume that the comment from the member for Gellibrand was not a reflection on the chair. Let me make the point quite clearly that the Leader of the House did not actually indicate where he had been personally misrepresented, and—

Mr ABBOTT—Mr Speaker, I was adding to an answer.

The SPEAKER—I apologise. Had the minister concluded?

Mr ABBOTT—Yes.

Veterans: Military Compensation Package

Mrs VALE (Hughes—Minister for Veterans’ Affairs) (3.23 p.m.)—Mr Speaker, I seek the indulgence of the chair to amend an answer I provided to the House on 13 October this year.

The SPEAKER—The minister may proceed without indulgence.

Mrs VALE—I thank the House.

Mr Leo McLeay interjecting—

The SPEAKER—Order! The member for Watson, the minister has come into the House with a perfectly reasonable request—

Mr Leo McLeay—It’s a bit late.

The SPEAKER—The member for Watson! The minister has indicated that she seeks to add to an answer. That would be, one would presume, to the benefit of all members and she has the right to be heard.

Mr Leo McLeay—Mr Speaker, I rise on a point of order. My understanding was that the minister said that she wished to add to an answer from 13 October. If that is indeed the fact, I would suggest that the caravan has certainly well passed on.

The SPEAKER—The member for Watson will resume his seat. The member for Watson, as a former occupier of the chair, would facilitate the chair if he could nominate a standing order which was in some way being transgressed by the minister’s action. My view is that anything that assists to complete the Hansard record is in order and I will hear the minister before passing judgment.

Mr Leo McLeay—Mr Speaker, you asked me to point to a standing order. I would suggest to you that, as I recall it, it is a practice of the House. I have never heard anyone add to an answer where they are nearly a month and a half late.

The SPEAKER—Let me also indicate to the member for Watson that I have yet to find a standing order—even under this stewardship—to indicate that there was anything in the point he has just raised.
Mrs Vale—In my answer I pointed out that under the new Military Rehabilitation and Compensation Scheme a widow whose partner’s death was caused by war or non-war service could opt to receive an age based benefit of up to $100,000. In fact, the amount of the benefit, taken as a lump sum payment, could be more than three times that amount. For a 25-year-old war widow, for instance, the benefit could be as much as $374,280 before her additional death benefit entitlement.

The Speaker—I will recognise the member for Hunter, but I am taking the presumption that the member for Cowan has a point of order relative to the answer just given.

Mr Edwards—It is on a little bit of indulgence, Mr Speaker. I was wondering whether the minister was actually adding to an answer as per the policy of the day or whether there has now been a change in policy and whether widows previous to the time about which the minister was speaking are actually eligible for that benefit the minister was talking about.

The Speaker—I point out to the member for Cowan—

Honourable members interjecting—

The Speaker—I have endeavoured, because it is the last week, to tolerate a number of interjections. I point out to the member for Cowan that that is a question he may like to ask the minister. I would personally have to check the Hansard record before I would be able to answer his question.

QUESTIONS TO THE SPEAKER

Addresses by the President of the United States of America and the President of the People’s Republic of China

Mr FitzGibbon (3.27 p.m.)—Mr Speaker, following the visit to Australia by the President of the United States and his subsequent address in this place, I asked you a number of questions about the intrusion of the so-called rogue camera, in particular whether there had been any involvement by officers of either the Prime Minister’s office or indeed his department. You made a commitment on that occasion to investigate the matter and to report back to the House. We are still waiting, and I am asking you whether you have made any progress on that matter.

The Speaker—Let me indicate to the member for Hunter—and I think all members of the House are aware of this—I did undertake to investigate the matter, and investigations have been initiated and are proceeding. I apologise to the member for Hunter, because this is likely to be the last sitting day. If I can find more material for him tomorrow, I will report to the House, but I want to indicate to the House on this occasion that at noon today I received a copy of a draft report from a gentleman who was asked to investigate the matter because he was the—and I use the word loosely—contractor asked to manage the coverage of the presidential visit and press access by the American press. I have only a copy of the draft report, which I received at noon. I have asked my office to peruse it. I will go through it myself and see if I can add anything that would be helpful from the point of view of the House understanding what has happened. But, as I indicated, I have just received a copy of what is a draft report to the Department of the Prime Minister and Cabinet on the matter.

Mr FitzGibbon—Thank you, Mr Speaker. Further to that, can I ask you what access, if any, members of this House will have to that draft report or any final report?

The Speaker—I am unable to fulsomely answer the member for Hunter, because I am not familiar with the contents of
the report. It is not my intention to be other than as transparent as possible about the events and I can reassure the House, I think unnecessarily, that on every occasion that my office or I were asked about access to the galleries by the United States media they were denied access, as I am sure you are aware. I am happy to discuss the matter further with the member for Hunter. So far as how public the report can become, I am only avoiding giving a full commitment because I am unaware of the contents of the report.

**Question Time**

Mr **LEO McLEY** (3.30 p.m.)—A few moments ago the Minister for Veterans’ Affairs added to an answer to a question that she had been asked six weeks ago. Mr Speaker, the concern of members on this side of the House is that the minister was quoting policy now, not the policy that was there six weeks ago. If one were allowed to answer questions that were months and months old, you could gild the lily quite considerably. Therefore, Mr Speaker, will you check whether the answer that the minister gave just now, which was rather unprecedented, was relating to the policy as it is now or as it was six weeks ago?

The **SPEAKER**—Let me reassure the member for Watson that it goes without saying that of course I will check precisely what the minister said. I always read the *Hansard* the next day anyway to ensure that whatever has happened, particularly during question time, is consistent with House of Representatives practice. I do as he would have done when Speaker, and meet at least daily—sometimes more frequently—with the Clerk to ensure that whatever is done from this office is done in a way consistent with my predecessors.

**PERSONAL EXPLANATIONS**

Mr **MURPHY** (Lowe) (3.31 p.m.)—Mr Speaker, I wish to make a personal explanation.

The **SPEAKER**—Does the member for Lowe claim to have been misrepresented?

Mr **MURPHY**—I certainly do.

The **SPEAKER**—The member for Lowe may proceed.

Mr **MURPHY**—During question time the education minister made adverse references to me and others in relation to the Leader of the Opposition’s earlier statements about funding for Catholic schools. I can assure you that the Leader of the Opposition is totally committed to Catholic education—

The **SPEAKER**—The member for Lowe will resume his seat. I am a little troubled about where the whole question of personal explanations is going and I will look at it over the summer break. If my memory serves me well, in fact the minister made what was not an adverse reference to the member for Lowe, but I will check the *Hansard* record, as I have indicated I will do for the member for Watson. I also think we need to look again at the way in which personal explanations are used. I call the member for Prospect. It is like question time revisited, one might observe.

**QUESTIONS TO THE SPEAKER**

**Question Time**

Mrs **CROSIO** (3.32 p.m.)—Do you choose to hear me, Mr Speaker?

The **SPEAKER**—I have recognised the member for Prospect.

Mrs **CROSIO**—I appreciate that—thank you, Mr Speaker. My question is to you, Mr Speaker, and it follows the answer you just gave to the honourable member for Watson regarding the fact that you read the *Hansard*—and we appreciate that you do. But
with your reading of the *Hansard*, which you are going to do tonight, we will not be here to get that answer tomorrow. I think it is very pertinent that, as the minister has raised an answer to a question of six weeks ago, we should have answered whether it is new policy or old policy. All that is required, with indulgence from you, sir, is for the minister to get up and say yes or no. I believe that we on this side of the House should not have to wait till we read *Hansard*. We will do that, but I believe that, for her benefit, our benefit and Australia’s benefit, the minister should be required to get up and answer that question.

The SPEAKER—Let me reassure the member for Prospect that I am confident that the sun will rise tomorrow regardless of whether or not *Hansard* is read.

COMMITTEES

Reports: Government Responses

The SPEAKER (3.34 p.m.)—For the information of honourable members, I present a schedule of outstanding government responses to reports of House of Representatives and joint committees, incorporating reports tabled and details of government responses made in the period between 25 June 2003, the date of the last schedule, and 4 December 2003. Copies of the schedule are being made available to honourable members and will be incorporated in *Hansard*.

The schedule read as follows—

THE SPEAKER’S SCHEDULE OF OUTSTANDING GOVERNMENT RESPONSES TO REPORTS OF HOUSE OF REPRESENTATIVES AND JOINT COMMITTEES

(also incorporating reports tabled and details of Government responses made in the period between 25 June 2003, the date of the last schedule, and 4 December 2003)

4 December 2003

THE SPEAKER’S SCHEDULE OF OUTSTANDING GOVERNMENT RESPONSES TO COMMITTEE REPORTS

On 3 December 2003, the Government presented its response to a schedule of outstanding Government responses to parliamentary committee reports tabled in the House of Representatives on 26 June 2003.

It is Government policy to respond to parliamentary committee reports within three months of their presentation. In 1978, the Fraser Government implemented a policy of responding in the House by ministerial statement within six months of the tabling of a committee report. In 1983, the Hawke Government reduced this response time to three months but continued the practice of responding by ministerial statement. The Keating Government generally responded by means of a letter to a committee chair, with the letter being tabled in the House at the earliest opportunity. In 1996, the Howard Government affirmed the commitment to respond to relevant parliamentary committee reports within three months of their presentation. The Government also undertook to clear, as soon as possible, the backlog of reports arising from previous Parliaments.

The attached schedule lists committee reports tabled and government responses to House and joint committee reports made since the last schedule was presented on 26 June 2003. It also lists reports for which the House has received no government response. A schedule of outstanding responses will continue to be presented at approximately six monthly intervals, generally in the last sitting weeks of the winter and spring sittings.

The schedule does not include advisory reports on bills introduced into the House of Representatives unless the reports make recommendations which are wider than the provisions of the bills and which could be the subject of a government response. The Government’s response to these reports is apparent in the resumption of consideration of the relevant legislation by the House. Also not included are reports from the Parliamentary Standing Committee on Public Works, the House of Representatives Committee of Members’ Interests, the Committee of Privileges, the Publications Committee and the Selection Committee.
Government responses to reports of the Public Works Committee are normally reflected in motions for the approval of works after the relevant report has been presented and considered. Reports from other committees which do not include recommendations are not included.

Reports of the Joint Committee of Public Accounts and Audit primarily make administrative recommendations but may make policy recommendations. A government response is required in respect of such policy recommendations made by the committee. However, responses to administrative recommendations are made in the form of an Executive Minute provided to, and subsequently tabled by, the committee. Agencies responding to administrative recommendations are required to provide an Executive Minute within 6 months of tabling a report. The committee monitors the provision of such responses. The schedule includes reports with policy recommendations.

4 December 2003

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<td>Inquiry into the disclosure of commissions on risk products</td>
<td>12-08-03</td>
<td>No response to date</td>
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<td>Economics, Finance and Public Administration (House, Standing)</td>
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<td>Numbers on the run: Review of the ANAO Report no. 37 1998-1999 on the management of Tax File Numbers</td>
<td>28-08-00</td>
<td>No response to date</td>
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<td>Rates and Taxes: A fair share for responsible local government</td>
<td>24-11-03</td>
<td>Period has not expired</td>
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<td>Review of the Reserve Bank of Australia annual report 2002</td>
<td>01-12-03</td>
<td>No response required</td>
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<td>Electoral Matters (Joint, Standing)</td>
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<td>Audit Report No. 42 of 2001-02, Integrity of the Electoral Roll</td>
<td>11-11-02</td>
<td>16-10-03</td>
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<td>Territory representation: Report of the inquiry into increasing the minimum representation of the Australian Capital Territory and the Northern Territory in the House of Representatives</td>
<td>01-12-03</td>
<td>Period has not expired</td>
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<td>Employment and Workplace Relations (House, Standing)</td>
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<td>Back on the job: Report into aspects of Australian workers compensation schemes</td>
<td>02-06-03</td>
<td>No response to date</td>
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<td>Environment and Heritage (House, Standing)</td>
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<td>Coordinating catchment management</td>
<td>26-02-01</td>
<td>No response to date</td>
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<td>Public good conservation: Our challenge for the 21st century</td>
<td>27-09-01</td>
<td>No response to date</td>
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<td>Employment in the environment sector: Methods, measurements and messages</td>
<td>01-12-03</td>
<td>Period has not expired</td>
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<td>Family and Community Affairs (House, Standing)</td>
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<td>Road to recovery: Report on the inquiry into substance abuse in Australian communities</td>
<td>08-09-03</td>
<td>Period has not expired</td>
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<td>Foreign Affairs, Defence and Trade (Joint, Standing)</td>
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<td>Visit to Australian Forces Deployed to the International Coalition Against Terrorism (Report 108)</td>
<td>21-10-02</td>
<td>09-10-03</td>
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<td>Expanding Australia’s trade and investment relationship with the countries of Central Europe</td>
<td>15-09-03</td>
<td>Period has not expired</td>
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<td>Review of the Defence annual report 2001-2002</td>
<td>13-10-03</td>
<td>Period has not expired</td>
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<td>Review of Foreign Affairs and Trade portfolio annual reports 2001-2002</td>
<td>13-10-03</td>
<td>No response required</td>
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<td>Statement to the Parliament on the JSCFADT Human Rights Sub-committee’s recent activities concerning conditions within immigration detention centres and the treatment of detainees</td>
<td>13-10-03</td>
<td>No response required</td>
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<td>Defence Sub-committee visit to RAAF Williamstown, Darwin establishments, East Timor and RAAF Tindal, 14-17 July 2003</td>
<td>24-11-03</td>
<td>No response required</td>
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<td>Industry, Science and Resources (House, Standing)</td>
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<td>Getting a better return: Inquiry into increasing the value added to Australian raw materials Second report</td>
<td>24-09-01</td>
<td>No response to date*</td>
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<td>Industry and Resources (House, Standing)</td>
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<td>Exploring: Australia’s future impediments to increasing investment in minerals and petroleum exploration in Australia</td>
<td>15-09-03</td>
<td>Period has not expired</td>
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<td>Legal and Constitutional Affairs (House, Standing)</td>
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<td>The third paragraph of section 53 of the Constitution</td>
<td>30-11-95</td>
<td>No response to date*</td>
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<td>Migration (Joint, Standing)</td>
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<td>2003 Review of Migration Regulation 4.31B</td>
<td>29-04-03</td>
<td>No response to date*</td>
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<td>National Capital and External Territories (Joint, Standing)</td>
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<td>In the pink or in the red? Health services on Norfolk Island</td>
<td>06-07-01</td>
<td>No response to date*</td>
<td>No</td>
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<td>Norfolk Island electoral matters</td>
<td>26-08-02</td>
<td>No response to date*</td>
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<td>Inquiry into pay parking in the parliamentary zone</td>
<td>13-10-03</td>
<td>Period has not expired</td>
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<td>Quis custodie ipsos custode? Inquiry into Governance on Norfolk Island</td>
<td>03-12-03</td>
<td>Period has not expired</td>
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<td>National Crime Authority (Joint, Statutory)</td>
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<td>The law enforcement implications of new technology</td>
<td>27-08-01</td>
<td>27-11-03</td>
<td>No</td>
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<td>Description of Report</td>
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<td>Examination of the Annual Report for 2001-2002 of the National Crime Authority</td>
<td>30-10-03</td>
<td>No response required</td>
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<td>Native Title and the Aboriginal and Torres Strait Islander Land Fund (Joint, Statutory)</td>
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<td>Nineteenth Report: Second interim report for the s.206(d) Inquiry - Indigenous Land Use Agreements</td>
<td>26-09-01</td>
<td>No response to date*</td>
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<td>Procedure (House, Standing)</td>
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<td>Balancing tradition and progress: Procedures for the opening of Parliament</td>
<td>27-08-01</td>
<td>No response to date*</td>
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<td>Sessional Order 344</td>
<td>18-06-03</td>
<td>No response to date*</td>
<td>No</td>
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<td>Revised Standing Orders</td>
<td>24-11-03</td>
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<td>Arrangements for second reading speeches</td>
<td>01-12-03</td>
<td>Period has not expired</td>
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<td>Trial of additional tellers</td>
<td>01-12-03</td>
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<td>Public Accounts and Audit (Joint, Statutory)</td>
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<td>Corporate governance and accountability arrangements for Commonwealth government business enterprises, December 1999 (Report No. 372)</td>
<td>16-02-00</td>
<td>No response to date*</td>
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<td>Review of Independent Auditing by Registered Company Auditors (Report No. 391)</td>
<td>18-09-02</td>
<td>No response to date*</td>
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<td>Review of Australia’s quarantine function (Report No. 394)</td>
<td>05-03-03</td>
<td>No response to date*</td>
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<td>Inquiry into the draft financial framework legislation Amendment Bill (Report No. 395)</td>
<td>20-08-03</td>
<td>No response to date</td>
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<td>Review of Auditor-General’s 2002 – 2003 reports First, Second &amp; Third quarters (Report No. 396)</td>
<td>08-10-03</td>
<td>Period has not expired</td>
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<td>Annual Report 2002-2003 (Report No. 397)</td>
<td>26-11-03</td>
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<td>Recent Australian Bushfires (House, Select)</td>
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<td>A nation charred: Inquiry into the recent Australian bushfires</td>
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<td>Science and Innovation (House, Standing)</td>
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<td>Riding the Innovation Wave: The Case for Increasing Business Investment in R&amp;D</td>
<td>23-06-03</td>
<td>No response to date*</td>
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<td>Transport and Regional Services (House, Standing)</td>
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<td>Description of Report</td>
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<td>Moving on intelligent transport systems</td>
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<td>Regional aviation and island transport services: Making ends meet</td>
<td>01-12-03</td>
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<td>Treaties (Joint, Standing)</td>
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<td>Extradition - a review of Australia’s law and policy (40th Report)</td>
<td>06-07-01</td>
<td>No response to date(^5)</td>
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<td>The Statute of the International Criminal Court (45th Report)</td>
<td>14-05-02</td>
<td>No response to date(^5)</td>
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<td>The Timor Sea Treaty (49th Report)</td>
<td>11-11-02</td>
<td>14-08-03</td>
<td>No</td>
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<td>Treaties tabled 4 March 2003 (52nd Report)</td>
<td>26-06-03</td>
<td>No response to date(^5)</td>
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<td>Treaties tabled May and June 2003 (53rd Report)</td>
<td>19-08-03</td>
<td>No response to date</td>
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<td>Treaties tabled June and August 2003 (54th Report)</td>
<td>17-09-03</td>
<td>Period has not expired</td>
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<td>Treaties tabled 9 September 2003 (55th Report)</td>
<td>16-10-03</td>
<td>Period has not expired</td>
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<td>Treaties tabled 8 on October 2003 (56th Report)</td>
<td>01-12-03</td>
<td>Period has not expired</td>
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These notes reflect the response circulated by the Leader of the House on 3 December 2003 entitled “Government Responses to Parliamentary Committee reports. Response to the schedule tabled by the Speaker of the House of Representatives on 26 June 2003”.

1. The date of tabling is the date the report was presented to the House of Representatives. In the case of joint committees, the date shown is the date of first presentation to either the House or the Senate. Reports published when the House (or Houses) are not sitting are tabled at a later date.
2. If the source for the date is not the Votes and Proceedings of the House of Representatives or the Journals of the Senate, the source is shown in an endnote.
3. The time specified is three months from the date of tabling.
4. The Aboriginal Land Rights (Northern Territory) Act 1976 requires reform to facilitate improved economic outcomes for Indigenous people from their considerable land holdings in the Northern Territory. The Australian Government has asked for the input of the major stakeholders in an effort to reach agreement on reforms. The Government released an options paper on possible reforms in April 2002, and in response, the Northern Territory Government and the Northern Territory Land Councils released a joint submission in September 2003 proposing reforms to the Act. Other stakeholders responded in 2002. The Australian Government is now considering the final form of a reform package to the Act.
5. The government is finalising its response and expects it to be tabled shortly.
6. The response is being finalised and will be tabled as soon as possible.
7. The response is under consideration and will be tabled as soon as possible.
8. The response is in the final approval stage and will be tabled shortly.
9. The report is being considered and a response will be tabled in due course.
10. The government is currently considering the recommendations and a response will be tabled in due course.

11. The response will be tabled shortly.

12. Due to the complex nature of the issues involved, consultations are ongoing. At this stage it is not expected that a response will be ready for tabling before mid-2004.

13. The response will be tabled as soon as possible.

14. The response will be finalised following the completion of two related inquiries.

15. The response will be finalised following further consultations and consideration of Norfolk Island electoral reforms.

16. The government is considering its response to the report.

17. The Government supports the recommendation of the Committee and notes that the amendment to standing order 344 remains in place for the remainder of the session.

18. The response to the report is expected once it has considered the findings of the ‘Review of Governance Arrangements of Statutory Authorities and Office Holders’.

19. A response to the recommendations has been developed within the Department, and is now in the process of being cleared with external agencies affected by the recommendations. The report will be tabled as soon as consultations have been completed.

20. The response to the report is subject to ongoing consultation. It is expected that a response will be tabled shortly.

21. The response is being finalised and will be tabled shortly.

22. It is expected that the response will be tabled shortly.

23. The response will be tabled at the first available opportunity.

24. The response will be finalised shortly.

AUDITOR-GENERAL’S REPORTS

Report Nos 16 and 17 of 2003-04

The SPEAKER—I present the Auditor-General’s audit reports Nos 16 and 17 of 2003-04 entitled No. 16—Administration of consular services follow-up audit: Department of Foreign Affairs and Trade, and No. 17—AQIS cost-recovery systems follow-up audit: Australian Quarantine and Inspection Service.

Ordered that the reports be printed.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (3.35 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 wish the Clerk a happy Christmas as well. I move:

That the House take note of the following papers:

Aboriginal Land Commissioner—Reports and recommendations to the Minister for Immigration and Multicultural and Indigenous Affairs and to the Administrator of the Northern Territory—No. 66—Seven Emu Region Land Claim No. 186; Wollogorang Area II Land Claim No. 187, and part of Manangoora Region Land Claim No. 185.

Explanatory statement by the Minister for Immigration and Multicultural and Indigenous Affairs.

No. 67—Lower Daly Land Claim No. 68.

Explanatory Statement by the Minister for Immigration and Multicultural and Indigenous Affairs.

Australian Communications Authority—Telecommunications performance—Report for 2002-03.

Australian Film Commission—Report for 2002-03—Erratum.


Central Land Council—Report for 2002-03.


Department of Defence—Special purpose flights—Schedule for period January to June 2003.
Department of Finance and Administration—Reports—Former Parliamentarians’ travel paid by the department for the period January to June 2003, December 2003. Parliamentarians’ travel paid by the department for the period January to June 2003, December 2003.
Department of the Prime Minister and Cabinet—Expenditure on travel by former Governors-General paid by the department for the period January to June 2003.
Enterprise and Career Education Foundation—Report for 2002-03.
Finance—Consolidated financial statements in respect of the year ending 30 June 2003.
Official Establishments Trust—Report for 2002-03.
Privacy Amendment Bill 2003—Explanatory memorandum.

Debate (on motion by Ms Gillard) adjourned.

Mr ABBOTT (Warringah—Leader of the House) (3.35 p.m.)—I present papers on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Relating to bulk billing by general practitioners—from the member for Perth—3508 Petitioners.

The SPEAKER—I have a message from the Senate. Does the Clerk want that dealt with or shall we move to the MPI?

Mr Leo McLeay interjecting—

The SPEAKER—I indicate to the member for Watson that he has already been warned! Furthermore, there are facilities already well known to all members of the House, and I am on my feet introducing the MPI.

MATTERS OF PUBLIC IMPORTANCE

Howard Government: Education and Community Services

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

The Howard Government’s failure to provide adequate opportunities for the Australian people, particularly, education and community services. 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 LATHAM (Werriwa—Leader of the Opposition) (3.36 p.m.)—It is a great honour to give my first speech in the House as the new leader of the Australian Labor Party. I could easily give the House a long list of the policy failings of the Howard government. I could go through all the government negatives, all the different areas where they have let down the Australian people. But there has already been enough negativity this week from the government; there has been a stack of negativity. Can anyone remember a new idea the government have advanced this week? Can anyone remember a positive proposal they have advanced this week for the benefit of the Australian people? Can anyone remember a program for the future mentioned by the government in either question time or outside the House?

It has been a curious thing, Mr Speaker: I have been sitting here watching and waiting for any sort of positive proposal, any value added to the public debate for the benefit of the Australian people? Can anyone remember a program for the future mentioned by the government in either question time or outside the House?

It has been a curious thing, Mr Speaker: I have been sitting here watching and waiting for any sort of positive proposal, any value added to the public debate for the benefit of the Australian people, and all I can conclude is this government has a very strange set of priorities. It seems to be much more interested in my past than in the country’s future.
Is that what the Australian people want? A government living in the past, obsessed with the past, or a government that is elected for the hard work of doing things in the public interest, doing things in the national interest?

The battleground for the election campaign, to be held sometime in 2004, is already clear. A government living in the past, talking about the past versus a Labor opposition dedicated to the future, the national interest and the future of our country. I honour and respect the past—always have and always will—but I will tell you one thing about the past: you cannot live in it; and, moreover, history lessons do not improve people’s lots in life for the future. No history lesson will produce an extra bulk-billing doctor in any part of the Australian community. No history lesson will ever improve access for university and TAFE in this nation. History lessons will not improve school results or back the students working hard in our schools today. No history lesson will find a single job for a long-term unemployed youth in this country. History lessons do not improve the quality of life of the Australian people in the future.

It is a funny thing: the government wants to talk about the things I said nine months ago, five years ago, 15 years ago. Next step: back into the university essays at this rate of progress. We can all play that game. If we all tried to live in the past, on this side of the House we would say: remember Asian immigration? Remember ‘never, ever GST’? Remember the ‘kids overboard’? Remember stabbing Medicare in the guts and getting rid of universal health care in this country? We can all talk about the past, but I have a different priority. I want to talk about the future and be positive about the future and advance Labor Party plans to make the future better for the Australian people. I am interested in bulk-billing rates nine months from now. I am interested in the education system five years from now. I am interested in the next generation of Australians and where they are going to be 15 years from now. Not the past; the future. Not the things that obsess the government, the petty games and political antics, but the things that the Australian people want in their House of Representatives: good policy proposals adding value to their lives and our nation.

In recent days, some commentators in the media have been pointing out the 22-year age difference between me and the Prime Minister. For me it is no big deal; my mum is just a little bit older, and I have got no problem with her! The truth is I am not worried about how old the Prime Minister is; I am worried about how old his ideas are for the Australian people. This is a government of old and tired ideas; a government living in the past—every day showing how it lacks a plan for the future. My plan is simple enough: I want Australians climbing the ladder of opportunity. I want a government that adds value for the benefit of the Australian people, putting more rungs in the ladder of opportunity—not taking them out in health care, not taking them out in education, not taking them out in all the basic services and opportunities that a decent society relies upon.

I have believed in these things all my life, and to the best of my ability I have lived them all my life. I believe in hard work; I believe in reward for effort. I know for a fact that people need to try hard in our society, but I also know the powerful combination that makes that effort worthwhile. It is the collective, civilising role of a government that cares about social justice and compassion in our society. I want to put the rungs back in. The rungs that the Howard government has taken out or ignored I want to put back into the ladder of opportunity—adding some value to the public policy debate and, most of all, adding some value to the future.
of our nation. Not the past; the future. That is the thing that matters.

The first rung on this ladder of opportunity is early childhood development. It is the foundation stone of lifelong learning, because the truth is that learning does not start on the first day of school; it starts on the first day of life. That is the truth of it, and that is why early childhood development is so important. It has been an undervalued and underresourced aspect of our learning society. I am struck by the international research showing how, if you want to know where someone is going to be later in life, you can sort out a lot and you can pretty well predict their pathway in life at age five.

What we need to recognise is what the professional people tell us. I remember a letter that Mem Fox, Australia’s great infant storybook author, wrote to me saying that if we read three storybooks a night to our children then by the age of five they will be literate and they will be doing numbers. Every parent reading aloud three storybooks to their children every night is making a real commitment to the future of the next generation. I am taking her advice as best I can. My average is down for this week, I’ve got to say—I’ve been pretty busy—but I am committed to it and I want all Australian parents to be committed to it. And for those Australian parents who have not got the skills available to them or the training, a Labor government will do it for them. It will provide special literacy programs to make reading available in all the homes and to make education valued in all the homes of our nation. We need a new national program for early childhood development, improved preschool access, putting the qualified teachers back into the child-care system, encouraging parents to read aloud to their children and special literacy programs for the parents without the skills at this stage. That is the first rung.

The second rung up the ladder of opportunity is good schooling. I know, from my own life, there is no more powerful institution in our society than a good government school. I have been fortunate to have good family and good schooling available to me earlier in my life. But I also know, from my own constituency and other parts of the country, that there are many underresourced non-government schools in Australia. I want to make this clear at the outset of my Labor Party leadership: we believe in school-funding equity, we believe in a needs based school-funding system—not sectors fighting each other for money but all schools, government and non-government, in this country reaching a strong national standard for resources and achievement. The basic truth is this: I will not rest easy. I will not rest for one moment in this responsibility that I now discharge until every school in this country is a high-achievement school fulfilling the potential of the next generation of young Australians.

The third rung up the ladder is post-secondary education opportunity. To one of my predecessors—my most illustrious predecessor—in the seat of Werriwa, who is sitting at the back, I want to say: thank you, Gough, for your step, the step you took in 1973, to make higher education more affordable for the next generation of young Australians. Even today in the seat of Werriwa, people still come up and say, ‘You know Gough—thank him for the access we had to a higher education.’ I am one of those people. Labor build on that tradition. We build proudly on that tradition with our Aiming Higher policy: an extra 20,000 university places; an extra 20,000 TAFE places; our commitment to VET; and our commitment to training—higher education opportunity for all. And we do it without the need for heavy debt early in life for students. Indeed, this is a government that have gone debt crazy. Look at their record: the highest household debt in
Australia’s history, the highest credit card debt, the highest foreign debt and the highest current account deficit, and there is their policy for university student debt. We do not want a debt society. We have to build a new culture of national savings, and a lot of it comes out of education opportunity and access.

So up the ladder we go, putting rungs back into the ladder of opportunity in this country. One of the most crucial rungs is that of health care for our families. Medicare must be a universal system of public health care—universal. If it is not universal, it is not Medicare. If there is insufficient public health care, then it is not Medicare. Labor founded Medibank and then Medicare, and only Labor will save them. Only Labor truly believe in the principle of universal public health care in this country. Under a Labor government in the future we will not need a safety net, because we have a target and a plan to rebuild bulk-billing. That is the principle that Gough Whitlam and Bill Hayden established in 1973. It is the true principle that Neal Blewett established in 1983 and 1984: the basic principle of Medibank and then Medicare.

If you have enough bulk-billing doctors, there are two things you do not need in our society: families will not need private health insurance to go and visit their local GP and they will not need a safety net. There will be enough access to bulk-billing doctors to revive the basic standard we require: access to good, affordable—and, in this case, bulk-billing—GPs for our children and our families. This is the Labor plan to lift the bulk-billing rate from 68 per cent to 80 per cent. It is a plan for the future—not a government talking about the past, not a government that is on its fourth cut of health policy.

Mr Latham—The minister opposite objects. They had their policy prior to the last election—the Wooldridge plan—and then a policy after the election. Then there was the Kay Patterson plan and the Tony Abbott plan. It just makes the point: you cannot trust the government with health care. Only Labor believes in Medicare and the principle of universal public health insurance.

Beyond that, we have other principles. We will also improve our public hospital system and take a proper federal government responsibility for dental care—I hope the minister is listening to that: a proper federal government responsibility for dental care—not the thing that the Australian people have grown to despise, shoving the responsibility onto another level of government, but actually stepping up to the plate and doing good things for the benefit of the Australian people. People are worried; they are worried about the future of their health care. It will be safe in the hands of a Labor government.

There are many other rungs on the ladder of opportunity: housing services, child care, recreation and libraries. I know these things in my own life and how much they matter to people who want to work hard and be rewarded for their effort. At the top of the rung, of course, there is aged care. The measure of a civilised society is not only the way in which we treat children but also the way in which we treat our elderly. But in Australia we now have a shortage of more than 13,000 aged care beds, and more than 2,000 elderly Australians are waiting in hospital for an aged care place. We cannot aspire to be a decent, civilised society until we end this scandal. Labor will solve the aged care crisis in this country. This is our ladder of opportunity. This is the Labor way. We will be working as hard as we can through next year to make it the Australian way: the way of life, the reward for effort, the hard work
and the aspirations that the Australian people want but are not getting from this government.

There is one other big priority. We would not be a Labor Party unless we cared about poverty. The sad truth in this country today is that there are too many Australians without a foot on the ladder, let alone climbing the ladder—they have not even got a foot on it. I know of public housing estates around the nation where people have 40 per cent unemployment rates and 80 per cent rates of welfare dependency, where the problems of poverty pass from one generation to the next. So we must end the government’s neglect of poverty. It is a government that boasts about economic growth but a government that has not brought down the number of long-term unemployed Australians.

Growth is good but growth must be for all Australians. We must get every Australian family on that ladder of opportunity and provide opportunity for all. So we need a new national effort. We must win the war against terror internationally but also the battle against poverty domestically. There are many things that need to be done to solve poverty—many things indeed—but a good starting point is to get all governments with their shoulder to the wheel: federal, state and local government, dedicated to a concerted national effort to eradicate poverty from our society.

Cooperation is important, and I am impressed by the research that says that, if you do eight government programs concurrently in a disadvantaged neighbourhood, you get 10 to 20 times the result than if you do each of those programs in a sequence of years. So I give this pledge for my first meeting as Prime Minister chairing COAG, the Council of Australian Governments: we will have a concerted intergovernmental effort to solve poverty in this country high on the agenda. It is our No. 1 priority as a Labor Party, and I want to work with my state and local government colleagues to achieve it for the nation.

We must reward effort. I believe passionately in the powerful combination of hard work, good families and communities, and the collective role of government. I just want, for this nation, one simple proposition—and, if I can achieve this thing as leader of the Labor Party, it will fulfil the things I have always believed in. I just want a government in this place as good as the Australian people themselves. The people of this country are looking for a better way. They know the failings and excuses of a government that lives in the past; they know the failing of this government and its political strategies. They have seen a government that really have just one strategy for re-election. They talk in the past and, when it comes to the future, they have one thing only at the front of their minds—that is, the political strategy of ripping Australia in two, just so they can try and pick up the bigger part politically. It is the oldest trick in the book. We saw it last time, and we are going to face it next time by talking about the future and doing good things for the country.

I believe that, until our nation unites around the common values of work, reward for effort, aspiration and compassion, we will not truly be able to advance as a nation fulfilling our full potential. I want all Australians on the ladder of opportunity climbing upwards. That is the Labor way, and next year we will be working as hard as we can to fulfil all our beliefs and ensure that they become, in the service and good of our nation, the Australian way.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (3.52 p.m.)—On behalf of members on this side of the House, I congratulate the Leader of the Opposition on his
elevation. But I do make the observation, having just listened to his speech, that I have to conclude that having got to the position of Leader of the Opposition he now does not have a clue about what he is going to do with his new eminence. Except for the vitriol against the Prime Minister and the coalition parties and except for the idolatry of Gough Whitlam and Labor, the leader of conceivably any political party could have made the speech that the Leader of the Opposition has just made—except I say this: no leader of a coalition party would ever make a speech so cliched, so fatuous and so utterly devoid of any serious content as that which the Leader of the Opposition has just made.

The Leader of the Opposition is better than that. The Leader of the Opposition has spent years developing hard positions on difficult topics, and now it seems he has got to the top job and he is terrified of his own shadow. There was not a single concrete proposal or a single decent idea from the Leader of the Opposition in that speech. What has happened to him? He talks about rewarding effort. He talks about ending poverty. He talks about looking forward. He talks about being our best selves. Well, wacky do—all of us believe in that. If that is the best the Leader of the Opposition can do after all these years of scheming, dreaming and plotting, I say: bring back the member for Hotham. If that is the best the Leader of the Opposition can do, bring back the member for Werriwa. The member for Werriwa should have lost his job, not the member for Hotham, on the basis of the pathetically inadequate wish list we have just heard from the member for Werriwa.

The Leader of the Opposition tried the oldest trick in the book and accused the government of having no ideas. This very week the government has made major announcements about saving the Great Barrier Reef. This very day the government has made a significant announcement about joining a ballistic missile defence program. That is just this week. What about the big difference that this government has made to the economic, social and cultural architecture of this country? What about tax reform—something that was too hard for members opposite? What about industrial relations reform, which the member for Werriwa believes in but now lacks the guts to advocate? What about the liberation of East Timor and those poor, oppressed people who had suffered from 500 years of colonialism, first at the hands of the Portuguese and later at the hands of the Indonesians? This government gave them their freedom. Regarding border protection, the member for Werriwa talks about being tough on queuejumpers. This government has delivered that. Then there is Work for the Dole. The member for Werriwa talks about giving people a fair go and a chance to show not what they cannot do but what they can do. This government has delivered that through Work for the Dole—and of course we have been opposed every step of the way by the member for Werriwa and his cohorts.
This government is not obsessed with the past, although we do think we should learn from it, and we do think it is important to look at the past and the present and hold the new Leader of the Opposition accountable. I can understand why the new opposition leader does not want to dwell on the past. It is because, frankly, it embarrasses him—and it should embarrass him. There is so much political inconsistency, so much political treachery and so much betrayal of ideas, people and institutions that he had pledged to support.

This MPI was supposed to be about health, education and community services. In the old days, before the Leader of the Opposition became anaesthetised by success, he actually had a few views. This is what he said about private health insurance:

This is the maddest piece of public policy that one will ever see out of the Commonwealth parliament.

I bet you he supports it now. This is what he used to say about safety nets:

The methodology of good health reform is to get effective public safety net provisions in place ...

That is what this government is doing in health. This very day, the Leader of the Opposition had a chance to vote in favour of a strong, effective, necessary and timely MedicarePlus safety net, but what did he do? He ratted on his own principles, as he has so often done in the past. If we go back a bit, he talked about heroin injecting rooms. He said:

I would think it's just common sense to have heroin addicts in a controlled environment where there's proper supervision ...

Yes, but not a jail. He wants there to be injecting rooms—coming to a suburb near you.

On education he had nothing at all to say today except empty platitudes and cliches. Once upon a time, before he was anaesthetised by success, he was prepared to take a tough position on universities. He said:

It is possible to envisage ... different types of resourcing.

He then said one type could be:

A group of internationally focussed institutions, with a greater emphasis on private revenue sources than public money.

He said of these elite universities:

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

And he identified these universities that should be deregulated. They were Queensland, New South Wales, Macquarie, Melbourne, Monash, Adelaide and Western Australia. Come on—support a decent policy. Support deregulation of the elite universities. Have the courage of your convictions. Do not just engage in opposition for opposition's sake, and pass the government's higher education bill.

In the days when he had a policy and held a view and had not lost his guts, the Leader of the Opposition had some interesting things to say. On community services and reforming the disability support pension, for instance, he said that the disability support pension was being used as a way of shifting people off the dole and ‘artificially lowering the unemployment rate’. He said that some experts believed that the size of the program should be no more than 150,000. Back then, before he was anaesthetised by success, before he was neutered by his elevation, he wanted 400,000 Australians to be thrown off the disability support pension. I say to the Leader of the Opposition: come on, have a conviction, have some courage, have a policy. If you think you were going a bit too far back then, just adopt the modest policy position which the government is putting to the Senate of trying to slightly moderate, slightly limit, the ability of people to move onto the disability pension and take what you once used to call ‘early retirement’.
In days gone by, the Leader of the Opposition had an opinion on everything but a policy on nothing; now he has a cliche on everything but a policy on nothing. Where does the Leader of the Opposition really stand? He says he is in favour of the US alliance, but he calls President George W. Bush the most flaky President, the most dangerous and incompetent President, in living memory. He gets into a bit of trouble in this House, so what does he do? He runs out and wraps himself spinelessly and cravenly in the flag of a country that he has spent the last 12 months criticising and excoriating.

He says—or at least he used to say, before this week—that he wants to see lower taxes for high-income earners. But of course he opposed those self-same tax cuts when they were before the Senate. Then there are his particularly batty ideas: the betterment tax on local residents, because the council has done something for them; the regional GST, where you pay GST on one side of the street but not on the other side of the street; and the progressive expenditure tax, which has been tried nowhere and which not even academics understand but which the Leader of the Opposition has adopted. Then there is the ‘homework police’ that he wanted to see interfering in the houses of his own electorate because he did not believe that the parents in his electorate were capable of doing a good job. This might be all very well from an undergraduate or an overpromoted policy adviser, but it sits very ill indeed in the mouth and the books of someone who is now presenting himself as the alternative Prime Minister of this country.

What is really going on here? I think it is now pretty clear that he did not mean any of that. All of those books and speeches and all of that posturing were just a form of self-advertisement. It was just a kind of political exhibitionism. It is like the bad language: it was being turned on and off for effect—because, in the end, what is he interested in? He gave the game away on the front page of the Daily Telegraph this morning. He said: Anyone in a public life, sometimes you’ve got to go in hard for position—
not to go in hard for people and in support of them, not to go in hard for principle and in support of that, but to go in hard for position—to grab that and feed the ravenous ego which has been driving the member for Werriwa ever since the early 1980s, when he first got onto the Liverpool council.

The ultimate question here is one of character. The new Leader of the Opposition has been judged harshly by the people who know him best—those who have worked and lived with him over the years. From the member for Brand we have this:

Many in the Labor Party await with bated breath for Mark Latham to do more damage to the Liberal Party than he does to the Labor Party and taxi drivers...

New South Wales Premier, Bob Carr, writes about how the new Leader of the Opposition hung up on him in tears. We even have the member for Hotham, who said a couple of years back:

I wanted talent and teamwork—
on the front bench—

The teamwork question was not in doubt with anyone else. It was with Mark.

The member for Griffith describes the member for Werriwa’s ideas as ‘just plain loopy’. Tony Sheldon, the respected union official, talks about the member for Werriwa’s ideas as being ‘maverick and deformed’. Workers Online have said:

Some months ago Latham pronounced that the time had come to muscle up to the Liberals. Ever since he’s been giving the impression of a cane toad on steroids—ugly, venomous and prone to explode.

There is no better judge of the member for Werriwa than Gary Gray, the man who so
well understood the former Prime Minister—the member for Werriwa being the leader of the Keating government in exile. Gary Gray knew so much about human character that he understood that Paul Keating was ‘Captain Wacky’. Gary Gray said:

It is truly said when you are standing beside him—that is the member for Werriwa—and hear ticking it is not his wristwatch.

The fact is that the Leader of the Opposition is no alternative Prime Minister, because in the end it is character that counts. There is the scorned former political mentor, there is the abandoned first wife and there is the bashed taxi driver—this trail of human wreckage that the Leader of the Opposition has left behind him—all who testify to the fact that there is a brutal streak to the member for Werriwa. I hope he can overcome this, but he is already 42 and leopards do not change their spots. Until he can demonstrate qualities of consistency, commitment and character, he is not a credible alternative Prime Minister. 

Mr STEPHEN SMITH (Perth) (4.07 p.m.)—I am very pleased to follow the Leader of the Opposition on this MPI and I thank him and my colleagues for that opportunity. Opportunity is the theme of this MPI: the Howard government’s failure to provide adequate opportunities for the Australian people, particularly in health, education and community services. On this side we often look at opportunity in political life—not for its own sake but because that opportunity in political life provides us with a policy opportunity to uplift the nation’s spirit and the lives of the Australian people. So our dedication and commitment is to the opportunity for Australian people which comes from an appropriate and proper public policy framework.

Our public policy framework is, firstly, to ensure there is economic growth in Australian society and then to make sure that the benefits of economic growth go to all Australians, not just those who already have a high income, a high-skilled job or a place in society. We want to ensure that the benefits of economic growth and Australian society go to all Australians; to the many not just the few. That is at the central core of the notion of opportunity, and it is central to the great Australian characteristic and ethos of egalitarianism. That is a great Australian characteristic; that is a great Labor characteristic. It is the Australian way: a fair go, an egalitarian society. That is now under threat, as reflected by this MPI and the state of the Australian community at the moment. And that is the great danger of going down the track of four more years of the Howard government. Four more years, if the Howard government is re-elected, of the great danger of losing the Australian way, of losing an egalitarian society and of losing a fair go for the Australian people.

One thing that the Leader of the House and Minister for Health and Ageing did not address in his contemptible and despicable personal attack on the Leader of the Opposition was the notion of opportunity. Did we hear from the Leader of the House how, over the last seven or eight years, the Howard government has provided any opportunity to Australian society? This government is the highest taxing government in our nation’s history. You might think that, given we have the highest-taxing government in our nation’s history, there would have been some investment in services to offset that? This government, being the highest taxing government in Australia’s history, has put families under enormous pressure. The Labor Party’s view is that, where families are under economic pressure, it is a core objective of a Labor government to relieve that pressure
and to uplift their lives. At a time when we see those families under enormous pressure, we also see the demise of our health and education systems—those great services which provide the chance of a fair go and the chance of an egalitarian society.

I will deal firstly with health care. We know that, over the seven years of the Howard government, by a process of stealth and attrition, John Howard has set about seeking to achieve his long-held policy ambition of restricting bulk-billing to pensioners and concession card holders. When John Howard came to office, bulk-billing throughout Australia was at 80 per cent. Every year under the Howard government bulk-billing rates have fallen. They are now at 68 per cent. It is harder to find a doctor who bulk-bills. When you find a doctor who does not bulk-bill, the cost is more expensive; so the burden on families is more expensive. Our great Labor commitment is to a universal health care system where quality health care is available to all Australians, irrespective of their wealth. With Labor it is a case of health not wealth.

If the Howard government are re-elected, we will see the complete dismantling of Medicare—not just the dismantling of the bulk-billing pillar but also the dismantling of the second great pillar of universal health care: free access to public hospitals. Some of us remember John Howard in the 1980s on the front page of the Australian Financial Review saying that his preferred public policy position was to means test access to public hospitals. So, in the area of health care, our great Australian tradition of a fair go is being undermined and destroyed by the Howard government.

I turn now to the issue of education. Education provides the great opportunity in life. It might be old-fashioned, but in my view the most important things you can give a family today are a job for the family and an education for their children. As the Leader of the Opposition said, the earlier you give young Australians access to a quality education the greater chance they have of uplifting their lives and, as a consequence, uplifting the lives of future generations. What do we see now? We see legislation before the parliament at the moment which will see a 25 per cent increase in fees for university. This year 20,000 young Australians will miss out on a university place. So access to education at the higher level is being restricted. This is undercutting a fair go, undercutting access to education and undercutting the chance and opportunity for young Australians to get a high-skilled job after the benefit of a decent education. Often the minister for education comes into this place and waxes lyrical about TAFE, but he never tells us that there are 15,000 young people currently missing out on TAFE places. I have a strong view that if we want to try to change equity in access to education then we have to start in our primary and secondary schools. What do we find under the Howard government? A 200 per cent increase in Commonwealth grants to the most wealthy elite schools. This is matched by a 20 per cent increase for the poorer non-government schools and all government schools. You see there the destruction of our egalitarian society. The destruction of a chance for a fair go, a fair opportunity for access to education for all Australians.

So we have the highest taxing government in the Commonwealth’s history putting the burden on Australian families and at the same time dismantling the opportunity and the hope which come from having access universally to a quality health care system and a decent education system. If the Howard government is re-elected, over the next four years we go down the track of destroying the Australian way, of ending Medicare, of destroying bulk-billing and of dismantling access to public hospitals. We will see more
public money go to the wealthiest and elite schools and less money go to our poorer non-government schools and to all government schools generally. This is a dismantling of the Australian way, a dismantling of the great Australian ethos of egalitarianism and a fair go.

On the other hand, what do Labor say about these great opportunities? Already we have put out over $4 billion worth of programs to rebuild bulk-billing, to rebuild Medicare and to rebuild our public hospitals. It is not often remembered that, when the government came out with their first Medicare package—which they have now dispatched with the former health minister—they funded that program by taking a billion dollars away from the funding of our public hospitals and giving it to the states. They gave the states a billion dollar handpass. That is how they funded their first program. Now that they have dismantled that program and thrown out the former discredited health minister, they have come up with another attempt at a political fix. What is required here is not a political fix but a public policy fix—a public policy commitment to universal access to a quality health care system that is affordable to all Australians through the taxes that they pay.

As far as education is concerned, our package on education is trying to ensure that young Australians have access to tertiary education. It is important to make this point: often people look at education in isolation and think that it is a social policy issue. Education is in very many respects one of our most important economic issues. In the 21st century, Australia will remain internationally competitive for one reason alone—the intelligence and skills of its people. A greater investment in education is a greater economic investment; it will help us remain an attractive place for investment and an attractive place for trade, and that will see the economic growth and the jobs we need.

Our commitment to opportunity is to make Australia the best possible place in which to live. We want to make our country safe and secure. But we also want to ensure that families have the best health and education systems that we can offer. We want our education system to give young Australians every opportunity to develop their abilities and skills to help them realise their goals and their potentials. We want to give our nation the best health system, a fair health system, an affordable health system and a universal health system. We also want to secure the country for our people—a smart and secure country, which makes the most of our people’s talents, our abilities and our great resources.

The great challenge of any government and the great commitment of a Labor government is to uplift the lives of Australian families and the spirit of our nation. That is the sort of opportunity that Labor provides and that is the sort of opportunity that the Howard government will destroy by undermining a fair go, by undermining an egalitarian society and by undermining the great Australian way. With Labor, it will be an opportunity for all Australians, not just a few.

(Time expired)

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (4.17 p.m.)—It is my pleasure to address the House on this matter of public importance on the three subjects chosen by the Leader of the Opposition—which happen, as it turned out, to be the three areas of strongest and most sustained achievement by the Howard government over the last eight years.

I want to begin with health. It is a critically important day for Australia’s health and for the architecture of our health system as the government has introduced a piece of
legislation—which we are seeking to have passed in the Senate—that will provide over $2 billion of expenditure to strengthen Medicare and to improve availability of bulk-billing around the country. We have the extraordinary situation of this landmark bill, with over $2 billion of expenditure commitment by this government, suffering an arduous passage through parliament; it is apparently subject to rejection in the Senate by the ALP, under their new leader. He has begun his time as leader with the commitment to greater bipartisanship in matters that are clearly in the national interest!

How can it be that in my seat of Parramatta we have the great luxury of over 90 per cent of GP visits being bulk-billed, yet sitting next to my electorate is that of my colleague parliamentary secretary Sharman Stone in the seat of Murray, which is struggling to crack 30 per cent of doctor visits being bulk-billed. This is a massive injustice and inequity. We are taking steps in the A Fairer MedicarePlus package to try and make doctors more available in rural and regional areas with practical efforts—not just rhetoric or language, but backbone. Money from the Commonwealth Treasury for health is being systematically resisted by the ALP.

If we turn to the facts of the achievements of this government in the area of health, we find that Australia is one of the healthiest countries in the world in terms of outcomes. According to the latest OECD and World Health Organisation data, Australia ranks sixth in the world for life expectancy and fifth in the world for healthy life expectancy. The Howard government has improved Medicare, immunised Australia’s children, substantially increased funding to the states for public hospitals and taken pressure off the system by restoring the balance through our initiatives in private health care.

Here are just two examples of those outcomes. When we came to government, Australia was ridiculed in international fora for its Third World standard of immunisation. But, frankly, as a consequence of the sustained commitment of previous health ministers—and I particularly salute the pioneering work of Dr Wooldridge in the area of immunisation—Australia has hauled itself out of the Dark Ages. We can now move around health forums holding our head up high because of the extraordinarily accelerated rate at which Australian children are being immunised, as opposed to previous years.

Let us look at the strengthening of the private health system. We know that in fiscal terms a blind ideological commitment to public health is completely unsustainable. It produces a situation where capitalist magnates of this country are receiving chunks of their health care massively subsidised by the public purse. Because of the opposition’s blind commitment to this ideological obsession with public medicine, we have sought to both strengthen the availability of quality public medicine for those Australians who need it and ensure that Australians who have the capacity and the will to make greater personal financial contributions to their health care are encouraged to do so. In the long run we will make the public health system in this country more sustainable and more capable of delivering practical benefits to Australians who need them. Prior to the Howard government, immunisation coverage rates in Australia were as low as 53 per cent. By June 2003, over 91 per cent of 12- to 15-month-old children were fully immunised. This is an extraordinary achievement.

When I think about the great achievements of this government, I naturally begin in Parramatta with the fact that, when I was elected in 1996, unemployment was over 14 per cent. It is fitting that the Treasurer has just arrived for this debate, because I can
also say that—as a consequence of the sustained discipline and coherence of the Commonwealth government’s policy of running tight government expenditures, of maintaining surpluses instead of deficits, of not crowding out private sector investment and of not forcing up interest rates by profligate spending—unemployment in my electorate has fallen from 14 per cent to 4.7 per cent. That is for the September quarter for the Parramatta local government area. That is about a 10 per cent reduction and it means that literally hundreds and hundreds of families in my electorate have access to an income today who did not have one before. That is my idea of social justice. It is not about wearing a ribbon and putting out a press release; it is about reducing unemployment from 14 per cent to 4.75 per cent over eight years. I see that the Minister for Health and Ageing is at the table. People like the Treasurer, the minister for health and the Prime Minister have committed themselves to the hard yards, to the heavy lifting and to the unpopular tasks that so many others put off to a later date.

Mr Sidebottom—Haven’t you got a state government? Didn’t they do anything?

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Braddon seems to insist until I call him to order!

Mr ROSS CAMERON—The other day I visited the Australian Mint in Deakin. I walked past a poster on the wall that said, ‘Problems seldom solve themselves.’

Mr Sidebottom—What are you looking aghast for, Pete?

The DEPUTY SPEAKER—The member Braddon is warned!

Mr ROSS CAMERON—I am proud to be part of a government that, in the areas of health, education and community services, accepts the fundamental proposition that problems seldom solve themselves. They require leadership; they require individuals to stand up and be prepared to bear a little bit of pain, a little bit of risk, a little bit of heat. How much help have we had from the opposition in that regard? I am thrilled to welcome the new Leader of the Opposition’s commitment to bipartisanship where a matter is clearly in the national interest. How many times have we seen the former Leader of the Opposition, the member for Hotham, walk to the dispatch box and say, ‘This matter is so compellingly, obviously in the national interest that Labor will be delighted to support it’? How many times? In the eight years that I have been here, I do not recall those words ever leaving his lips. The Australian people turn to each other and ask, ‘Do they really think we are such mugs? Do they really think that the government is incapable of doing something good?’ How much traction would the ALP get if, just once or twice, they supported a positive measure like the Medicare-Plus package, which is currently before the Senate?

The matter of public importance refers to education. The amount of money spent on education per person in Australia today is higher than it has ever been in the history of this country. That is because of reforms introduced by this government; and again it is practical reform. It is reform which has responded to the expectations and the wishes of the community rather than dictating to them. It is not a ‘We know better than you’ reform. It is not a ‘You will commit yourself to one form of education to the exclusion of all others’ reform. We have strengthened the health system by allowing those who are able to make a greater contribution to the cost of their own health care to do so, and we have done the same in education. As a result, we have seen $2 billion in savings to the Commonwealth government because more and more Australian parents are making the decision to educate their children in the schools.
of their choice and according to the philosophical orientation and direction of their choice; and we have a much stronger education system as a consequence.

This is another example of a bill—both the minister for health and the minister for education have bills before the Senate—involving a massive commitment of Commonwealth government expenditure to strengthen a critical sector of the Australian community’s life, and we are being resisted and obstructed at every point by the Australian Labor Party. This is a test of leadership. This is a test of whether the member for Werriwa is capable of taking his party with him. I think that the member for Werriwa does suspect, deep down, that these measures are in the national interest. His fear is that if he takes the decisive step of concurring with the government so early in his time as leader he will be abandoned by his colleagues. So I call on the colleagues of the member for Werriwa to get behind their leader and take the bold step to deliver on the commitment of bipartisanship on matters which are in the national interest by supporting the passage of the government’s A Fairer Medicare package and the higher education reforms in the Senate.

STATES GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) AMENDMENT BILL 2003

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate does not insist upon its amendments disagreed to by the House.

NATIONAL RESIDUE SURVEY CUSTOMS LEVY RATE CORRECTION (LAMB EXPORTS) BILL 2003

Report from Main Committee

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

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

Mrs VALE (Hughes—Minister for Veterans’ Affairs) (4.28 p.m.)—by leave—I move: That this bill be now read a third time.

Question agreed to.

Bill read a third time.

NATIONAL RESIDUE SURVEY EXCISE LEVY RATE CORRECTION (LAMB TRANSACTIONS) BILL 2003

Report from Main Committee

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

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

Mrs VALE (Hughes—Minister for Veterans’ Affairs) (4.28 p.m.)—by leave—I move: That this bill be now read a third time.

Question agreed to.

Bill read a third time.

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT (WINE GRAPES) BILL 2003

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that the bill be considered forthwith.

Bill agreed to.

Third Reading

Mrs VALE (Hughes—Minister for Veterans’ Affairs) (4.29 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

REGISTER OF MEMBERS’ INTERESTS

Mr HAASE (Kalgoorlie) (4.30 p.m.)—As required by resolutions of the House I table copies of notifications of alterations of interests received during the period 26 June 2003 to 3 December 2003.

COMMITTEES

Publications Committee

Report

Mr RANDALL (Canning) (4.31 p.m.)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.


Treaties Committee

Report

Dr SOUTHCOTT (Boothby) (4.31 p.m.)—On behalf of the Joint Standing Committee on Treaties I present the committee’s report entitled Report 57: Convention for the Safety of Life at Sea, 1974 and the International Ship and Port Facility Security Code (ISPS).

Ordered that the report be printed.

Dr SOUTHCOTT—by leave—The proposed amendments to the annex to the International Convention for the Safety of Life at Sea 1974, including consideration and adoption of the International Ship and Port Facility Security Code, were adopted by the International Maritime Organisation in December last year. They are expected to be deemed to have been accepted by 1 January 2004 and will enter into force from 1 July 2004. This tight time frame before contracting governments to the IMO become bound by the provisions of the amendments has meant that many of the world’s shipping nations have faced enormous challenges in adapting their maritime operations and industries to become compliant with the new security measures.

According to the IMO, the measures adopted in December 2002 represent the culmination of just over a year’s intensive work by its Maritime Safety Committee and its Interessional Working Group on Maritime Security since the terrorist atrocities in the United States in September 2001. While some of the amendments apply to safety measures—for example, the identification of ships—it is the introduction of the International Ship and Port Facility Security, or ISPS, Code that has caused the greatest concern among maritime industry participants worldwide.

The code is designed to establish a preventive security regime to enhance security on board ships and at ports. In part, it is intended to provide a standardized international framework for security related risk evaluation and management in the maritime sector. The code contains detailed requirements for governments, port authorities and shipping companies in part A, which is mandatory, and part B, which contains non-mandatory guidelines. As far as the committee is aware, the United States is the only shipping nation to have agreed to be bound by part B of the code.

The committee appreciates that because of the IMO imposed time frame it was necessary for the legislation to be introduced prior
to the conclusion of the committee’s review. You may recall that this practice has been the subject of some criticism in recent reports of the committee. In this case, however, the committee has accepted the view of the Department of Transport and Regional Services that it is the imminent and unavoidable entry into force of these amendments that has been the impetus for rapid action on establishing Australia’s compliance under the SOLAS Convention.

The committee was aware of serious concerns from many maritime industry participants at the outset of the inquiry about the manner in which the ISPS Code was to be implemented through legislation, including a perception of serious differences between the spirit and letter of the ISPS Code and the legislation itself. Therefore, the Maritime Transport Security Bill 2003 has been the subject of some of the committee’s deliberations in this report.

In considering this proposed treaty action, the committee conducted public hearings as well as inspections of the ports of Fremantle and Newcastle to see first-hand how the amendments to SOLAS and the introduction of the ISPS Code would affect the management of ports in those areas. The committee found both those inspections extremely valuable in gaining practical knowledge of security applications in ports and port facilities.

Some of the concerns raised with the committee included the strong perception that the legislation had not been developed specifically for the maritime industry, that the terminology used was ambiguous and that some concepts between the code and the legislation were ill-defined, including the roles of the harbourmaster and the Secretary of the Department of Transport and Regional Services in issuing directions to ships in the event of a security incident.

The committee is not alone in recognising the difficulties in communication between the parties that arose as a result of the legislation being introduced in advance of regulations which would ensure its operability. The committee considered that many of the concerns raised by organisations who prepared submissions to the inquiry were resolved by the conclusion of the inquiry, when the legislation and regulations had been negotiated and concluded. The committee notes that the amended bill passed through both houses of parliament this week and was awaiting royal assent when the committee considered and adopted this report on Tuesday evening. The committee trusts that most maritime industry participants who were involved in this inquiry process will be satisfied with the final outcomes.

Given that the introduction of these increased security measures, through the ISPS Code and the legislation, has been conducted in a somewhat compressed manner the committee is very interested to see whether the assurances of the department about the future operations of Australian ports resulting from this treaty action are going to be guaranteed. The committee has therefore recommended that a post-implementation review of the Maritime Transport Security Act 2003 be conducted so that operational concerns with regard to the act or its regulations can be raised by interested parties, with a view to improving the legislative provisions if required.

The committee has also recommended that it be provided with a detailed briefing by representatives from the Department of Transport and Regional Services on the possible effects of the SOLAS Convention amendments and the ISPS Code on the Australian maritime industry. This briefing should occur shortly after 1 July 2004, when contracting governments to the IMO will be bound by these amendments. I commend the
report to the House. I seek leave to move a motion in relation to the report.

Leave granted.

Dr SOUTHCOTT—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee

Mr SECKER (Barker) (4.37 p.m.)—On behalf of the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, I present the committee’s report entitled *The effectiveness of the National Native Title Tribunal*, together with evidence received by the committee.

Ordered that the report be printed.

Mr SECKER—by leave—The report of the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund is the culmination of the committee’s inquiry into the effectiveness of the National Native Title Tribunal and its success in discharging its statutory obligations as set out in the Native Title Act 1993. The committee prepared the report pursuant to subparagraph 206(d)(i) of the act. The committee is required by the act to inquire into and, upon the completion of such inquiry, report to both houses, inter alia, upon the effectiveness of the NNTT.

It is now more than 10 years since the tribunal commenced its work and almost five years since major amendments were made to the act. Those amendments were in part occasioned by the decisions of the High Court of Australia in *Brandy v. Human Rights and Equal Opportunity Commission* (1995) 183 CLR 245 and the *Wik Peoples v. the State of Queensland and Others* (1996) 187 CLR 1. Over this period there has been significant change to the functions of the tribunal. The committee has maintained scrutiny of the work of the tribunal in its annual examinations of the tribunal’s annual reports.

The committee’s predecessor issued two interim reports on other aspects of its terms of reference under paragraph 206(d). As I have indicated, this inquiry has exclusively focused on the effectiveness of the NNTT. The inquiry commenced in the previous parliament and was recommenced with the appointment of the committee in February 2002. Initially a mid-October 2002 deadline for submissions was set. However, when a number of organisations, including the tribunal itself, asked for extensions, the committee agreed to extend the deadline. The tribunal provided final comments and responses to the evidence given to the committee in August this year.

We received views from many people and organisations who have experience of the tribunal and its work. These included Indigenous people; native title representative bodies; state, territory and local governments; lawyers; mining companies; and, as mentioned, the tribunal itself. The committee received 39 submissions to this inquiry. In addition, public hearings were held in Cairns, Brisbane, Byron Bay, Perth, Darwin, Broome and Canberra.

I would like to outline briefly some of the issues which arose in the course of the committee’s inquiry. The list is not exhaustive, and I encourage senators and members to read the report. The 15th report, tabled by the predecessor of this committee, noted the difficulties involved in assessing the NNTT’s effectiveness. Although the tribunal’s functions and methods of operation are determined by the act, the tribunal’s core function is the provision of mediation services to claimants and respondents. It is difficult to assess the effectiveness of mediation in cir-
cumstances where the tribunal does not make determinations.

The committee adopted the objectives of the tribunal as set out in section 109 of the Native Title Act 1993 as the criteria of its assessment of effectiveness. Based on its findings, the committee made a number of recommendations. The committee also made a number of suggestions as to how the tribunal should approach its functions.

One of the flagships of the NNTT has been the work it does to further the understanding of those involved in the native title process so that both claimants and respondents may make informed choices. Suggestions that the tribunal operated in a manner that was perceived as biased towards one group over another were indicative to the committee that these programs still have a considerable distance to travel.

Further, the committee became concerned about the level of understanding and informed consent in relation to agreement making. A concern that Indigenous land use agreements and other agreements may establish a pathway of costly litigation prompted the committee to ask that the NNTT stipulate and make it clear to the parties that any such agreement is enforceable, workable and user friendly.

In relation to the work of the tribunal, there were views offered that the tribunal represented a duplication of functions that were more efficiently performed by others in the process and that the tribunal was overfunded. The committee examined these concerns and concluded that the underspend evident in the tribunal’s financial statements over the previous years is exactly that. The tribunal did not deliver the anticipated or expected outcomes.

The committee’s examination of the evidence indicates that the dichotomy of roles between the registrar and the tribunal is not well understood and nor are the decision-making processes of the two. Added to this, the development of case law means that the work of the registrar, in particular, is evolving and is also often not understood. The committee therefore recommended that the registrar provide a brief plain English explanation as to the decision-making process.

The work of the registrar on notification was considered by the committee. It considers that a wide-reaching notification program is critical to a fair and just outcome, as it ensures that all parties who may have an interest have the opportunity to participate in the process and encourages the range of notification strategies to be pursued. Further, it recommends that the registrar, in consultation with the native title representative bodies, give consideration to providing parties with formal notification of tribunal decisions.

The committee also identified the need for a more inclusive approach to priority setting as well as the effective use of resources. Establishing priorities should include consultation with tribunal stakeholders at all levels and both claimant and respondent groups. The committee has recommended that within the next 12 months, on both a national and state-territory basis, the NNTT should develop a broad framework for setting priorities that includes consultation with each set of stakeholders.

Two other recommendations concern the tribunal processes and guidelines. The tribunal has some flexibility in the way it delivers its services, and these may be developed in line with emerging requirements. For this reason the committee has recommended that the time taken to register Indigenous land use agreements be reduced and the guidelines on acceptance of expedited procedure objection applications be reviewed to allow some consultation with the appropriate tribunal mem-
ber about compliance issues. The committee has also recommended that consideration be given to increasing the number of appropriately qualified Indigenous members of the tribunal, as this would significantly enhance the work of the tribunal.

During the inquiry the committee became aware that the NNTT has been involved to an extent in supporting capacity building within Indigenous organisations. It believes that such programs can contribute to the efficiency of the tribunal through providing education and information to the organisations involved in the native title process. Accordingly, the committee has recommended that the NNTT continue to explore partnerships to develop capacity-building programs.

Finally, one further issue which arose in the course of the inquiry was the adequacy or otherwise of funding for the representative bodies. The committee makes no comment about this specific issue at this stage, as it is not central to the issue of the effectiveness of the tribunal. However, there is an opportunity for ATSIS to provide the representative bodies with accountability mechanisms to provide an accurate assessment of the funding those bodies receive. With this in mind, the committee has recommended that ATSIS develop templates for the performance based assessment scheme to assist native title representative bodies to implement the scheme. Further, it recommends that an inquiry be conducted into the work demands and funding needs of native title representative bodies.

During the inquiry, the committee heard evidence that suggested that there continues to be a sense of frustration about the native title process generally. The picture of the National Native Title Tribunal that emerged is one which acknowledges that it has some strengths and some areas in which the effectiveness of the tribunal can be improved. The committee’s report focused on contributing to the work of the tribunal by making recommendations which will address some of the areas identified by the committee as requiring improvement. I also commend the secretariat staff, in particular Maureen Weeks, for their hard work, and Senator Johnston, the committee chair, for his patience and resolve to ensure a timely tabling of this report. I seek leave to move a motion in relation to the report.

Leave granted.

Mr SECKER—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

VALEDICTORY

The SPEAKER—I understand it would suit the convenience of the House for members to make their valedictories at this stage. With the concurrence of the House and to facilitate valedictories, I propose to grant indulgence to members for this purpose when they rise and are recognised by the chair.

Mr ANDERSON (Gwydir—Acting Prime Minister) (4.49 p.m.)—Let me begin by saying to you, Mr Speaker, Deputy Speaker Causley, Second Deputy Speaker Jenkins and others who assist in that chair how much we appreciate the hard work and the effort that you put into those roles and to wish you and yours all the very best for Christmas.

It has been an eventful year, I have to say. Times of reflection and celebration at various points on the calendar have been the experience for all Australians. We have witnessed some incredible acts of courage and mateship in the face of great difficulty and of great challenge. We have also witnessed, I think, a reaffirmation of many of the things that we hold dear to our nature and our na-
tional psyche: our willingness to stick together to help our friends and neighbours when the chips are down.

We have all certainly, I know, reflected on the numbing and tragic attack in Bali which occurred just over a year ago. We must never give in to that sort of evil. But it must also be said, as part of our recognition of the Australian spirit, that the ugly face of evil will never stop Australians from seeking new experiences and new adventures. We have witnessed the removal of Saddam Hussein’s oppressive regime in Iraq and we have worked towards much greater liberty for the people of that troubled nation. We remember the tragedy of the Canberra bushfires, again noting the generous spirit of so many who sought to help those who had been disadvantaged or dispossessed by what had happened and the courage of many who sought to overcome that extraordinary natural event.

We remember too that this has been a year of horrendous drought in many parts of Australia. When you think of drought you tend to think of starving livestock and wilting crops and scenes of rural devastation, but of course it goes way beyond that. In some ways I suspect that the hardest hit of all are the people who work in country towns, in the service industries—so many jobs put at risk. While the drought is breaking, as the Treasurer noted today, in many parts of the country and we welcome that—an outstanding wheat crop in Western Australia, and in many other parts of the country things are turning around; there are even floods in some areas—I must say that I am very conscious that in some areas that are very dependent on irrigation water the situation remains extraordinarily grim—very grim indeed.

There have been some wonderful moments, such as the extraordinary success of the Rugby World Cup. I congratulate all who dreamt it up and made it happen. I think of the way in which it saw people all over the country converted to the game, probably in other countries as well.

Mr Slipper—Even in Victoria!

Mr ANDERSON—Even in Victoria. I think of that amazing game of rugby—the final so recently performed in the Sydney stadium. Not many of us thought that we would see the team that we were barracking for get there, but they did. Against perhaps a more mature and technically capable team, they played the game in a way that few of us could ever hope or expect to see again. I must say that I do not think there were any losers that night. I really do think that the Australian team, their coach, Eddie Jones, and their captain, George Gregan, displayed the qualities of human spirit that rugby is all about, writ large. I feel that they were remarkable—I really do—and an example to us all in the way in which they refused to rise to the bait when criticisms were flying everywhere from people who, all too often, would not have known how difficult it was out on the field. Their generosity of spirit was an example to every one of us. But that perhaps reflects some of my own interests and biases.

We on the government side have advanced a number of major policies. In my own case, I have been particularly delighted to have been able to watch over the setting of the foundation stones for the national water initiative—a national water plan for the driest inhabited continent on earth—which I think will in time benefit every single one of us. As we speak, we have very important policies relating to health and education before the Senate. I trust and hope that, with commonsense, decency and commitment, the good policies of the government will prevail.

Mr Slipper—And with peace and goodwill.
Mr ANDERSON—Yes, that is right—with peace and goodwill. In the Prime Minister’s absence, I would like to extend my and my party’s Christmas best wishes to the Prime Minister and his wife Janette. The Prime Minister’s leadership—with support, of course, from his wife—has been exemplary. It has been our privilege to stand with him and to do everything that we can to support the leadership that he has given the government and the nation. We wish them a quiet, restful and well-earned respite over Christmas. I will certainly do all I can to ensure that the shop is in safe hands while the Prime Minister takes a decent break over Christmas.

I thank my good friend the Treasurer and wish him and his wife the same as I wish for the Prime Minister and his wife—a really restful Christmas. It has been a long, hard year, and you deserve enormous credit for the way in which you have held the national economy together at a time when, globally, it has been pretty flat. In that vein, I acknowledge the very hard, quite exhausting work that my deputy Mark Vaile has put in being a deputy—an active member here, a participant in this place—whilst at the same time undertaking an exhausting set of global trips. No-one could have done more and no-one could have been more effective in pursuing a free trade agreement with America, which will, I think, offer real benefits if it is satisfactorily concluded.

I thank all my ministerial colleagues and their staff. I thank the Leader of the House, who is behind me. I have enjoyed his company. I appreciate the work that he has put in. I particularly note the recognition of rural health needs that has come to the fore with his Medicare package. I trust that he and his family will have a particularly enjoyable Christmas period. I thank the staff in my office and the staff in the Prime Minister’s office for their support during the year. I thank Ian Harris and Bernard Wright for their contribution. We know it is an important one—and we hope that, by nature, you are as forgiving and as reasonable as we think and trust you are.

I thank all of the attendants, the Hansard staff and the people who make this place work well—the often unsung heroes who keep it all together for us. I thank the Australian Federal Police and the Prime Minister’s protection team. I have had quite a bit to do with them this year. They are a very fine group of Australians and set an outstanding example for us all in how to act professionally and decently at the same time. I thank too those in our party organisations who have helped us participate in this most important activity—the democratic leadership of the nation.

I thank my wife, Julia. I know that the unsung heroes for all of us are our spouses—those who stand with us and keep the home fires burning and look after our children when we are away, as we so often are. Many of us do have children; many of us have quite young children. I think we are all conscious of the sacrifices that our families make. It is my hope and my prayer that all of us can be effectively engaged with our families over the Christmas period. I think that is very important.

In conclusion, I wish the Leader of the Opposition and members on the opposite side of the House a safe and happy Christmas. They will not be surprised to know that I cannot wish them political success next year, but I do wish them well at a personal level—happy Christmas.

Mr LATHAM (Werriwa—Leader of the Opposition) (4.57 p.m.)—I join with the Acting Prime Minister in extending good wishes to the parliament and the nation. Politics is a great vocation—a chance to serve people in public office—and an example of a fast-
changing society. A week ago, the last thing I thought I would be doing was contributing to this debate in this particular capacity. I hope the House can understand that, given the busy week, I might not be as well prepared as I would otherwise have been, but I certainly want to join in thanking a number of people for their contribution to the nation this year.

I wish the Prime Minister, his wife Janette and their family all the best over the Christmas period. It is a special time of the year. I extend those wishes also to the Acting Prime Minister and his family. I see my old mates Abbott and Costello opposite. We have had the odd stoush and exchange of views during the course of the year, but nonetheless I wish them a good festive season with their families. I hope they enjoy themselves as much as possible before we rejoin the battle in 2004.

I particularly want to mention on this side of the House the role of my predecessor the member for Hotham as opposition leader. I said earlier this week—and I will repeat it now—that, if all of us in this place had half the courage of the member for Hotham and the grace and dignity with which he has carried himself in these recent difficult times, all our problems would be over as a nation. I extend to him and his wife, Carol, and the great Labor family of the Creans all the best for the Christmas period.

On this side on the House we have had a range of people contributing to the management of opposition business. I wish them and their families all the best—the member for Lalor and the member for Lilley. On the other side I suppose it has been more stable, but that is the nature of politics. We have an unusual circumstance now with the member for Lalor and the member for Warringah facing each other in those important roles. I think it is the first time we have had two genders pitted against each other in the role—and I think it is a step forward for women in the parliament to play a role outside of some of the stereotypes and expectations that we have heard in the past.

I extend to you, Mr Speaker, your wife, Carolyn, and your family all the best, not just for the Christmas period but from the point of view of the expectation that these will be the last of the valedictory speeches that you will hear in the chair. I know at one stage I was a problem child for you in the House, if I can state it that way. But as things change and events move on I know you have come to accept me as a lovable rogue—this is always the view that the press gallery puts—and I can see you really like me. The feeling is reciprocated, and I know and trust that you will look back on your time of speakership with great pride in your great service to our parliament. I thank you for that and really do hope that you enjoy the Christmas period. You might even locate that missing seat of yours. It might appear in one of those nicely wrapped boxes on Christmas Day—you never know what Santa will bring. Good luck to you and yours.

I want to thank all the members of the House and the Senate as well as their families, staff and supporters. Public life is a distinction. Sometimes in the heat of battle we forget the importance of the democracy itself. I always say to the many bus loads of school students who come down from the constituency of Werriwa—just two hours up the road—that we are actually quite lucky in this country. They might see on TV how other nations sort out their differences through trouble in the streets, conflict and violence. In Australia we should always be thankful for the peaceful nature of our democracy and that adults can vote every three years for the party of their choice and have their wishes expressed here in this democratic House of Representatives.
That is the special value of the special system we have. As Churchill said, it is not perfect but it is the best yet devised by humankind, and we need to value it under all circumstances. To all those who contribute to it in the front line—all the members and senators, their families, staff and supporters—thank you for your contribution to our viable Australian democracy.

I thank the staff of the parliament, who make this place function so well. They are great servants of our democratic system. I thank the attendants, the staff of the Clerk’s office, the Table Office and the clerks themselves for their good advice and sound judgment around the place. It is not an easy job. I do not know how they sit there quietly and patiently through the antics in the place, but they do. It is a tribute to their professionalism, their judgment and their dedication to our democracy.

I thank the staff in the Parliamentary Library. I do not see them as much as I used to but I know they are up there providing an exceptionally professional and comprehensive service to the members. We are lucky to have one of the best parliamentary libraries in the Western world, and we thank them for their service, their research and their efforts. I thank the Serjeant-at-Arms and the office that makes all things work so well. I thank the Joint House staff, who keep this fine building in great nick and cater to our various needs.

I thank the cleaners. I have a soft spot for the cleaners because I am very close to one who worked in that capacity. My mother was a cleaner and I always think around the place that courtesy to the cleaners is pretty important. They do a wonderful job. If you get in here early enough, you will see them. You will know the hours they keep and the work they do. It is a tremendous tribute to them that the parliament is in such a great condition for us to start our working day. It is a big building; it is not necessarily the building that would have been designed if we had the benefit of hindsight, but we live and serve in it with a sense of pride and the contribution of the cleaners is tremendous, along with the gardeners, who are in exactly the same circumstances.

I thank the marketing and visiting staff, who do a great job bringing thousands of schoolchildren and visitors through the parliament to get a practical first-hand view of this place—not just the vision through TV but practical experience. I thank the switchboard staff. I thought of them on Monday night. I said to a group of our members that we had them working on overtime rates through the Monday and then for a busy day again on the Tuesday. I was tempted to go up there to say to the switchboard staff, ‘I’ve rung you a thousand times in the last 10 or 12 hours. I want to thank you for all that, and I sort of feel I am really getting to know you.’ That was just in asking for the offices of a whole range of colleagues as we went through that intensive lobbying effort on Monday. I thought I would go up there and visit them, but then I worked out that I do not know where they are. I do not know physically where they are located, but wherever that may be I thank them for their professionalism, their efficiency and their service, particularly in what would have been a very busy week.

I thank the caterers, who help us to put the weight on. I thank the health and recreation staff, who help us to take some of the weight off, but never enough! None of us can aspire to being in as trim and taut a condition as the Leader of the House is in. He sets a fine example, the marathon man, in showing us how we can better discipline our bodies as well as our minds. I thank the security staff, whose importance has increased so much over the past year or two. I want to thank the
opposition staff—the people who work for us in a very practical way. I was a staffer myself in my previous roles in politics, working for a range of politicians. It is a job where you do it for the right reason and the right purpose; it is not for the public profile or any of the other rewards that one might find in a public life. The staff put up with temperamental issues and the swings and roundabouts of keeping the show running, supporting people and supporting the cause in the proper way. I extend that appreciation to all our opposition staff and, of course, the government staff and the very fine public servants who try and progress public policy in this country.

Most of all and most importantly I want to wish seasons greetings to the most important people of all—the people of Australia. It has been a challenging year for them. We had an emotional remembrance event for the Bali victims, when we able to help the families and friends of the dead and the survivors through painful loss. We also remember the terrible Canberra bushfires that saw us into 2003, and we give thanks to the firefighters who put their lives on the line to save lives and property. We live in a rugged country. We would not have it any other way, but part of the Australian condition is to put up with the extremes that can cause difficulty and these types of challenges. I also want to join with the Acting Prime Minister in thanking the young men and women of our armed forces. To those who have returned from Iraq and those who are still stationed there I pay tribute to their service and totally echo the words and sentiments of the Acting Prime Minister and the government for those fine people in our military services.

I also want to acknowledge the work of those who participated in a successful peace-keeping operation in the Solomons. Regardless of our views on the issues of international policy, we always support our Australians overseas and we are thankful for their contribution and their dedication. We are also thankful, in a very special sense, that none of their lives have been lost through the challenging times that they have experienced.

It has also been a year of great sporting triumph. We are a sporting nation, proudly so. We have won the Cricket World Cup, hosted the greatest Rugby Union World Cup ever and, of course, the big one that we brought home—the parliamentary rugby team’s triumph of beating off the All Blacks’ challenge, the English and the French. I pay tribute to the member for Wentworth. I know for a fact that Malcolm Turnbull is hopeless at rugby and could never emulate any of the great things that the member for Wentworth has done as coach, captain and mentor to the parliamentary rugby team. On this side of the House, he always has our support. There has also been the Davis Cup triumph in more recent times.

I wish the Australian people a happy Christmas and a safe and rewarding new year. We are a very prosperous nation, but for many Australians Christmas is a time of loneliness and financial hardship. For all the joy and gifts that are exchanged, we should remember those Australians who do it tough right through the year. Particularly at Christmas time, I urge all Australians to give generously of their time and resources to the many charities that do such great work in the community and ease some of the burdens of those Australians who would not enjoy and participate in the sort of Christmas that we would hope for ourselves. So as we open the presents and enjoy the love and care of Christmas, I wish everyone all the best for 2004.

But finally, in a very special way, I want to thank my family for their love and encouragement through the course of this year. We have had an experience in the past week
the like of which will take some while to fully understand in its totality. But when I go home to love and support of the kind provided by my wife, Janine, my two little boys, Oliver and Isaac, and my mother, my sisters and their families, it makes me think that in our public lives we do special things but in our own arrangements at home we can also contribute to a better society. I think that truly is the spirit of Christmas. For one and all, I wish you all the best and look forward to seeing people in the new year as we join the democratic battle for the future of our nation.

Mr COSTELLO (Higgins—Treasurer) (5.07 p.m.)—On behalf of the Liberal Party, let me join the wishes of the season’s goodwill to those in this building and beyond. I had the opportunity earlier in the day to preside at a ceremony with the Australian Bureau of Statistics for the Australian population reaching 20 million people today, 4 December 2003, and to marvel at the wonderful achievements that Australia has made over the course of settlement and over the course of 100 years of federation. This is unquestionably one of the most prosperous, one of the safest and one of the most peaceful countries in the world, and we are all very lucky to be a part of it.

Notwithstanding that, it has been in many respects a difficult year. We know that societies always have to be defended. We know on the international scene that there are people who would do us and our country ill, and we know how important it is to ensure that we as a nation contribute to peacekeeping efforts—as we have in the Solomon Islands and in Iraq. We still have people who are serving in East Timor and in the Middle East. I want to pay tribute to all of the Australian defence personnel who are in all of those theatres and will be spending a Christmas away from home. There are, of course, others who are making this contribution—not just the military personnel. We have aid officers and foreign affairs staff in posts throughout the world. There are two Treasury officers—Tony McDonald and Dan Devlin—who are helping to establish the tax and budget systems in Iraq. They are working in the Coalition Provisional Authority and I acknowledge the accolades for their work that Paul Bremer has recently given to us.

We think of those that are doing it tough in Australia: rural Australia is getting back on its feet after the worst drought in 100 years; those that suffered from the bushfires here in Canberra. We think of those from families that have broken up or are struggling with addictions or struggling with mental illness—that must sap them and their families to such an extent. At Christmas time we not only think about our own good fortune in our families and our good fortune in the prosperity which we enjoy but also think of those who have gone without. It calls again for a commitment from each of us to work to better the conditions of those that are marginalised and left behind in Australian society.

I want to thank the Prime Minister and his wife, Janette, for the leadership that they have given through the year; John Anderson and Julia, to whom I send my best wishes; Mark Vaile and Wendy; Robert and Di Hill, who are part of the leadership group; Nick Minchin, who has just joined our leadership group as the Deputy Leader of the Senate, we thank for his good work; and Richard Alston, who was a wonderful, colourful colleague. I have had the opportunity of giving him a farewell in many ways so I will not go through it again, but we wish him and Megs the best as they leave the parliament. I personally want to thank Assistant Treasurer, Helen Coonan, for her efforts; Senator Ian Campbell, my former parliamentary secretary; and Ross Cameron, who has come to the role as parliamentary secretary. I am sure
he is going to continue the good work of Ian Campbell.

The members of the expenditure review committee are gearing up, even as we speak, for next year’s budget—poor things. They will be locked in here for February, March and April as we gear up to next May’s budget.

Ms Gillard interjecting—

Mr COSTELLO—We will give them a week or two off over Christmas, you will be pleased to know. We do not want them to get too relaxed and comfortable, because they have got to face up to big duties next year. I wish to thank the Leader of the House, Tony Abbott—somebody who I have known for a very long period of time, a good man and a great Leader of the House, made all the better by his deputy, Peter McGauran, who adds so much to the work that he does. To you, Mr Speaker, and Carolyn, I wish you both a good break. You have served the parliament with great distinction. You have been a reformer, and I pay tribute to the work that you have done in reforming the parliamentary departments. It is something that has defeated previous Speakers, and it is something that I think is a very great achievement and I commend you for it.

Ian Harris, Bernard Wright, and all of your staff—I continually admire you. You are in the best traditions of the Public Service. I would not have a clue what your view is on any piece of legislation or any question. I would not have a clue whether you think our answers are good or whether the questions are good. You appear absolutely impervious to anything that is said here. And when you swap sides, you equally advise the opposition on how to get the government or the government on how to get the opposition, in the finest traditions of the Public Service!

To the staff at the travel centre, Synergi, who do such a wonderful job for us and who are going to get us home tomorrow, thank you for your wonderful work. We should also acknowledge the Director of the Liberal Party, Brian Loughnane, for the work that he is doing in his new job. And I want to acknowledge the Victorian director, Julian Sheezel, for his contribution. I want to thank those people who support me in my electorate, particularly the chairman, Ross Liebmann, and record my deepest sympathies to him for the loss of his wife, who was such a marvellous woman and a great support to him. I want to thank my personal staff: Phil Gaetjens, chief of staff; Nicki Savva, senior adviser; and Lizzie McCabe, who are wonderful people that have served me so well and run such a wonderful office.

To my wife, Tanya, and children, who know the costs of public life—they do not always see the benefits, but they know the costs and they know that those costs can be quite severe and quite dear in many respects—I want to record my thanks for the wonderful people that they are and for the things which are too much to actually recount here.

And to our opposite numbers: the member for Werriwa, we congratulate him on his elevation. I did rather enjoy having him as shadow Treasurer. It was always a lot of fun for me. So I want to congratulate him on his elevation and assure him that we will not lose interest in him now that he has become leader. To the member for Jagajaga, the deputy leader of the Labor Party, I want to extend to her and her family best wishes for Christmas and a wonderful time. I will assure them that the battle will be resumed when we get back, but at a time when we commemorate peace on earth, goodwill towards men, I want to—

Ms Macklin—And women!

Mr COSTELLO—And women—men is a generic term. I am quoting the bible. Peace
on earth. Goodwill to men—and women. For parliamentary standards, I add that in this season of goodwill.

Thank you all for serving in this institution, which has its moments. There are moments when none of us would actually say that it is elevated to the extent that we would want, but it is always a great honour to be in this place. I am very conscious that every person that has been elected to this place has bestowed on them a great honour. Every person that comes into this place has something, because you do not get into this place without winning the support of your fellow Australians in an electoral contest. I want to say to all of my colleagues and the whips—through the wonderful whip, Jimmy Lloyd—thank you for your support. Thank you for the work of the Liberal Party and its contribution to government, and we rededicate ourselves in the new year to working for the good of Australia.

Ms MACKLIN (Jagajaga) (5.18 p.m.)—I want to start by recognising that this has been a very significant year. It was a year in which our young men and women went to war in Iraq. Of course, nothing can be more significant than that. It was not only a major decision for our troops to be sent to Iraq; it generated enormous debate in our community. Once again we saw the emergence of peace marches and considerable opposition not only from us but from many people in our country. To that end, I want to recognise again one of the most significant Labor leaders, who passed away this year, Jim Cairns. In a year when we went to war, we should remember what a great campaigner he was against the war in Vietnam and, even towards the end of his life, the war in Iraq.

We remember the shocking terrorist events that occurred in many parts of world. We had a commemoration here in the House after the terrible bombing in Baghdad when members of the United Nations were killed. Especially, we think of Sergio Vieira de Mello and his family as we come towards Christmas. Across the chamber, we supported our troops going to the Solomon Islands to do everything that we possibly could as Australians to help them find peace. We certainly owe them a debt of thanks. To the peacekeeping forces and their families, we hope that you are able to have a very well-earned break over the festive season.

A very significant event was the Bali memorial service. Once again our country came together to remember those horrific events and also to provide whatever solace we possibly could to the people who lost friends and members of their families. We say to them again: we are thinking of you. The fight against terror and the fear that dominates so many people’s minds will be with them this Christmas and over the holiday season. We should take a little time to think about how we should do everything possible in the world and in our country to struggle for peace rather than war. It is very important that we try as hard as possible to do that. The people here in Canberra are going to have a pretty tough time over the holiday period as they recall what they went through last January with the terrible bushfires.

We have had some extraordinary public figures retire, especially in the sporting field—Cathy Freeman and Steve Waugh. They are going to have a very restful Christmas—much more restful than they may otherwise have had. We have also had some extraordinary sporting victories, most recently of course the Davis Cup. Most people from Victoria find rugby union a little hard to follow, to put it mildly, but we came second in the Rugby World Cup. Of course, much more easily for us we were able to get involved in the Brisbane Lions winning the AFL premiership. Another game I certainly do not understand is rugby league, but I con-
gratulate the Panthers. On one minor political note, I am thrilled they have come out in support of the University of Western Sydney. Mr Speaker, you would remember we were also joined by the Canberra Capitals in our effort to raise money for the drought. To the Canberra Capitals, congratulations on winning the national women’s basketball competition. I can tell you we would not even have been able to play the game if they had not helped us to make sure that we scored some goals and raised some money for those families that did do it very hard in the drought.

I want to pay a special tribute to Simon Crean, who has led the Labor Party over the last two years. There is no-one who has been a more gutsy and hardworking leader for the Labor Party, and I do wish him all the very best. I think we have seen, by his willingness to come back to the front bench of the Labor Party, a continuation of his lifelong commitment to our party, and we thank him wholeheartedly for that. I am very pleased to be able to add my congratulations here in this House to our new leader, Mark Latham. I say to Mark and his family: there are going to be a lot of nights away for him as he takes on this enormous responsibility. We all know that he will do it extraordinarily well. We look forward to his leadership, and he certainly has decided to only move forward, as we heard so much about today.

We have had a few managers of opposition business—Julia Gillard, Wayne Swan and Mark Latham in his previous role. I know they have all had varying relationships with the Leader of the House, but I say to all of them that I think it is a very stressful job, so we thank them for all of their efforts. To the whips—especially Janice and her staff, particularly Joan—I say that we know the place would not operate without them. Janice winds us up on a regular basis. If we do anything right in here, it is very largely to her credit.

Of course, none of us would be able to do the job we do here without outstanding staff. I thank all of my staff. My staff who come to Canberra serve me wonderfully in my job as deputy leader, with my shadow ministerial responsibilities. I want to pay a special tribute to one of my staff, Joanna Brent, who is about to have a baby—it was actually due last week. We hope she might have the 20,000,00th baby, and we wish her very well. When you have the responsibilities that we have, a lot of work falls on the shoulders of our electorate staff, so I thank my electorate staff very much.

This year, the National Secretary of the Australian Labor Party, Geoff Walsh, resigned. He is a wonderful human being. I do not know whether you know him, Mr Speaker, but he has an extraordinary wit. I must say that things are not the same without his dry humour. He made a great contribution to the Australian Labor Party, not only as our national secretary but also in many other ways, and he will be sorely missed. Tim Gartrell, our new national secretary is an absolute bundle of energy and, like Mark Latham, he is definitely part of a new generation. I thank all the other staff at the national secretariat, who are right now extremely busy organising our national conference for early next year.

All of our shadow ministers do an extraordinary task. I thank them personally—especially those who put so much effort into very productive policy making through the year. Many of them have made a terrific contribution to the ideas that have been put forward as part of our pitch to the Australian people to show that we have a better way of going forward. I thank them very much. The backbench are there to make sure we never lose touch with reality, and, boy, do they do that well. Then there are our families. As the Treasurer, Peter Costello, just said, our families carry so much. I thought it was extraor-
ordinary when I rang home the other day after our ballot and my 15-year-old said, ‘47-45.’ I thought, ‘Boy, are they paying attention.’ They may get some benefits by understanding what happens in this place.

Best wishes to all the members of the government, the Prime Minister and my equal, Deputy Prime Minister John Anderson, who, as I have said before, often quietly gives me some wise advice, which I appreciate. Best wishes to you, Mr Speaker, and all of the other people on the panel. I understand there is a secret club and you all look after each other. Of course, you are the leader of that, and we do thank you. I know I can be a bit noisy at times, but I think you understand that it is all in the best interests of democracy. Equally, we respect you and wish you and your family all the very best.

To the clerks, we know that, frankly, nothing much would happen if you were not here—nothing would happen in an orderly fashion, that is for sure. To all the staff right through the parliament, we thank you for making this such a great place to work, as well as being the home to democracy. There are the people who look after us coming and going, the Comcar drivers, and all of the staff who do all the work that is never seen—such as the cleaning staff and the maintenance staff—and who really make this place tick. We thank you. To those who make sure we get to and from here and everywhere else—those at Synergi Travel and in the transport office—we know that you do your jobs well.

It is the case, as I mentioned before, that there are people who will not be home this Christmas. Mostly we want to make sure that they know we are thinking of them. Many people from the Australian defence forces are deployed right around the world—in Iraq, East Timor, the Solomon Islands, Afghanistan, Ethiopia, Eritrea, Bosnia and Herzegovina, and Egypt. In all of these places around the world there are Australian defence personnel, and other people are working with them as peacekeepers. We think of them. Our thoughts also go to their families, as they are without a family member, someone close to them, at times when we do like to get together and celebrate our family lives and friendship. These are the people of whom we are thinking right now.

I do want to thank a couple of others. One thing I am sure our new Manager of Opposition Business will recognise is the terrific work done by the staff who organise question time. We have had two people who have done that particularly over the last year: Courtney Hogan and Phillippe Allen. I just want to mention them especially. They have an insane life every morning and I think they have made a very special contribution to the smooth running of question time.

Once again, I wish everyone in the House a very happy holiday and a safe one. I can tell you: I will be trying to catch a few waves—and making sure that we come back refreshed and ready for the political battle again next year. Happy Christmas.

Mr ABBOTT (Warringah—Leader of the House) (5.32 p.m.)—I join with previous speakers who have thanked everyone who has done so much to create political order and political progress out of the chaos which is the ordinary routine of a politician. I would observe that this has been a difficult year for our country and for the wider world. Inevitably it has been a hard year in this parliament, and so everyone deserves the holiday that we are about to embark upon.

I do not want to go through the same long list, but I would like to thank people who are especially associated with the smooth running of the parliament. Starting with the managers of opposition business, there have been three in the last 12 months—the members for Lilley, Werriwa and Lalor. I simply
note to the member for Lalor that, of her two predecessors, one was promoted and the other was demoted. I thought neither deserved it. Nevertheless, I say to the member for Lalor that I hope nothing unmerited befalls her. I look forward to developing a good working relationship with her in this role.

I particularly thank Peter McGauran, the member for Gippsland. Peter is a real rock of good humour and insight. I rely on him very much indeed. I would not be able to function in this role without his support. I should also mention Tony Nutt in the Prime Minister’s office and Cate Clunies-Ross in my own office, who do a remarkable job in keeping the government’s parliamentary process together and on course.

The whips are very important in this role. Jim Lloyd and his team are great managers of difficult people, because we are all difficult people—we members of parliament. I am sure that Janice Crosio and her team do an equally good job on the other side of the parliament. Certainly I do believe that, one way or another, we have managed, despite the political passions of the year, to maintain reasonable order in the House—and that is a good thing.

Mr Speaker, you have probably the most difficult job in this country between two o’clock and about three o’clock every parliamentary sitting day. You preside over what goes on with decency and forbearance—sometimes too much forbearance, I suspect, but you do a very good job. You put a good face forward to the world, and all of us look better because of you.

The clerks—you are the real guardians of the traditions of this House; you are the real custodians of everything which is best in the Westminster tradition. You have been rightly praised by other members, and I join with them in that. The Parliamentary Liaison Office with Gerard Martin and his team do a great job, as do the sergeants, the Hansard reporters and everyone else.

I should simply acknowledge that everyone who is present in this place plays a significant role in the functioning of our democracy. Whether you are the Prime Minister or the Leader of the Opposition, a frontbencher or a backbencher, from the members of this parliament to the humblest cleaner in the middle of the night, all play a vital role in our democracy. And our democracy is precious. We would not be the country that we are for all our faults without our democracy—and our democracy, of course, reflects our faults as well as our strengths.

I conclude by wishing everyone involved with the parliament a happy Christmas and, if possible, a holy Christmas, and I express the wish that we all come back for the new year resolved in 2004 to be our very best selves.

Ms GILLARD (Lalor—Manager of Opposition Business) (5.36 p.m.)—I join with those who have spoken so far in wishing you, Mr Speaker, and all members in this place—and, indeed, all Australians—a happy Christmas. I think we should spare a thought for those who do not get time off over Christmas in the way that we will. We know that, over the Christmas break, many firefighters, police, doctors and nurses will be working away, doing what they always have to do to make sure that our society is safe and that, particularly, people can get access to health care when they need it. We remember that last summer our firefighters, both professional and volunteer, were called upon in the most difficult of circumstances around this very national capital. I understand that the Leader of the House is a volunteer firefighter in his spare time, which he probably does not have very much of. I can certainly say that, as a minister for health, we on this side think he makes a very good firefighter.
If he is involved in any of that work over Christmas, I wish him well with that. So I think we should spare a thought for those who will keep our society going, and most particularly our hospitals and health system.

I want to take a moment to thank some people who have made a very big difference to me in the past year and who have made a very big difference to this parliament. I will start with the former Leader of the Opposition, the member for Hotham. This has obviously been a week of a great deal of change in the Labor Party. I am not too sure that, at the start of last week, any of us could have foreseen the events to come. As I think is well-known, I have been very close to the former Leader of the Opposition. We are good friends. I have had the opportunity to holiday with him and his family. I know that the events of the last week have sometimes weighed very heavily on his shoulders. I think he has conducted himself with a great deal of grace and dignity. I will always be thankful to him for the opportunity he gave me in appointing me as shadow minister for population and immigration when this parliament started. When one looks back at that judgment call, even with the benefit of history, one realises that it was a most audacious one—to move a woman from the backbench to take over for the Labor side the issue which was at the centre of the last election campaign. I thank him for that opportunity and wish him, Carol and the girls well over the Christmas period as they take a break from the rough and tumble of this place and politics—and Labor politics, most particularly, in the recent period.

I first met the current Leader of the Opposition, the member for Werriwa, on the first day that I came into parliament to give a speech. I gave my first speech, went back up to my office and the member for Werriwa was waiting there with the diagnosis that I clearly looked like I had a brain. I trust that he has not had a moment, during the years that have intervened since, to doubt that initial judgment of my intellectual capacity. We, through different circumstances in the opposition, have been friends. We have worked together over the last year, in his capacity as Manager of Opposition Business and my capacity as Deputy Manager of Opposition Business. I look forward to working with him in his new role. I am certainly looking forward to working with the member for Hotham in his continuing role on the Labor frontbench as Deputy Manager of Opposition Business. I send to Mark, Janine and the boys my very best wishes for Christmas and for what will be a well-earned—undoubtedly, very short—break before they engage in what is to be an election year.

I also offer my Christmas wishes to the Deputy Leader of the Opposition and to her family: Ross, and her children. She has well and truly earned a break this year, and I know she will be out there catching waves—as she is wont to when she gets a bit of time off. I thank the Chief Opposition Whip, the member for Prospect. I note that this is the last time she will be in the House for valedictories. If there is one thing you can say about the member for Prospect—and I think this would be agreed by every member of this parliament—it is that she is a formidable woman. From personal experience I know that it does not pay to get in her way. She has not only been a great whip in terms of the logistics of managing Labor’s participation in the House but also—and I think that is one of the unrecognised roles that the whips play—a great counsellor, mentor and friend to those who need assistance. This can be a difficult place. People can hit all sorts of personal and emotional difficulties. It is often the whip who ends up picking that load and looking after people in those sorts of circumstances. Janice has been a great leader of the team, a great coach and a great supporter of
the team in the period that she has been Chief Opposition Whip. Whatever the circumstances after the next election, I know that we are going to sorely miss her. My very special thanks and my very best wishes for the Christmas period go to her.

I also thank the deputy whips, Harry Quick and Michael Danby, and their staff. I should also acknowledge Janice’s staff, particularly Joan. Joan herself is a formidable woman as well—though perhaps less well-known to members of the House than the member for Prospect. I thank those who truly keep this House running: Ian, Bernard and the staff in the clerk’s office. I suspect I am more reliant on their advice than most, and I am not anticipating an immediate change in that degree of reliance. Thank you very much for your support, for your advice, for the way you do your job and for your professionalism. As has already been expressed, it amazes me that you can sit here so calmly through all of the things you are required to sit here calmly through. To Judy Middlebrook; the chamber research staff; and Gerard Martin, the parliamentary liaison officer, and his staff: thank you all very much for work that you do. I also thank the remaining staff here in Parliament House.

I suspect—I do not know for sure—one vice that the Leader of the House and I share is an over-reliance on caffeine. I have certainly seen him down a bit when he attended a briefing in my office. I have to confess that I am more reliant on Aussies than most so my personal good wishes go to them over Christmas as they get away from us and have a bit of a break. Mr Speaker, I thank you for your words of guidance. There is always a special bond between people who come from Adelaide, no matter what walk of life they choose thereafter. I know you are going to have the opportunity post the next election to spend more time in Adelaide than perhaps you have been able to in recent years. It is a great place to enjoy a lot of things. My good wishes for the Christmas season are with you, and I know that you will be enjoying Adelaide in the period to come. My family are still there enjoying all of the things that Adelaide can offer.

To the Leader of the House, to the members of the government generally and to the Prime Minister, the Deputy Prime Minister and the Treasurer, can I offer my good wishes for the forthcoming Christmas season. I am sure all of them are looking forward to a well-earned rest, a little bit of a cessation in the Medicare public debate. We will see each other back on that public debate as it continues in the New Year.

In closing, I wish to thank people who have been with me throughout this year—and for us it has been a pretty long one. They include my parliamentary and electorate office staff who, every time I come back in the door and say, ‘Guess what? I have got some news,’ now have a look of enormous trepidation on their faces. They have had me walk in and tell them, ‘Guess what? We’ve just had reconciliation and Indigenous affairs added to our portfolios of population and immigration,’ and then come in and tell them, ‘Guess what? I’ve just been appointed Deputy Manager of Opposition Business, and we will need to absorb that workload,’ to coming in and saying, ‘Guess what? I’ve just been appointed shadow minister for health,’ to this week coming in and saying, ‘Guess what? I’ve just been appointed Manager of Opposition Business.’ They have had a big, big year and took it all in their stride. So to Jamie Snashall, to Ann Clark, to Rondah Rietveld, to Michelle Fitzgerald, to Carlos Baldovino and to Henry Barlow, can I say thank you very much for being the team that you are.

Can I also say that the great thing about the Labor Party is that it is not only the peo-
ple here—and I would like to wish all of my colleagues the compliments of the Christmas season—but it is thousands of people around the country who day after day believe in Labor, have faith in Labor and, at election times, do all of the things that we need them to do to support Labor. I would like to thank my local party members, and I would most particularly like to offer my good wishes to John Ballestrino, who has been in hospital recently.

**BUSINESS**

**Mr ABBOTT** (Warringah—Leader of the House) (5.46 p.m.)—On indulgence, Mr Speaker, I have just been informed by the PLO of progress in the Senate, which I thought I would communicate to members here and elsewhere. My understanding is that it would be desirable to deal with a message on education this evening. It would make life easier tomorrow if we could deal with that tonight. We probably will not get this message until 10 o’clock this evening, maybe a little later. But, hopefully, once that is dealt with, we can then go home and resume at an appropriate hour tomorrow morning.

**The SPEAKER**—I thank the Leader of the House for the information, which will be of interest to all members.

**VALEDICTORY**

**Mr LLOYD** (Robertson) (5.47 p.m.)—Mr Speaker, firstly, I wish you and all members in the House and their families a very merry Christmas and a Happy New Year and a safe time over the holidays. I would like to pay tribute to a number of people who have helped make the chamber work and the role of the whips a little easier. Certainly the attendants in this place do a wonderful job in looking after all of us, very quietly and very efficiently. I want to thank the staff of the PLO office, Gerard Martin, Helen and Sharyn for the great job they do in keeping this place ticking over in a very efficient way. To Peter Mason and all the other people in the Table Office who prepare the legislation and have it to us in a timely manner, thank you. I also want to thank the other staff around the building, including the staff who look after our offices, the cleaners, and the attendants who deliver the mail. The service that we are provided in this building is first-class. Everybody who works in this building is a credit to it, and I know that they are very proud of the job they do here, whatever it is.

To David Elder and the other serjeants in the office, thank you for the work that you do in making our lives a little easier. Of course, the clerks have been mentioned on numerous occasions today, but thank you to Ian Harris, Bernard Wright and to the other clerks. Without the clerks this parliament would not function—I am quite sure of that. Their knowledge is immense, and we rely on them very heavily. I also thank the people in the transport office and in the members dining room—particularly Kate, who looks after us and has done for many years.

I also wish to thank Janice, the Chief Opposition Whip and the other opposition whips. I particularly want to thank Joan, who works in Janice’s office. We do not always agree. I do not think that would be our roles as whips, but we do have a very good working relationship. I think that has been reflected in the parliament over the last year or so. The parliament has run, I believe, relatively efficiently, and that has been due, a lot of times, to the cooperation between the whips’ offices, and I do thank you very much for that.

I also wish to thank my own team of whips—my deputy whips Stewart McArthur and Jo Gash. Without the back-up of these people, the job would certainly be a lot more difficult. To John Forrest and Paul Neville—the National Party whips—and their staff, particularly Gerrie and those in John
Forrest’s office whom we have to deal with a lot, thank you very much for all your assistance. One of the great successes of our government is having a good coalition. Without the cooperation between the whips that would be difficult. I would like to pay tribute to my own staff particularly the whip’s clerk, Cay, who has an immense amount of experience and who keeps on smiling no matter what is thrown at her. To Rana, who keeps everyone smiling in the office, thank you for your support. I also wish to thank my electorate staff who keep the office running back in the electorate. I have a marginal seat—it was held by Labor for 27 years before I came into this parliament—and I have managed to hold that seat for three elections. For that I must pay tribute to my electorate staff—Leonie, Kevin, Cassandra and John, who do a wonderful job. They are at the front line of all the constituent inquiries. To the Leader of the House, Tony Abbott, and his staff, thank you for your support. There are just so many people whom we could thank.

I think it is important to emphasise that members of parliament are human beings; yet we tend to be dehumanised. In our role as whips, we deal with the human side of being a member of parliament. I would like to thank all my colleagues for their support. Being the Chief Government Whip is a difficult job in that you have to say no a lot of times. We deal with many personal problems and emotional issues with members, and I thank them for their understanding. Certainly this year has been an up and down year for me with my major surgery, but it is finishing on a good note with the birth of my first grandson, Jack William James Lloyd, who is now three months old. That is a good finish to the year for me.

In conclusion, I wish everyone a very merry Christmas. We must always think of those people who do not have family and friends or who have lost families and friends. Christmas is a happy time for most people, but for many Australians it is not a happy time. It is a time of missing people, of being separated or missing loved ones who have passed on through tragedy or accident, and we should all spare a thought for those people at this time.

Mrs CROSIO (Prospect) (5.52 p.m.)—I rise to express my first valedictory in nearly 14 years in this parliament. I do so because I have always believed that, as an elected representative of parliament, I should express my thank you every day of the week that I am in this place. Due to the fact that I have chosen to retire at the next election, I may not have another opportunity to publicly put my thoughts and thanks to what we call the ‘paper’ but, in this particular case, in the Hansard.

I join the other speakers when I say thank you to the government members. I wish them all the best for a very good Christmas and a very happy and healthy new year. I particularly pay credit to my opposition members because I know, having sat on the government benches, that the team we have over here now are really ready to govern. So I wish them well also. I would particularly like to say ‘thank you’ to you, Mr Speaker, and to past speakers. I have perhaps at times been a bit of a thorn in their sides, but I have appreciated very much the opportunity that you have provided to me in learning the processes of this House and more particularly having the opportunity to participate in the way I have.

I would also like to mention the attendants in this House, as others have. I look around at two who are sitting here now, and I say to you and to all of the others: you are, guys and girls, second to none. You are certainly fine people. You are a credit to your jobs, but more particularly you are certainly a credit to
I say thank you to our clerks, and I want to say to Ian Harris, Bernard Wright and Peter Mason: you are very special people. You are able to give us confidence when we are in times of need, when we think we know it but we do not, so we run and say, ‘I am sure I am right, but what would you say about this?’ I often do that. So I particularly want to put on the record my thanks for the job that you do and the way that you quietly go about being really professional people in this parliament.

I thank the previous speakers, particularly Julia and Jim, and join them in thanking, from my staff, Joan Sierra-Torrens. She is really a very special person. In fact, it was only about three hours after I was elected by my colleagues to this particular position, the Chief Opposition Whip, that I had an interview with Joan. I knew there and then that she was the person I could work with and that she was the person who could run this place. We often say that, and she does it very well; but I can also say to Jim Lloyd: Cay and your staff are also a credit to you. I particularly pay credit to my whips, Michael and Harry. As Jim Lloyd has expressed, we do have times when we may differ, but we certainly get on well; and I compliment and commend his other whips, Joanna, Stewart, Neville and John.

I have had an opportunity, in the 11 elections I have won and in the elected positions I have held since 1971, of serving under many fine leaders. I am particularly proud that in this parliament I have been able to serve under Hawke, Keating, Beazley, Crean and now Latham. Looking back on my state career, I have been able to serve as a minister and to serve under Neville Wran as Premier and under Barry Unsworth and Bob Carr. In local government, I gave the orders for four years but I did appreciate serving with the others for five years as well.

I look at our fine people who are coming forward, who are going to be our leaders and continue to be the leaders of tomorrow, and realise that, as some people plan their lives, to other people life just happens. In my case, I wonder: if the Vietnam War had not been on, would I have joined the Labor Party at that time? I was a young mum with kids and a business. I look at a stinking, burning tip in my electorate and think, ‘If that had not been there, would I have joined local government?’ Fate is there. Fate is written out in the higher echelons and sometimes we cannot even question it. I have done that and I am very proud indeed that I have had that opportunity.

As we thank all of the staff of this building—and I mean it collectively, as others have expressed, the cleaners, the library, the security staff—each one of them is special in their own way. As I have said, as this is my first valedictory, I have tried in these 14 years to thank them every day of the week that I have had anything to do with them. I appreciate it very much.

I particularly want to put on record my thankyous to my wonderful family. As our guys in the House would talk about how they appreciate their wives, I have had three children who have gone through many years of having Mum involved. To our son, Paul, to our twin daughters, Linda and Dearna, to their partners and to our nine grandchildren I say that they are very special people. They have had a mum who has been involved; they have a mum whom they still accept as a mum; and more particularly they have had a mum whom they occasionally bring down to earth and say, ‘Listen, Mum,’ and then I know that I have got to pull up and say, ‘Oops, I must think I’m still in parliament,’ but all of a sudden I am back home.

I have to put on record my particular thanks to a person whom I met at 15 and
knew then was going to be my partner for the rest of my life. He is a very special man—my husband, Ivo. I do not know whether he is here yet. I would not have been doing what I am doing today if it had not been for his 1,000 per cent support behind me. It is always very difficult in life, and many of the women in this parliament and all who have been in public will admit: to have a man behind you, he has got to be a special man, because even though he stays in the background, you know and he knows that he is not in the back-background. He is always there beside you; he is always there for you. I have had that in my life since I was 15. I was 15 when I met him, and I married him at 18 just in case somebody thought they were going to get their hands on him. I decided it was not going to happen. I say quite publicly, in extending those thanks: there has not been one regret.

I look at my life and how proud of it—and I still drive down Northbourne Avenue and look at that flag and think, of the 20 million people now in this nation of ours, 150 of us have made it, and I am one of those. I hope that every member of parliament realises and appreciates that. I know when there is a new term of parliament all of a sudden they come in—through the Serjeant-at-Arms’ office and the whips—for the seating arrangement. As I say occasionally to people, ‘Just be grateful you have got a seat. There are many others out there who missed out.’ No matter where you sit, if you have got a seat in this parliament, you have certainly got to stand up and be proud.

I am glad Joan came in, because she knows I mean what I have said with all my heart. We still have to work together, by the way, Joan; I am wishing you all the best for Christmas but you have a great New Year ahead of you. I want to put on record my thanks to my electorate staff. Julie Starr looked for her first job in 1984 and came to work for me; she is still working for me; she has gone through state and federal parliament with me. She is a great secretary. Brian Thompson came on board my staff in 1988 and is still with me. Obviously, I cannot be too bad to work with.

I thank my research people who through family commitments and other things have moved on. I want to give particular tribute to one who has just come back on staff, Lloyd Cuthbert. When I was in my council days, Lloyd came to work with me in a particular area of local government. Then we parted ways and each of us went in different directions. I rang him up recently and said, ‘My research guy has gone back to the department. Would you like to come back on board?’ Lloyd said, ‘Yes, I will.’ I thank him for doing that. It is not always easy because as with all things political—and particularly now—I cannot say to him, ‘You’re going to have that job for three months, six months, 12 months.’ I hope it is 12 months. Nevertheless, I will accept the inevitable time when the Prime Minister—as is his right—chooses to call an election.

I particularly say to each one of us as we go out and celebrate Christmas: let us, as others have expressed, think of those less fortunate. More particularly, let us also think of those who have to work during this holiday period so each one of us can in our own way enjoy this particular time of pleasure. I appreciate what they do.

I particularly appreciate, too, that I would not have been here in this parliament or in state or local government without the ALP members in my area and without the electors of my area. They are the people who have given me the proud honour and the privilege to be here and to be their representative. We can always take them for granted. But they will always take you and knock you on the shoulder and say, ‘Don’t take me for granted...
or you may not be there next time.’ I say that as a word from the old and the wise to those who are new or coming in. No electorate is ever a safe electorate. I have always had a very strong electorate; a very ‘safe’ electorate. But I have always treated it as though it was my electorate and not either safe or marginal. It is an electorate through which I represent the people and it is for me to do that to the best of my ability.

To Gerard and to the previous PLOs and to your staff: yes, we do have certain problems occasionally. But Gerard is a tremendous asset to the government as a parliamentary liaison officer. I have certainly appreciated the dealings I have had with him and I hope to continue those into the New Year.

To all of my colleagues: thank you for the honour you have given me in allowing me to finish my term as the Chief Opposition Whip. I respect, admire and love you all. I would particularly like to say to our government members that, while there are many over there whom I may at times disagree with, one thing is for certain: when I leave this House, whatever anger I felt in it goes; the anger stays in this House. I admire and I commend and I congratulate so many of the people sitting in this parliament. I am proud to have been able to serve with them.

I know, Mr Speaker, you are probably waiting for a break. I say to you all collectively again: thank you for the honour; thank you for the privilege; thank you for giving me an opportunity to serve in the way I have. More particularly, thank you to my beloved family and to all my staff and to my gorgeous grandchildren. I am going to enjoy them a lot more.

Mr WINDSOR (New England) (6.03 p.m.)—I recognise that time is moving on and there is other business to deal with, but I would just like to say a few words and wish everybody a very merry Christmas. I will not go through the list of people but obviously in any building such as this the staff are terribly important. On behalf of the other Independents, the Green member in this parliament and backbenchers generally, I would like to thank those people.

I would like to take this opportunity, Mr Speaker, to thank you for the work that you have put in. Your job is not an easy one. I spent 10 years in the state parliament and served under three speakers there and now serve under you here. And, even though the speakers in the other parliament were very nice gentlemen, having served in this parliament I compliment you on the conduct of the House. The job is not easy at times, but you are by far the best Speaker that I have served under. That does not mean I want any special treatment for the rest of your term; it is just that I recognise you may not be here for the valedictories next year if we have an election in the middle of the year, and I do wish you and your family well.

I thank my private staff for all their efforts. I also thank Janice, who just spoke. As a non-government member, I probably have more to do with the Chief Opposition Whip to arrange speaking spots and things. I thank both Janice and Joan in her office; they have been very good to us throughout the year. I thank the Prime Minister and the ministers for the courtesy they have shown during the year in answering questions and various representations that I have made.

I wish the Leader of the Opposition well. He has an enormous task in front of him, but I think he has a certain spark, a certain passion in relation to issues, and that is something that a lot of people will warm to. But obviously there are some fairly large mountains to climb on his side of politics. I thank the former Leader of the Opposition for the courtesy that he has shown to me during the two years I have been in this parliament. I
have found him a very fair and decent person to work with on the non-government side. The government whips have also been very decent and obliging in relation to various speaking spots and the business of the day.

To my fellow Independents—our honorary whip, Bob Katter, who I think is busy in his office; the member for Calare, Peter Andren; and the member for Cunningham, Mr Organ, a recent addition to this place—and to all the members, I wish a happy holiday, a good break and an interesting year. I think it is going to be an extremely interesting time politically, and I hope everybody comes back rested. As I look at my colleague Peter King on my left, I wish him very well for the after Christmas events that may come upon him. I think he will recognise that I do mean that in a personal sense. I wish you the very best of luck, Peter, in the minor challenge you have in front of you after Christmas. Mr Speaker, thank you once again for the way in which you have conducted the House. I do hope that you and yours have a very good Christmas.

Mr KING (Wentworth) (6.07 p.m.)—Mr Speaker, having listened to the valedictories of the Prime Minister last night, the Leader of the Opposition today, the Leader of the House, the Manager of Opposition Business, the whips and my friend the member for New England, I want to add some brief words as a nascent backbencher—a new chum in the House, as it were. I want to say how impressed I have been with the tremendous sense of commitment that I have observed and felt, through the speeches that have been given, to the parliament of the Commonwealth of Australia.

I also want to briefly mention my gratitude and express my thanks to colleagues on both sides of the House and to say how impressed I have been, as a backbencher, to have had the support of ministers. They have come into my electorate, carried out various functions and worked with me in my electorate of Wentworth. There have been several, and I will not mention them by name. Also, in the House I have discovered how important it is for a representative to be able to approach ministers in the informal atmosphere of this place and represent particular views and concerns of constituents.

I want to thank the whips. In particular, I thank the Chief Government Whip, Jim Lloyd, for the support he has given to me and to my electorate. I thank members on both sides of the House for the interaction that has occurred in the course of committee work. I sit on four committees of the parliament—one of which of present relevance is the Procedure Committee—and they are of great interest. The work put into them by members on both sides of the House contributes tremendously to the smooth working of this place and the effective representation of people right across Australia. I have also enjoyed the company and camaraderie of members of the opposition in the parliamentary World Cup rugby team, which the Leader of the Opposition was kind enough to mention. I see that the Manager of Opposition Business is here. She presented a couple of prizes last night and did a sterling job, and I thank her for her support.

I also want to thank the staff, in particular the Clerk, Mr Ian Harris, and the Deputy Clerk, Mr Bernard Wright. They are fonts of wisdom for a new chum like me. I have been really pleased to learn how to bring resolutions forward into the House, how to introduce private member’s bills and how to do all the things that make the procedures of the House work in the interests of the people in this great nation. In a more humble way, I want to thank the dining room staff, the cleaning staff, the security staff and, of course, my personal staff. I wish to thank the electorate I serve and have the honour of
representing in this place, the electorate of Wentworth. It is a fine electorate. It might be the smallest in the country in size but it is the most densely populated and, I believe, the best. It is my great honour to represent it, and I look forward to continuing to do so.

Finally, Mr Speaker, I want to thank you and your personal staff for the tremendous work you do in this place. From my point of view you are, as it were, the fulcrum around which the procedures of this parliament revolve. At the end of the day, they—and not the Constitution—are the bulwark of the liberty of the Commonwealth of Australia, the best protection of the liberty and best interests of the people of Australia. You sit at the fulcrum of the organisation of those procedures and, as the member for New England said, very effectively put them into place. I regret that this may be your last Christmas in the chair. But, if it is, then let me say, from a personal point of view and from those I represent, thank you. I wish you a very happy Christmas, and I wish all my colleagues a very happy Christmas and look forward to seeing them in the new year.

The SPEAKER (6.11 p.m.)—Let me join all other members of the parliament in extending the wishes of the season to each and every one of you. I thank the members for New England and Wentworth and all of the previous speakers, including the Manager of Opposition Business—those are the people who are presently in the chamber—for the sentiments expressed to me and to other colleagues.

In these few words, I want, in common with all other members of the House, to express my appreciation to the Clerk and the Deputy Clerk, Mr Harris and Mr Wright. All members have indicated just what impartial and professional advice they give, but let me say I know better than anybody how impartial and professional that advice is. We meet regularly every morning, and we meet from time to time through the day if necessary. Members can be assured that whatever confidences are shared with the clerks are not then automatically shared even with the Speaker, and the management of this place is largely the result of the way in which every member can rely on the clerks for impartial and professional advice. I join all members in thanking them and wishing them a very restful holiday period, a joyous and blessed Christmas and a happy new year. Of course, part of the clerks’ team are the clerk assistants and the clerk at the table, and those sentiments are expressed to them as well.

I do not want to go through individually naming people—that would be a very dangerous thing to do—but I do want to express the appreciation I and all members of the House feel to all of the staff of the Department of the House of Representatives. I had the opportunity at a function earlier this week to express my appreciation to them for their support of the House and the committees of the House; it is really quite extraordinary. It is marked this year by the successful way in which the Department of the House of Representatives managed to achieve the Prime Minister’s award for excellence in public administration in the face of competition from all other departments and, as I am sure you are all aware—because it was announced earlier—a silver award as the best federal agency for the work done by the department in its investment in people.

While not singling people out, I think it would be unwise of me, particularly given the events of this year, not to also express my appreciation to the Serjeant-at-Arms, David Elder, and his staff. This has been one of those years when the Serjeant-at-Arms may have had just one or two occasions when he wished the Speaker had been a shade more generous in determining whom he should eject from the parliament and whom he
should leave in the parliament. But, for the professional exercise of his duty, one must thank David and his staff and wish them every opportunity for a joyous Christmas, a restful holiday period and, I hope, a very happy new year. Thank you for what you have done to ensure that the dignity of the parliament was maintained.

People have been generous in their comments about the occupants of the chair and I too must express my great appreciation for the role played by the member for Page, Mr Causley, as my Deputy Speaker, and the member for Scullin, Mr Harry Jenkins, as the Second Deputy Speaker. I could not ask for a more supportive team. As members on both sides would be aware, both gentlemen go out of their way to ensure that the chair is professionally occupied, and Mr Jenkins as a member of the opposition is particularly careful to ensure that he is as discreet as one would characteristically expect Harry to be. In addition to that, he is always cheerful and always friendly in the advice that he offers, and I am grateful for that. I thank him and Ian most sincerely. Of course, with them I thank the members of the Speaker’s panel, who are so often in the chair in the absence of the three of us and who keep the parliament running as smoothly as they do.

On behalf of all members of the Speaker’s panel, the Deputy Speakers and me, can I remind members that while from time to time they may find the strictures of the chair somewhat frustrating, the simple truth is that all members who occupy this chair sit here—or stand here, but normally sit here—in silence, hearing things they do not necessarily want to hear, unable to reciprocate. And the same stricture that applies to members of the chair—that is, to ensure that everyone has the right to an opinion—is of course the very stricture that the standing orders impose on all of us to ensure that this is a place of truly free speech.

Can I express our appreciation to the Parliamentary Relations Office, the Parliamentary Education Office, the Parliamentary Library and the Department of the Parliamentary Reporting Staff. Once again, I had the opportunity earlier this week to single people out, but it is fair to say—and such comments have been made earlier—that these are world-class facilities. We have visitors from all over the globe who come here and marvel at the way in which each of these departments operates and the services offered to members. That world-class facility has only been possible because of the leadership that has been exercised by Mr John Templeton and Mr Mike Bolton—Mr Templeton of course in managing DPRS and as Acting Parliamentary Librarian, and Mr Bolton as Secretary of the Joint House Department. Both of these gentlemen will be leaving us because of the decision to collapse five departments into three, and Ms Hilary Penfold will be coming to head up the new Department of Parliamentary Services. But I cannot sufficiently express the appreciation of all members of parliament to those gentlemen for all that they have offered the parliament in the over 10 years that they have been part of the Parliamentary Service.

This has been a year when the demands on the staff of the parliament have been particularly acute because of two presidential visits. I am conscious of the strain and stress that was placed on every member of staff as a result of those visits. I am conscious as well of the honour that was conferred on each of us as members of parliament in the opportunity to meet both the President of the United States and the President of the People’s Republic of China. But I should, I think, make particular mention of the fact that all people, as has been commented by other members, who make up the staff of this place made possible the success of those visits. That includes the guides, the gardeners who keep
the gardens so well, the people in technical and engineering areas, in maintenance, in health and recreation and, as others have commented, the drivers, and the cleaners, who in fact keep this building in the way in which we expect it to be kept. It is a building of which we are all proud, it is a building that attracts world attention and it is a building that simply has to be at its best all the time.

As Speaker and through the clerks and heads of departments, of course we have a number of agencies that service the House: the florist, Aussie’s—which has been mentioned—Synergi, Lizzie the hairdresser, Westpac and of course the Hyatt, which provide much of the catering service that we take for granted, as well as Aussie’s, which as I said has been previously mentioned, particularly by the member for Lalor. There are also external agencies that serve the House. The Parliamentary Service Commissioner has been of particular importance to the President of the Senate and me in the advice that he has offered. And we have all enjoyed the services of Auspic; of the Australian Protective Service and the Federal Police as the important area of security has become so prominent; and of course of DFAT.

Let me, in common with all other members of the chamber, express the appreciation I particularly feel to my electorate staff, who keep a profile for me in my electorate, as they do for every other member of parliament in the electorate. In my case, my appreciation goes to Kerry, Helen, Gaynor, Dennis and David for the roles that they have played. As you will all immediately recognise, I remain equally if not even more indebted to the staff that I am happy to say I have here in the parliament, people known to you all—Pauline, Yvonne, Barb and Marie. I know you would want me to express my particular thanks and your thanks to them, because I know they have helped maintain an open door policy in the Speaker’s office. Let me just single out one person—which will be understood, I hope, by all of you and each of my staff when I take out just one of my staff members—to express my appreciation to Peter Gibson. Peter is my Chief of Staff. He offers a level of professionalism and advice—fearless sometimes, and not always heeded—that would be the envy of any departmental head, and I want to express to Peter and Margaret my appreciation and my best wishes.

The member for Prospect very eloquently made the point that it is indeed an honour to be in this House. It is a particular honour to be elected to an office in this House, either as a whip or as the Speaker, and I am very grateful for the opportunity to have been elected to the House and the particular honour that has been conferred on me by the members of the House in allowing me to be their Speaker. The view from this chair, my friends, is a little different to the view from any other part of the parliament and that may account for those few occasions when I see things from a perspective that not everyone else appreciates. The Leader of the House was all too generous when he said I provided a ‘good face’ for the House around the world. I have to tell him my children’s view is that their father provides a much too grumpy face of the parliament all around the world!

I recognise that in this place we have passionately held points of view that inevitably must sometimes clash. The tragedy is that there are some people listening to this broadcast, even sitting in the gallery, who will think that what has been said over the last 1½ hours is in fact hypocritical. Let me then as someone who has been in the parliament for 21 years reassure Australia that what I have been hearing over the last 1½ hours is in fact what characterises this parliament.
Of course we see things from different points of view. That is why there are government and non-government sides of the chamber. That is why Australians get a choice at every election time. But the underlying passion in this place, as long as I have had an association with it, has been that peace on earth and goodwill toward men is more important to every individual member of this parliament than any of their individual political philosophies, and they pursue the individual philosophies only because they believe that, through them, they can indeed bring additional peace on earth and a greater sense of goodwill.

So, my friends, let me conclude by extending to the Prime Minister, the Deputy Prime Minister, the Leader of the Opposition, the Deputy Leader of the Opposition, the Leader of the House, the Manager of Opposition Business, the whips and the members the very best wishes of Carolyn and I for a joyous and blessed Christmas and a very prosperous and successful new year. I stand—as indeed the member for Prospect indicated that she stood in relation to her spouse—indebted to my spouse. Carolyn, like Ivo, has ensured that our three children seem to have been largely unaffected by the absurdities of almost 21 years of political life, and I remain totally indebted to her for that and for the support she offers. Of course, none of this would have been possible without the people of Wakefield, who have been generous to entrust their representation to me. Thank you for the sentiments expressed to the chair this evening. My best wishes to you all. I look forward to joining you in 2004.

Sitting suspended from 6.24 p.m. to 8.30 p.m.

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:

- Aboriginal Land Grant (Jervis Bay Territory) Amendment Bill 2003
- Commonwealth Electoral Amendment (Members of Local Government Bodies) Bill 2002
- Customs Legislation Amendment Bill (No. 2) 2003
- Designs Bill 2003
- Designs (Consequential Amendments) Bill 2003

TAXATION LAWS AMENDMENT BILL (No. 5) 2003

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate does not insist on its amendments disagreed to by the House.

DEFENCE LEGISLATION AMENDMENT BILL 2003

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate does not insist on its amendments disagreed to by the House.

LEGISLATIVE INSTRUMENTS BILL 2003

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate does not insist on its amendment disagreed to by the House, and has agreed to the amendments made by the House.
Mr ANDREN (Calare) (8.32 p.m.)—I was speaking prior to question time and was saying that I was concerned at the way that the Building and Construction Industry Improvement Bill 2003 had been introduced in such haste, with work yet to be done on it to develop a cogent argument, an understanding of the bill itself—in the absence of a Bills Digest, which is not yet available. For such complex legislation I find it quite astounding that we are expected to debate and, indeed, vote on it on the last sitting day—if we in fact get through the second reading debate.

Indeed there are concerns that I outlined previously about this legislation that had been expressed by both employers and employees about some of what they see as conflicts between federal, state and territory legislation, particularly in the occupational health and safety areas. The minister suggests that the new Federal Safety Commissioner could deal with industrial manslaughter issues and crimes of safety negligence, but these roles are not, as I can see, spelt out in any detail in this legislation.

The issue of pattern bargaining, as I said, creates problems for both employers and employees, with the Australian Industry Group saying the definition of pattern bargaining in the bill fails to deal with the most damaging aspects of union behaviour that constitute pattern bargaining. But the AiG is also concerned that its own activities in regularly giving advice to members—that is, companies in its group—about union claims could also be construed as a means of pattern bargaining. I have noticed that other unions, such as the nurses union, in recent days have expressed concern about the implications such pattern bargaining laws might have eventually on their own and other professions, if indeed this industry-by-industry approach to industrial relations should be adopted as a matter of course.

There are concerns which demand consideration by a parliamentary inquiry, and that is why this bill has been referred to such an inquiry. There are concerns that the bill includes additional restrictions beyond those in section 89A of the existing Workplace Relations Act on the range of allowable award matters for the building and construction industry and the potential for these restrictions to be eventually applied in other industries. I will be interested when the minister sums up the second reading debate to see if he can address some of those issues that I have raised and no doubt others have raised in the course of this debate. There are a host of other issues that cannot be considered properly in the time constraints that again have been imposed on the House and this legislation on this scheduled last day of parliament. Here we are debating without even the benefit of a comprehensive Bills Digest.

As I said at the start of my speech, there is no doubt that some reform is needed in the building history. The Cole royal commission made that pretty clear, whatever the inadequacy of its terms of reference. I am not going to go into questions about the objectivity of a commissioner, because I would like to believe totally in our royal commission process as an objective and independent means of finding out about these important issues, but I did indicate earlier how some commentators have pointed out that the problems highlighted in the industry—the alleged violence and incidents and so on—are not numerous
by any means and pale into insignificance compared to those considered in the 1980s royal commission by Costigan.

There are some serious questions raised as to whether or not this legislation is necessary, given that the workplace relations regime seems to be effective in dealing with the extent of the problems that have been identified. There are also contradictions in this bill that both employer and employee groups have pointed out. As I said about the 1997 workplace relations legislation, at this stage there is no way that I can support this workplace legislation. I will await a more measured assessment of the ramifications of and need for this bill when I see the outcome of that inquiry.

It is the sort of inquiry that we, in the people’s house, should be doing before we debate this legislation. We continually refer bills to the other place and to its legislative committees. I remember talking to the then Leader of the Opposition a year or so ago, just after the last election, and in all the talk about reform and democratising and making this place more relevant that was one of the issues that was brought up. Some interest was expressed in it. If we are to be relevant in the scheme of things—and I know, Mr Speaker, you are very interested in talking about a more meaningful debate in this place—then taking up some of the suggestions that have been made about second reading debates is essential so that the second reading stage of bills becomes more meaningful. But I really would suggest that, to give us the substance of the material that we need to debate properly, we should not see situations like this, where we have bills introduced without the necessary research material being available. The necessary legislation is automatically deferred to the other place, and that is not the role of legislators, which surely we are.

If we are going to continue down this path, then this place will become a somewhat irrelevant backwater in the scheme of things and the Senate will become the place where, as we have seen over the last couple of days, the real legislative work is done. I really do not think that that is what our electorates expect of their elected representatives. They want to see the opposition and crossbenchers, and sometimes even government members, suggest and move amendments in this place. That is what disappoints me about the way this legislation has been handled by the government. It leaves me no option but to say: not at this point can I support the bill as it stands.

Ms HALL (Shortland) (8.41 p.m.)—I join with the member for Calare in saying that the Building and Construction Industry Improvement Bill 2003 is very disappointing legislation. The government’s whole approach to industrial relations, and in particular this issue, has been very disappointing. This legislation is further evidence of the government’s ideological hatred of unions. The decisions it has made in relation to this legislation have been driven not by the best interests of Australia and Australian workers but, rather, by the government’s philosophical and ideological hatred of unions.

I believe this legislation has got the fingerprints of the former Minister for Employment and Workplace Relations all over it. This is his approach to all types of legislation: it is a win-all approach; it is a bullyboy approach; it is going in boots and all. We saw it this morning with the Medicare legislation, and we see it now with this legislation. This legislation is not built on consultation; it has come out of the Cole royal commission, a royal commission that was set up for one purpose, and one purpose alone—that is, to destroy a particular union and to attack a particular industry.
I am very disappointed with a number of aspects of this legislation. Coming from a background where I was very conscious of occupational health and safety, I think that there has been a great failure in this legislation to look at and embrace that issue. The construction industry has a very sore reputation when it comes to occupational health and safety and injury, and it is very disappointing that this has not been dealt with.

This legislation, as I mentioned, follows the Cole royal commission into the building industry. As I also mentioned, it was driven by the government’s ideological and philosophical hatred of unions rather than a genuine desire to improve the building and construction industry, to make it safer and more efficient or even to get better outcomes for all parties—that is, the workers, the employers, the contractors and those people who are involved in the construction of major projects.

The government has consistently sought to erode the bargaining capacity of Australian workers, and this legislation is a further example of that. It has a one-sided, confrontational approach to the reform of this industry and all industries. Its industrial approach is one of winner takes all, rather than one of consultation involving all parties and recognising that unions actually have an important role to play. They have a role in addressing and redressing the imbalance which exists within the work force. It is a way of addressing the power between the employer and the worker, and it benefits all. A strong union movement within a country, a nation and industry also benefits employers. Unfortunately, this government has not approached it in that way. It has failed to address the non-payment of employees’ entitlements, tax evasion in the building and construction industry and many of the other problems facing workers.

Obviously, on this side of the House we will not be supporting the bill, because it is flawed in a number of ways. This bill follows the Cole royal commission, which was established in August 2000. From memory, it reported to the government on 24 February. In September 2003, the government established the building industry interim task force following the Cole recommendations. Task force members were given powers as inspectors under the Workplace Relations Act, and their role was described as:

... an interim task force and partners that will investigate and refer possible prosecutions or other proceedings, breaches of the federal industrial crimes and civil law committed by any person or organisation engaged in the industry. In addition, the task force will refer any breaches of state law to appropriate state agencies.

The task force has since launched a number of prosecutions, mainly against union officials, which gives you an indication of the one-sided nature of this. The bill was tabled on 6 September and it is largely the same as the draft bill that was tabled in September this year. A Senate inquiry into the bill and other aspects of the industry has commenced and submissions are due by 30 November. It is expected that it will report in 2004.

I would like to return to the Cole royal commission, because it is the basis of this legislation. At the time, I saw it as one plank of the government’s re-election policy. This is a very divisive government and it was seeking to set unions against employers and create division within the community. Unfortunately for the government, I do not think it has been so successful, because people—whether or not they are members of unions—recognise the fact that unions have an important role to play and that this government has been very one-sided in its approach.

The Cole royal commission cost taxpayers $60 million. It has been the most expensive royal commission in history, costing twice as
much as the HIH commission. If you look at the enormous impact that it had on so many people in Australia, you have to wonder what the motivation is behind this government. On this side of the House, we do not wonder. We are very aware of this government’s pursuit and ideological hatred of unions. The royal commissioner, Terence Cole, was paid $660,000—that is, three times more than the HIH royal commissioner. On top of that, he was given allowances and perks, including rental accommodation in Melbourne and Sydney. With his $140,554 Supreme Court pension, his total package was $900,000. It certainly was a lot of money. The lawyers to the royal commission were paid $21 million, and $700,000 was spent on media liaison—that is a lot of money. The fact that so much money was spent on media liaison makes you realise what was behind it all.

Over 90 per cent of the public hearing time was devoted to investigating anti-union topics—once again it demonstrates the one-sided nature of this royal commission. No time at all was given to investigating anything positive about unions—once again it demonstrates where this government is coming from. Just a little over three per cent of the public hearing time was devoted to topics which adversely reflected upon employers. I do not know if the government is aware of it but, on this side of the House, we receive a lot of complaints from workers in industry. Actually, I receive many more complaints from workers than employers, although I do receive some from employers. It seems unrealistic that we should have a hearing that does not look at issues that affect workers and employers. Rather, we concentrate on attacking the unions. This was an exercise in attacking the CFMEU, which is the union that the royal commission gave all its attention to. As I was saying, 81 per cent of public hearing time was devoted to attacking the CFMEU. I do not think that is good enough, nor was it a good use of public funds.

This government really stands condemned for what it has done here. It is totally biased against unions, and there were 200 companies named. These companies were named because they were suspected of illegal or inappropriate behaviour, but only one of these companies was investigated. That is not an even-handed approach to such an important issue. A royal commission should be even-handed. If a royal commission is set up, then it should really look at all the issues, not only the issues that the government chooses for it to look at. There was an obvious blurring of the lines between the royal commission and the political arm of government, and I think that the people of Australia are not fooled by it.

I see that the biggest single issue affecting the Australian construction industry is workplace safety. It is not a new occurrence. It is not something that has just happened. It is something that has been there for a very long time, and this support and legislation do absolutely nothing to address that. The legislation mentions it, but I believe that it will actually lead to a watering down of the situation that exists at the moment. It does nothing to strengthen the state jurisdictions, and it is very much a knee-jerk response to what I see as the most important issue. Workplace health and safety is far too important an issue for buck-passing or political point scoring, but this is what this legislation does. It does not look at the fact that workers have had their lives placed at risk. The construction industry has the worst occupational health and safety record in Australia. There have been some 50 deaths a year over the last 10 years. I believe that the most important thing that any government can do is ensure the safety of its workers.
I am on the House of Representatives Standing Committee on Employment and Workplace Relations, and earlier this year we held an inquiry into aspects of the workers compensation scheme. The minister was not too keen to look at the issue of workplace occupational health and safety. As I mentioned earlier, I believe that that area is of key importance to us as a nation and to workers in the industry. The underlying assumption going into this inquiry was that the most important issue facing the workers compensation schemes in Australia was fraud. What I think we actually learned was that the most important issue facing workers in the work force in Australia was having a safe workplace to work in. It was recommended that greater importance be placed on this and the fact that currently there was an unacceptably high level of workplace injury and fatality. Of course, right up there—right up front—was the building and construction industry. This inquiry did not find that workers compensation fraud was an issue. Rather, it found that unsafe practices in the workplace needed to be addressed and that we needed to have a national approach to the issue.

If you look at the efficiency in the construction industry in Australia, you see that the building and construction industry contributes an average of six per cent to the GDP and employs around seven per cent of the work force, yet the industry is still plagued with this unacceptably high level of death and serious injury. Fifteen to 20 per cent of all workplace injuries happen on a building site; five times more time is lost due to accidents in the workplace than is lost through industrial disputes; and, as I said, there have been 50 deaths per year over the past 10 years. I encourage the government to look more seriously at the issue of occupational health and safety—to put away its boxing gloves, to forget that it wants confrontation with the union movement and to forget that it is out there to attack the construction industry. Rather, it should look at the industry, be positive and see whether it can come up with some occupational health and safety practices in the workplace that will actually address this issue. The government has established the federal safety commission. That is an attempt by the government to show that it is addressing the occupational health and safety issues, but it is in fact a watering down. We need the unions, and all people, to be involved in monitoring what is happening in the workplace.

It is interesting to see that the ACT government recently passed industrial manslaughter legislation. If there is any industry where you need to look at industrial manslaughter, it is the construction industry, because time and time again unsafe work practices are used. I will give one example of this which is very close to home. My son was working in the construction industry for a time, and the company that he was working for had a less than perfect work safety record. One of the workers had a steel bar driven through their leg. This particular employer refused to call an ambulance because they had already had one accident that week and if they called an ambulance and went through the proper procedures they would be reported to the WorkCover Authority in New South Wales. So they bypassed it and took the worker to the hospital in a car. They were criticised by the emergency department for that action. Needless to say, my son left that employer and moved to a different one. But it really shows some of the very unsafe practices that are used and which this government sanctions.

Included in this piece of legislation are other matters—restrictions on taking industrial action and issues relating to pattern bargaining—that will weaken the powers of unions. That they will make it a more one-
sided industry and skew the balance even further in favour of the employer makes this legislation totally unacceptable, and I condemn the government for not approaching and encompassing these issues fairly and in an even-handed manner. Legislation looking at any industry should take into account all factors. It should not be one-sided and driven by hatred—an ideological hatred of the union movement. (Time expired)

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (9.01 p.m.)—The Building and Construction Industry Improvement Bill 2003 represents a unique opportunity to implement lasting cultural reform in this industry, and the case for reform is compelling. The Royal Commission into the Building and Construction Industry exposed an industry in which the rule of law no longer has any meaningful application.

This central finding of the royal commission has been reinforced by three court decisions in the past month: firstly, Mr John Sutton, National Secretary of the Construction and General Division of the CFMEU, was found guilty of two charges of malicious damage; secondly, the New South Wales District Court convicted Mr Salvatore Manna, a former CFMEU official, for perjury arising out of evidence he gave to the royal commission; and, thirdly and finally, the Melbourne Magistrates Court convicted Mr John Setka, another CFMEU official, for issuing threats against a construction manager who was to appear against him in a case in the Australian Industrial Relations Commission. In addition to these three court findings, as I advised parliament earlier this week, a union official was transported to the Geelong Hospital by air ambulance to be treated for the serious injuries he received when he was bashed during a recent Victorian plumbing union planning day at Lorne. (Quorum formed)

I appreciate the calling of a quorum by the member for Cowan because it gives me the opportunity of pointing out to my colleagues the culture of thuggery, intimidation and violence which is part of the building and construction industry in Australia. As I was pointing out, just recently a union official from the plumbing union had to be transported by air ambulance from Lorne to the Geelong Hospital because of injuries he had received in a planning strategy meeting being conducted by that union. This follows another recent incident in which Mr Doug Cameron, a well known union official, was assaulted—bashed outside the front door of his own home.

Mrs Gallus—This is appalling.

Mr ANDREWS—It is appalling. We have reached the stage in Australia where not only do we have thuggery, intimidation and violence on the building and construction sites of Australia, but a leading union official in Australia cannot walk outside the front door of his own home in suburban Sydney without being bashed. That is what this legislation is about. These examples illustrate the finding of Mr Justice Cole that parts of the building and construction industry are mired in a culture of lawlessness, intimidation and thuggery. This is why the government is determined to deal with this culture in this bill.

Some opposition members have been prepared to recognise that there is lawlessness and thuggery in this industry. In at least a couple of the speeches from opposition MPs tonight we have had some recognition of this culture of lawlessness. The reality is that they are prepared to do nothing about it. They recognise it but are not prepared to lift a finger to do one thing which is practical in terms of stamping out this lawlessness so far as the building and construction industry is concerned. A key plank of this bill is the most significant reform of the building and
construction industry ever attempted. The bill implements about 120 of the royal commissioner’s recommendations. It is a targeted and measured response to its findings.

The government’s response to the royal commission’s other recommendations have already been announced. I commend this response to honourable members opposite—particularly the honourable member for Shortland, who spoke prior to me—as they appear to be under a misapprehension about the extent of the action that the government is taking to address the other issues of concern in the industry, such as employee entitlements, tax avoidance, phoenix companies and occupational health and safety. As I stated in the second reading speech for the bill, clear and substantial economic benefits will flow from a revitalised building industry. So that all members of the House understand the potential benefits, I will repeat the findings of Econtech in their independent analysis.

Dr Emerson—It is shonky analysis by a shonky outfit.

Mr ANDREWS—I note—and it is on the Hansard record—that the member for Rankin has said that the independent analysis by Econtech is shonky. This analysis shows that if labour productivity in the commercial construction sector matched that in the domestic housing sector then the CPI would be one per cent lower, GDP would be one per cent higher and consumers would enjoy an additional $2.3 billion in economic benefits each year—that is, $2,300 million in economic benefits each year. This surely rebuts the allegations made by members opposite, including the member for Brisbane. The changes proposed by the bill will benefit all Australians, not just those engaged in this particular industry. Beyond the economic benefits, all industry participants will also benefit from being able to work in an industry that is free from coercion and allows them to exercise free choice about whether or not to join a union or enter into a particular type of employment arrangement. For far too long, basic freedoms in this industry have been undermined, with arrangements often forced upon unwilling parties.

The bill ensures that choice will be a real option. All industry participants, including workers—and obviously the members opposite do not want to hear this. (Quorum formed) From my 12 years in parliament in both opposition and government I know quite well that there is only one reason why oppositions call quorums: they do not like to hear what is being said. That is the reality tonight. The reality tonight is that, so far as the building and construction industry is concerned, we have an opposition which recognise a culture of thuggery, a culture of intimidation, a culture of coercion and a culture of lawlessness. The royal commissioner, in 23 volumes, set out word-by-word why this industry needs reform. The opposition do not want to hear about it.

A couple of their members in this debate tonight were prepared to concede that there was a culture of lawlessness, but the reality is that not one of them is prepared to lift their hand to do anything constructive to deal with the culture of lawlessness. This is a singular industry so far as this culture of thuggery is concerned—a culture in which bashings are commonplace and are not only occurring on building sites in Australia, as Justice Cole pointed out.

Mr Edwards—So are deaths.

Mr ANDREWS—The honourable member for Cowan knows that in the city of Perth, just like in the city of Melbourne, this culture of lawlessness is part and parcel of the building and construction industry. The real test not only for the Labor Party but also for the new Leader of the Opposition is
whether or not they are prepared to do something. Is the Leader of the Opposition prepared to do something about that which he has protested against for the last 10 years or so in the federal parliament? We have in the member for Werriwa—the new leader of the Australian Labor Party, the new Leader of the Opposition—a man who has had so many positions on so many issues that he has a policy position about everything.

The real test for the Leader of the Opposition in relation to this bill and to the government’s workplace relations legislation is whether or not he is prepared to stand up to the big union bosses. He has said on numerous occasions quite clearly and unambiguously that the Australian Labor Party should not be captive to the unions. No wonder that almost every major union leader in Australia was lobbying over the last weekend for the election of the member for Brand rather than the member for Werriwa as the Leader of the Opposition.

What we have on the other side, in a 47-45 division, is a deeply divided Labor Party. They are divided on no more central issue than that of workplace relations. We have in the Leader of the Opposition someone who, in his own words, recognises that the influence of the union movement in Australia is a part of the industrial dinosaurs of the past. I suspect in his own heart that the member for Rankin also agrees with that proposition. In fact he is smiling to me, so I know he agrees with that. I remember what the union boss in Queensland, Bill Ludwig, who is a great defender of the power of the great union bosses in Australia, said about the member for Rankin.

Mr Edwards interjecting—

Mr ANDREWS—The member for Cowan knows this as well. There is a deeply divided Australian Labor Party at the present time and, of all the issues on which they are deeply divided, workplace relations and the role of the big union bosses in Australia are key components. That is why this piece of legislation is a real test for the new Leader of the Opposition. Is he going to be a captive of the union movement as the member for Hotham—the previous Leader of Opposition and former president of the ACTU—was? Or are we going to have in the member for Werriwa, the new leader of the Australian Labor Party, someone who is prepared to actually put into action that which he has espoused over the last decade? That is the real test, the real question, that the Australian Labor Party, in electing the member for Werriwa, will be facing in coming years. A central issue to this test will be the attitude of the Australian Labor Party to the workplace relations reforms that this government has put into place.

Let me just draw the context of these reforms. The economic reforms which this government has driven over the last 7½ years, including structural reforms to the workplace, have been the reason for the creation of 1.3 million jobs in Australia.

Dr Emerson interjecting—

Mr ANDREWS—The honourable member for Rankin makes some comments. May I remind him of the speech which the former Prime Minister of Australia, the former leader of the Australian Labor Party, Paul Keating, made in April 1994, I think it was, in which he spoke about the important need to continue the freeing up of the industrial relations workplace in Australia. We have a Labor Party which has been backing away from the reforms that even Paul Keating—who the current Leader of the Opposition says is one of his heroes in the Labor Party—supported. The reality is that 1.3 million jobs have been created in Australia since the Howard government took office. The unemployment rate in this country is now down to 5.6 per cent—a rate below which it has never
been for the last 22 years in Australia. Unemployment has come down, long-term unemployment has come down by two-thirds and youth unemployment has also come down in Australia. This is a result of the economic decisions and the structural reforms, particularly those reforms to the workplace, that this government has made.

Honourable members interjecting—

Mr ANDREWS—The honourable members opposite know this in their heart of hearts—particularly the member for Rankin, who is not a great supporter of big union bosses. The real test is whether or not they are the captives of the unions that have dominated the Australian Labor Party. We have a situation in Australia where five out of six workers in the private sector do not belong to unions, yet 80 per cent of the frontbench of the Australian Labor Party are subject to their union bosses. That is the situation we have in Australia at the present time. If the Australian Labor Party want to be relevant, they will change that like the Leader of the Opposition says. If they want to be relevant and drive down unemployment and lock it in at historic lows, they will support this legislation. (Time expired)

The DEPUTY SPEAKER (Ms Corcoran)—Order! The original question was that this bill be now read a second time. To this the honourable member for Rankin has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.

Question put:
That this bill be now read a second time.

The House divided. [9.25 p.m.]

(The Deputy Speaker—Ms Corcoran)
Edward, G.J.  Ellis, A.L.
Emerson, C.A.  Evans, M.J.
George, J.  Ferguson, M.J.
Gillard, J.E.  Gibbons, S.W.
Griffin, A.P.  Grierson, S.J.
Hatton, M.J.  Hoare, K.J.
Irwin, J.  Jackson, S.M.
Jenkins, H.A.  Kerr, D.J.C.
King, C.F.  Livermore, K.F.
Macklin, J.L.  McClelland, R.B.
McFarlane, J.S.  McMullan, R.F.
Melham, D.  Mossfield, F.W.
Murphy, J. P.  O’Byrne, M.A.
O’Connor, B.P.  O’Connor, G.M.
Organ, M.  Phibes, T.
Price, L.R.S.  Quick, H.V. *
Ripoll, B.F. *  Roxon, N.L.
Rudd, K.M.  Sawford, R.W.
Sciaccca, C.A.  Sercombe, R.C.G.
Sidebottom, P.S.  Smith, S.F.
Swan, W.M.  Tanner, L.
Thomson, K.J.  Vamvakinou, M. *
Wilkie, K.  Zahra, C.J.

* denotes teller

Question agreed to.

Bill read a second time.

Debate interrupted.

BUSINESS

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.30 p.m.)—On indulgence, I have an update, if that is all right.

Mr Murphy—Happy Christmas, Tony, God love you.

Mr ABBOTT—Thanks, John. I am sure He does you as well, notwithstanding how much you try Him. Nevertheless, the latest word from the Senate is that they are hoping to get a message to us in the next hour or so. Hopefully we will be able to deal with that message this evening and then go home. We will reassemble at nine o’clock tomorrow morning to deal with any further business from the Senate. That is the plan.

BUILDING AND CONSTRUCTION

INDUSTRY IMPROVEMENT BILL 2003

Cognate bill:

BUILDING AND CONSTRUCTION

INDUSTRY IMPROVEMENT

(CONSEQUENTIAL AND TRANSITIONAL) BILL 2003

Consideration in Detail

Debate resumed.

Bill—by leave—taken as a whole.

Dr Emerson (Rankin) (9.31 p.m.)—The Minister for Employment and Workplace Relations invoked a number of recent incidents in relation to building union officials to seek to justify this pernicious, punitive legislation. In fact, there is no such justification at all. The minister referred in particular to an assault against Mr Doug Cameron, the secretary of the AMWU, and sought to argue—fatuously—that this constituted evidence for the value of this particular legislation to crack down on union thuggery. In this case, the union official was assaulted, so I do not think anyone could necessarily establish a case that this constituted union thuggery. In fact, the head of a major union in Australia was assaulted.

Mrs Gallus—He was assaulted by another member of a union, wasn’t he?

Dr Emerson—That has not been established, yet this legislation is purportedly to deal with such assaults. Perhaps the member opposite has never heard of the criminal law, which in fact makes assault illegal. Therefore, there is no basis for bringing into this parliament this vicious anti-union legislation.

In fact, I understand that a rough description of the person who assaulted Mr Doug Cameron was that he was in his early 20s and well dressed. It is equally possible that he was assaulted by a Young Liberal. There is a fair bit of violence in Liberal Party
branches around Australia—there is certainly lots of intimidation if you look at developments in Sydney in particular. The member for Wentworth has been subject to a lot of activity in his own electorate. I am saying that it is equally plausible that the person who committed this assault against Mr Doug Cameron was in fact a Young Liberal. On the basis of the logic that has been invoked in this case, we should have anti Young Liberal legislation. Perhaps we could have the Anti Young Liberal Amendment Bill. Such is the weight of evidence that the minister has brought that it is equally plausible that the person who assaulted Mr Cameron was not in fact a union official at all but a Young Liberal. Although, I know, it is getting late in the evening, perhaps the minister would consider introducing legislation to ban the activities of the Young Liberals in Sydney. It is equally plausible that it was the Young Liberals. We could have the Young Liberal Intimidation Amendment Bill perhaps being introduced into this parliament, so fatuous is the case that this government has put to justify this pernicious, punitive legislation. It is laughable.

But we should not laugh about this sad reality: a couple of months ago a young man, Mr Joel Exner, a 16-year-old boy, fell from a building site in Sydney. He was not protected by anything: he had no safety harness, there was no guard rail and there was no scaffolding. Yet I never hear this minister say, ‘There is a problem in the building industry. There was a fatality in the building industry so we need to bring in tough new laws to deal with breaches of occupational health and safety in the building industry.’ We do not hear that from the Liberals. They are total hypocrites.

Any suggestion of an assault against a union official justifies this legislation but this minister has gone missing when it comes to dealing with the sickening, regular fatalities in this industry, which average one per week. I do not hear this minister calling for tough new occupational health and safety laws in this country to deal with that negligence.

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (9.37 p.m.)—I have not gone missing; I am right here. It seems that the member for Rankin is seriously suggesting that the numerous instances of intimidation, thuggery and coercion in the building industry which Justice Cole indicated in his royal commission were not real. It seems the member for Rankin is seriously questioning the conclusions that have been independently made by judicial officers in separate courts in Victoria and New South Wales—conclusions in which, for example, the National Secretary of the CFMEU, John Sutton, was found guilty of two charges of malicious damage and former New South Wales CFMEU official Mr Salvatore Manna was found guilty of perjury in his evidence before the royal commission.

Dr Emerson—And that is assault, is it? That is violence?

Mr ANDREWS—If the member for Rankin wants to hear about an instance of assault, then the decision of Magistrate Gurvich in the Melbourne Magistrates Court in which Mr John Setka, another CFMEU official—

Dr Emerson—That was not assault.

Mr ANDREWS—Mr Deputy Speaker Barresi, I know I should not under the standing orders but I wish to respond to the interjection of the member for Rankin. He says that what John Setka did was not assault. I point out to the member for Rankin that if he understood the law—as the member for
Banks opposite does—he would know that assault includes verbal intimidation.

Dr Emerson interjecting—

Mr ANDREWS—The member for Rankin scoffs, but the member for Banks knows the law.

Mr Melham—It could.

Mr ANDREWS—This case involved a finding of issuing threats against a construction manager—and even the member for Banks will admit, because I know he knows his law reasonably well, that that constitutes assault. So let us have an end to this nonsense. Instances of assault, threats and intimidation have been found independently by judicial officers in Australia. Their findings support the findings of Justice Terrence Cole, a judge of the New South Wales Supreme Court of some 10 years standing. I am not from New South Wales, but that is my recollection, and I do not believe that the member for Rankin is questioning the integrity of Justice Cole.

Dr Emerson interjecting—

Mr ANDREWS—You are happy to, are you? Is that right?

Dr Emerson interjecting—

The DEPUTY SPEAKER (Mr Barresi)—The member for Rankin will have his chance in a moment.

Mr ANDREWS—So the member for Rankin is questioning the integrity of Justice Cole. I think the member for Rankin is digging himself a ditch tonight, and when he wakes up tomorrow morning and reflects upon this he might think differently. The opposition spokesman on this matter is now questioning a judge of the New South Wales Supreme Court, who—and I will check this out—was probably appointed by the current New South Wales Labor government; there is a good chance of that. It does not matter in any event, because I do not believe the judges of the New South Wales court are subject to questions of integrity anywhere.

Let us face the reality. We all know that the building and construction industry for years and years has been subject to a culture of intimidation and coercion. That is not in question. The question is: what are we going to do about it? In a meeting with me last week, the state workplace relations ministers—John Della Bosca of New South Wales and others—all conceded that there is a culture of lawlessness in this industry. The real question is: what is going to be done about it? We are prepared to do something about it, but the opposition are wimping away.

Dr EMERSON (Rankin) (9.41 p.m.)—Labor would never condone violence and intimidation. The point I am making is that a young boy, aged 16, fell off a building site and, when asked about it, this minister was silent. I think an extreme violence is when a young boy falls off a building site, having been on that site in employment for three days with no decent occupational health and safety provisions in place—no guardrail, no harness, no scaffolding. The boy died, and the minister was silent. That is the point I made earlier: the minister has gone missing in relation to the death of Joel Exner.

The minister thinks it is a dreadfully serious matter when a person says something adverse to another, but when a young boy dies it is not serious. Three years earlier a 17-year-old boy fell off a site in Sydney in very similar circumstances—again, there was no harness, no guardrail and no scaffolding. The company was fined $20,000 and three years later had paid less than $2,000 of that fine. There was a rally of 10,000 proud trade union members in Sydney, and the minister was asked about that. And he was silent.

Extreme violence is displayed when a young man falls to his death because of the lack of occupational health and safety regu-
lations being implemented on building sites. On average, one person in this industry dies every week. The minister invoked the analysis of an economics outfit, Econtech, which squeals that it costs 40 per cent more to put a wall on a high-rise building than it does on a house. This is supposed to be testament to shocking productivity in the construction industry. I say it should cost more to put a wall on a high-rise building than it does on a house for one simple reason: it is dangerous to work on high-rise buildings.

As a consequence, it is necessary in a decent and civilised society that there be safety provisions on high-rise buildings that are not necessarily applied to houses. But the minister and the Liberal Party missed this point completely. It appears that the Liberal Party is prepared to cut costs, to cut corners, to cut safety in this industry, and decent Australians will not stand for it. They will not stand for this winner takes all attitude and going for the cheapest bid even if it prejudices the safety of the young men who are employed in this industry.

This legislation is pernicious because it restricts the right of entry of union safety experts onto sites to examine the workplace health and safety provisions on those sites and to enforce them. This minister and this government do not want to see that happen, because they are into cost cutting; they are into safety cutting. You can cut costs if you cut safety, and that is what the Liberal Party believes in—the lowest bottom line, the cheapest bid, at the expense potentially of the lives of young people and older people employed in this industry. It is not all about the bottom line. What value does this minister put on a human life, when one person in this industry dies every week and the Cole royal commission found only two breaches of occupational health and safety? Around Australia, they found only two breaches, in Darwin.

That is why I say the Cole royal commission was biased and that is why we have in place now a Senate references committee to examine the occupational health and safety shortages and deficiencies in this industry around Australia. That is why this bill will not pass through the Senate—because this Cole royal commission either ignored completely or glossed over major issues, including occupational health and safety in this industry. This is a bill that was designed to fail from the outset. (Time expired)

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (9.47 p.m.)—I have been informed, subsequent to my previous remarks, that Justice Cole was appointed by the New South Wales Labor government to the Court of Appeal in 1998. In relation to occupational health and safety, the honourable member for Rankin totally ignores the fact that there are provisions in this bill for a Federal Safety Commissioner. He totally ignores the agreement and understanding between the Commonwealth and state and territory ministers in order to progress the occupational health and safety recommendations of the Cole commission through the National Occupational Health and Safety Commission—a decision that was unanimously agreed by not only me but also the Labor state and territory workplace relations ministers a couple of weeks ago in Melbourne.

If there was any credibility whatsoever to the honourable member’s assertions now, then in the amendment he moved in the House tonight—in which he refers to a number of issues, including employee entitlements and tax evasion in the building and construction industry—he would have referred to occupational health and safety. There is no reference whatsoever to that in the amendment that the member for Rankin
moved in this House. The reality is that this is all fluffery from the member for Rankin; he is just making a political statement. I have said what needs to be said.

Debate interrupted.

BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (9.48 p.m.)—On indulgence, Mr Deputy Speaker—I apologise to the member for Rankin—the latest advice that I have from the Senate is that we in this place are unlikely to receive any message from the Senate this side of midnight. So what I am proposing to do, with the agreement of members, is to adjourn once this bill and the cognate bill are dealt with. Then we will come back at nine o’clock in the morning. I thought that for the information of members, particularly members opposite, I should let them know that if we can deal quickly with this bill and the related legislation we will get out of here, get a reasonable night’s sleep and then come back and conclude our work tomorrow. That is the good news. The bad news is that I do not expect that we will finish until early tomorrow afternoon.

Mrs Crosio—Two or three o’clock—when?

Mr ABBOTT—Madam Chief Opposition Whip, as you know, if I knew what was going to happen in the Senate I would be a much wiser and more knowledgeable man than any of us in this House! That is the advice I got from the Senate. When I put this very question to them, ‘Can you give us an indication of when we might all be able to get away?’ I was told early afternoon—1.30 or two o’clock; that was the speculation from the Senate. So for the information of members opposite I provide that detail. I wish it were otherwise but we are in their hands. At least when this bill and the cognate bill are dealt with we ought to be able to get up tonight and have a decent night’s sleep.

Dr EMERSON (Rankin) (9.50 p.m.)—The remarks of the Minister for Employment and Workplace Relations prove once and for all that he is sublimely oblivious to the terms of reference of the Senate inquiry which of course do include occupational health and safety. Such is the contempt with which he treats the Senate that he is unaware of the terms of reference of that inquiry. It also gives us a very early indication of the sincerity of this government in cooperating with that Senate inquiry. If the government do not know what it is inquiring into, I do not think we can expect a lot of cooperation from it—but then there are no surprises in that, because this bill, as I was saying, is designed to fail.

This is not a bill designed to reform the building and construction industry; it is a bill designed to fail so that this minister, Minister Andrews, following carefully in the footsteps of his predecessor, Minister Abbott, can go to the industry and say, ‘Gee, look, we tried, but those terrible people in the Senate knocked us back.’ Of course his predecessor, who is sitting right beside him, has got form on this because he did not get much through the Senate in the way of workplace relations bills. That was also because of his pig-headed attitude and because the legislation was against the interests of the decent working men and women of Australia, and the Senate in its wisdom rejected those bills. I think he only got one out of about 13 through. This minister, his successor, is not

BUILDING AND CONSTRUCTION INDUSTRY IMPROVEMENT BILL 2003
Cognate bill:
BUILDING AND CONSTRUCTION INDUSTRY IMPROVEMENT (CONSEQUENTIAL AND TRANSITIONAL) BILL 2003
Consideration in Detail
Debate resumed.

Debate interrupted.
looking any better in terms of his capacity as a legislator, because the Senate would not treat very happily the minister’s ignorance of the terms of reference of the inquiry that has been established by the Senate.

I point out this bill is not only designed to fail but also not deregulatory at all. The member for Kingston is here, and he knows a little about the market. The great contradiction of this government is that it says that the bill is deregulatory but it runs to hundred of pages of regulation of the building and construction industry. If the government was fair dinkum about being deregulatory, it would not have such a bill. But it wants to regulate the building and construction industry. I understand the basic philosophy behind this—that is, when unions are strong, when unions have a capacity in their own right to achieve decent wages and conditions for their employees, the government seeks to regulate them. But when employees are not in such a position—when they do not have much bargaining capacity in the first place and they seek to join a trade union movement—the government seeks to deregulate the industry.

The common theme is that the government seeks to tilt the bargaining table consistently in favour of employers and against employees. That is the common theme, not that it is regulatory or deregulatory. On some occasions, it is highly regulatory and, on other occasions, it is really deregulatory—that is, when it tears away the safety net protecting the lowest paid workers in Australia. But, in this case, it is really regulatory—it wants to heavily regulate. You would find no more astonishing critic of this government in this case than the HR Nicholls Society. They have been very critical of this bill. They are your friends. The Minister for Health and Ageing, the former minister for workplace relations, has addressed the HR Nicholls Society on many occasions.

Mr Cox—I think the Treasurer used to be a member.

Dr Emerson—The Treasurer was a member. I certainly know that the Treasurer has addressed the HR Nicholls Society. So what does the HR Nicholls Society say about this mob? They do not like the bill—‘very complex’, ‘highly regulatory’. So there is your arch critic, Minister. You are being criticised by your mob, the HR Nicholls Society, for a very complex bill—which of course will not do anything to improve productivity in this industry. It is designed to fail.

I refer the minister to discussion paper No. 150, commissioned by the Cole royal commission and then disregarded because that discussion paper showed that, by international standards, productivity in this industry is high—ranking in many instances, by various indicators, first or second compared with the other countries with which we like to compare ourselves. So how about a cooperative approach to reform? I do not think there is a chance in hell, because this bill is designed to fail. The ACTU offered a cooperative approach many months ago, and it was completely ignored by this government. (Time expired)

Bill agreed to.

Third Reading

Mr Andrews (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (9.56 p.m.)—I seek leave of the House to move the third reading forthwith.

Dr Emerson—Leave is reluctantly granted because I do not think we can do much about it.

Mr Andrews (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the
The Public Service) (9.56 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

BUILDING AND CONSTRUCTION INDUSTRY IMPROVEMENT (CONSEQUENTIAL AND TRANSITIONAL) BILL 2003

Second Reading
Debate resumed from 6 November, on motion by Mr Andrews:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (9.56 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Sitting suspended from 9.58 p.m. to 9.00 a.m. Friday, 5 December.

Friday, 5 December 2003

The SPEAKER (Mr Neil Andrew) took the chair at 9.00 a.m.

BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (9.00 a.m.)—On indulgence, Mr Speaker, I thought I would update the House on the likely progress of the day. I am advised that the first message from the Senate should be ready at about 9.30 a.m. Messages will bounce between the House and the Senate in the course of the day. In the intervening periods there is some legislation that we might as well deal with, but the current advice is that we cannot expect to be out of here until after lunch, I am afraid. The time of 2.30 p.m. has been mentioned but, as always, we are very much dependent upon what happens in the other place. I would suggest to all of us that, if we want to be out early, we should tell our friends and colleagues of the Senate to keep their speeches short and their divisions few.

SUPERANNUATION LEGISLATION AMENDMENT (CHOICE OF SUPERANNUATION FUNDS) BILL 2002

Second Reading
Debate resumed from 27 June 2002, on motion by Mr Slipper:
That this bill be now read a second time.

Mr COX (Kingston) (9.01 a.m.)—Once again the government has introduced a piece of superannuation legislation that, if passed, is destined to make the superannuation system more difficult for consumers to navigate. The Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 follows this government's pattern of introducing legislation in a confused and ad hoc manner, the result of which has been to make the superannuation system more complicated and expensive for consumers. In principle, the concept of choice is fine when the choices are clearly set out and well understood; however, the legislation fails because it gives choice without the necessary safeguards. Choice without the necessary safeguards does not serve the interests of either the consumer or the superannuation industry.

Of course, it needs to be acknowledged that for many fund members choice of fund already exists, and roughly 80 per cent have investment choice within their existing fund. Unfortunately for many, that has been a very expensive choice. One only has to look at those consumers who invested in Commer-
cial Nominees and lost thousands of dollars or those who faced exit fees of up to 93 per cent of the funds under management to understand the personal cost to consumers of an uninformed choice in an unsafe choice environment. On the other hand, many do not exercise the right of choice because they simply do not have the skills to navigate the bureaucracy involved in changing fund or are trapped by excessive exit fees.

The Liberals’ unsafe choice regime is not only unsafe but also so complex that it does nothing to reduce the bureaucracy that deters many people who are already able from changing funds, and, as one would expect from the Liberals, it does not deal with exit fees that operate as a barrier to choice. The Liberals’ unsafe choice regime does not even attempt to address the existing problems of the superannuation system, not to speak of the other issues of safety and security that must be resolved to ensure safety in a choice environment.

Superannuation is unique. Investing in it is not like buying a car or even a home; it is a highly complex financial product to which considerable tax concessions are attached. The nine per cent superannuation guarantee, which makes up the major part of superannuation savings, is compulsory saving. These two factors alone justify giving superannuation purchased by SG contributions greater protection than that given to other financial products. In addition, superannuation is a long-term investment, where the impact of a bad decision can take years to emerge and may be impossible to redress. This alone justifies tougher regulation. Labor has a policy to introduce a safe choice model. Only when the superannuation environment is secure and safe for all workers will Labor support the introduction of choice.

The story with the Liberals’ unsafe choice regime is different. At a time when confidence in the superannuation system is low, the last thing the superannuation system needs is added uncertainty and insecurity, but that is what the Liberals’ choice regime will do—it will increase insecurity—because it does not address the question of safety. That is why Labor will introduce a safe choice system—choice that will give consumers the ability to decide where to put their superannuation moneys but within a framework that allows for real choice, accompanied by appropriate safety.

Despite the current public pessimism about superannuation and the overwhelming evidence in the report of the Senate Select Committee on Superannuation that there are significant problems associated with the unsafe choice regime that this bill would establish, the Liberals have refused to acknowledge the problems and issues that need to be addressed before a safe choice environment can be established. Foremost amongst these issues is that of adequate disclosure, particularly on the effect of fees, charges and commissions on superannuation accumulations. Consumers cannot be expected to make real choices if they do not understand what they are choosing between and if they do not know the bottom line. There is ample evidence that consumers do have great difficulty in understanding financial information in general. The ANZ financial literacy survey confirmed what many already suspected: Australians’ understanding of financial matters, and in particular superannuation, is not strong. The Liberal government of course argues that the new disclosure regime introduced as part of the FSR process will resolve this problem. Let me make it clear: it will not.

Apart from the fact that disclosure alone will not be enough to ensure that consumers fully understand the choices they are making, recent research on the ASIC disclosure model has shown there are major problems
with the model and that, even with the recommended changes, the model is inadequate. Chant West produced a report on behalf of ASFA about ASIC’s fee disclosure model, which concluded that, even if the model were significantly amended to reflect ASFA’s recommendations, it would remain inadequate. The report says:

Even with such improvements however, it is not clear that consumers will be able to understand ASIC’s fee tables or make valid comparisons of bottom line costs.

The research uncovered a number of shortcomings apart from the difficulties in understanding the fee tables in the ASIC fee disclosure model. Investment fees are not well disclosed in many funds, and other fees are not consistently reported. In other cases, the manner of reporting of fees can be misleading. Labor has always supported the introduction of choice—a safe choice model in which the individual is able to make a real and informed choice. The Liberals’ unsafe choice regime, with its totally inadequate disclosure model, fails to meet that requirement.

Even if the ASIC disclosure model were adequate—and it is not—the Liberals’ choice regime is still unsafe. It is clearly recognised by all in the superannuation industry that consumer education is essential; that is, consumers need to acquire the skills to interpret the information disclosed in order to be able to make educated and informed choices. The Liberals’ unsafe choice regime, with its totally inadequate disclosure model, fails to meet that requirement.

Even if the ASIC disclosure model were adequate—and it is not—the Liberals’ choice regime is still unsafe. It is clearly recognised by all in the superannuation industry that consumer education is essential; that is, consumers need to acquire the skills to interpret the information disclosed in order to be able to make educated and informed choices. Let us return to the ANZ financial literacy survey results. According to the results of this survey, even though on average the population had reasonable mathematical skills:

... applying these skills to the comprehension of financial statements presented some challenges ...

The understanding of basic investment fundamentals was extremely poor. In particular, the relationship between risk and return—a fundamental relationship in the investment context—was not at all well understood. Yet the Liberals, in the face of all this information, insist on inflicting on the public their unsafe choice regime, a regime that would leave consumers very much the prey of unscrupulous sectors of the financial services industry willing to exploit those lacking in financial literacy skills—the skills needed to understand and interpret crucial information about superannuation.

The Liberals’ answer to the education issue is to propose funding to educate consumers about their choice regime after it is in place. Not only is that too late—consumers need to be educated before choice comes into operation—but the amount allocated to education, roughly $1.60 for each individual, is clearly ridiculous. Just how much education can you provide for $1.60? Certainly not enough to equip the average consumer with the information and skills required to make a real and informed choice. It is not even enough to fund a fridge magnet saying: ‘Watch out for suspicious people providing bad financial advice’.

The inadequacy of the government’s total expenditure of $28.7 million over four years has been recognised by the industry. At the inquiry into this bill the ASFA representative stated his belief that $28.7 million would not go very far in a ‘campaign that would catch most people’. The representative of the Financial Services Consumer Policy Centre at the University of NSW also argued the amount was inadequate, and the representative for the Industry Funds Forum summed it all up succinctly:

I think that, by any measure, $28.7 million spent over four years is not going to achieve the sorts of objectives we would say are appropriate for an education campaign.

As already pointed out, the fact that the Liberals’ meagre education program is not scheduled to start until the Liberals’ unsafe choice regime is in place speaks for itself—it
is a case of the cart coming before the horse if ever there was one. A striking comparison can, of course, be made with the Liberals' GST advertisements, which came well ahead of the introduction of the GST. It certainly lets us all know exactly where the Liberals' priorities lie, and it certainly is not with the ordinary worker battling to save some money for retirement.

This brings me to another important issue—that of fees, charges and commissions. This is another problem that the Liberals will not concede exists, and yet the effect of high fees and charges and the even more deceptive commissions on a fund member’s account can be significant, running into tens of thousands of dollars over a fund member’s working life. I have already pointed out that high exit fees operate as a barrier to changing funds, but they are also in some cases so excessive that they have a devastating effect on an individual’s retirement savings.

At the inquiry of the Senate Select Committee on Superannuation into the since disallowed portability regulations, one submission included a list of examples of excessive exit fees. These excessive exit fees ranged from nine per cent to 93 per cent of the balance of the superannuation account. A 93 per cent exit fee is obscene. Is it any wonder many people are now turning away from superannuation? We have heard of even higher levels of exit fees, the most extreme cases leaving the fund member owing the fund money. I think this is a convenient place for me to stop.

The SPEAKER—I reassure the member for Kingston that he has the call and the chair has not interrupted him.

Mr COX—I am simply trying to expedite the rest of the day.

The SPEAKER—I appreciate that the member for Kingston may have a certain passion to be heading back to the electorate of Kingston, but he has the call right now.

Mr COX—Labor believes that the nine per cent compulsory SG deserves to be protected from losses due to excessive fees and charges. It also recognises the difficulties faced by consumers in interpreting the effects of a commission and its impact on superannuation accounts, and it consequently believes that commissions on superannuation paid for by SG contributions should be prohibited. Of course, the Liberals argue that choice will open up the market to competition with the result that fees and charges will decrease. This is an assumption with no basis in fact. On the contrary, there is evidence that the opposite occurs in a so-called free-for-all market in retirement products. For example, in both Britain and Chile massive increases in charges occurred when the market was opened to unregulated competition. What is more, the evidence from industry surveys indicates that in Australia, in circumstances where choice now exists, the costs are generally higher and the returns lower.

With unregulated competition, fees are pushed up by the huge marketing and promotion costs involved in competition for the superannuation dollar, not to speak of the rewards paid to the sales force: the financial advisers and planners. The Liberals' free market superannuation regime will not decrease costs; it will instead generate new costs that will ultimately fall on the consumer. We all need to remember that fees, charges and commissions can significantly erode superannuation savings. A one or two per cent annual fee reduces the final retirement income by 22 and 40 per cent respectively, and a five per cent fee reduces it by a huge 60 per cent—a frightening statistic. The Liberals’ choice regime also ignores the current practice of financial service organisations offering incentives to employers to use their particular fund. This is a practice that in
a choice environment would no doubt continue, with the objective of getting the employer to pressure employees into the employer’s chosen fund.

Labor will not endorse the Liberals’ choice regime—a regime that does not control fees and charges and commissions on superannuation products purchased with SG contributions. It is a regime that will ultimately result in an increase in costs with a corresponding decrease in superannuation savings. Nor will Labor tolerate a regime that does not prohibit inducements made to employers.

What about small business? Has the government thought at all about the effect of its unsafe choice regime on the operations and profitability of small business? The Liberals, the party that purports to represent small business but that introduced the small business nightmare of the GST, now wishes to impose on small business another expensive and time-consuming burden: unregulated choice of superannuation fund. Just imagine that you have a small business with 15 employees and each employee chooses a different fund. That will mean 15 different lots of paperwork and the cost of time spent sorting it all out. It is another Liberal government small business bureaucratic nightmare, when small business will not recover from the last bureaucratic nightmare, the GST.

Finally, a word about the Liberals’ interpretation of choice—the Liberals’ very flexible interpretation of choice and of their own philosophy. The Liberals want to introduce choice where choice serves the interests of their supporters in the financial services industry: the large financial services organisations that will benefit from the Liberals’ unsafe choice regime. But when it comes to other choices they are not so generous in their interpretation. Australians are free to choose the partner they wish, including a same-sex partner, but the Liberals will not allow fund members in same-sex relationships to make the same choices as all other couples—that is, they deny couples in same-sex relationships the same rights as the rest of the community to provide for their partner’s retirement security. The government should remember that it is their money and they have the right to provide for their dependants. The Liberals’ choice regime effectively discriminates against those who choose to live in same-sex relationships and denies them a choice available to all others. It illustrates the hypocrisy of the Liberals’ approach to choice and even to liberalism.

Labor does not support a bill that will introduce unsafe choice. Therefore, I move the second reading amendment circulated in my name:

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

the House declines to give the Bill a second reading, and regards it as an ‘unsafe choice’ Bill because:

(1) there is no provision for clear, simple and comparable disclosure so that consumers can understand the total impact of fees and charges;

(2) excessive entry and exit fees, which act as barriers to choice, are not banned, nor is there provision for the regulation of any fees, charges and, in particular commissions on investing the compulsory 9% superannuation guarantee contributions that can significantly erode superannuation savings;

(3) there is no exemption for small business, further burdening it with red-tape and paperwork and the consequential financial costs;

(4) it causes complications for those superannuation funds which provide low cost life insurance for members, with the consequence that many funds will cease to provide a life insurance option;

(5) there is no provision for a comprehensive and effective consumer education program;
(6) there is no provision to include same sex couples in the choice regime, further perpetuating the existing discrimination against same sex couples in relation to superannuation rights; and

(7) there is no prohibition on financial service providers offering inducements to employers to direct superannuation to a particular fund where the fund selected may not be the one that best represents the employees’ interests”.

The SPEAKER—Is the amendment seconded?

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

Debate (on motion by Mr Ross Cameron) adjourned.

HIGHER EDUCATION SUPPORT BILL 2003

Consideration of Senate Message

Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.

Bill returned from the Senate with requested amendments.

Ordered that the requested amendments be considered forthwith.

Senate’s requested amendments—

(1) Clause 30-5, page 34 (line 28), omit “$3,086,242,000”, substitute “$3,098,123,000”.

(2) Clause 30-5, page 34 (line 29), omit “$3,215,263,000”, substitute “$3,227,263,000”.

(3) Clause 30-5, page 34 (line 30), omit “$3,343,701,000”, substitute “$3,364,683,000”.

(4) Clause 41-45, page 59 (table), omit the table, substitute:

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<th>Item</th>
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<th>Amount</th>
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<td>3</td>
<td>2007</td>
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(5) Clause 46-40, page 64 (table), omit the table, substitute:

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<td>2007</td>
<td>$197,481,000</td>
</tr>
</tbody>
</table>

Dr NELSON (Bradfield—Minister for Education, Science and Training) (9.21 a.m.)—I move:

That the requested amendments be made.

Ms MACKLIN (Jagajaga) (9.21 a.m.)—I will not say very much just now. We will have an opportunity a little later to say more about what this government’s changes will mean to Australian universities and to our students and their families. We do support increased funding to universities, so we will support these amendments that at least add a little more to the funding that is so desperately needed by our universities. This government has cut $5 billion from our universities over the last seven years. It is because of those cuts that our universities find themselves in such difficult circumstances. It is because of those cuts that our university students are finding themselves in overcrowded classrooms and that staff find themselves overloaded with more and more students as there just are not enough staff.

It is a good thing that the government is putting some additional funding into our universities, but this still goes nowhere near making up for the massive level of budgetary pressure that the government has put our universities under. So, yes, we will support these changes, but of course we will continue to campaign over the next few months leading up to the election to press the government to do even more for our universities. Labor’s policy is on the table. We have indicated how we will fund our universities in a
way that makes sure that the demands on the universities to provide outstanding, world-class university education can be delivered.

Question agreed to.

**HIGHER EDUCATION SUPPORT (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2003**

**Consideration of Senate Message**

Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.

Bill returned from the Senate with requested amendments.

Ordered that the requested amendments be considered forthwith.

**Senate’s requested amendments—**

1. Schedule 2, page 52 (before line 6), before item 145, insert:

   144A After paragraph 8(8)(zj)

   Insert:

   (zja) the amount or value of:

   (i) a scholarship known as a Commonwealth Education Costs Scholarship; or

   (ii) a scholarship known as a Commonwealth Accommodation Scholarship;

   provided for under the Commonwealth Scholarships Guidelines made for the purposes of Part 2-4 of the Higher Education Support Act 2003;

2. Schedule 2, page 55 (after line 24), at the end of the Schedule, add:

   **Veterans’ Entitlements Act 1986**

   169 After paragraph 5H(8)(ha)

   Insert:

   (hb) the amount or value of:

(i) a scholarship known as a Commonwealth Education Costs Scholarship; or

(ii) a scholarship known as a Commonwealth Accommodation Scholarship;

provided for under the Commonwealth Scholarships Guidelines made for the purposes of Part 2-4 of the Higher Education Support Act 2003;

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (9.25 a.m.)—I move:

That the requested amendments be made.

Question agreed to.

**SUPERANNUATION LEGISLATION AMENDMENT (CHOICE OF SUPERANNUATION FUNDS) BILL 2002**

**Second Reading**

Debate resumed.

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

**Mr BAIRD** (Cook) (9.25 a.m.)—I rise today to support the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. It is an appropriate bill. I listened to the member for Kingston speak. He is a person in this place who I have a personal regard for. I was surprised by his speech, which was definitely not one of his better ones. It really failed to come to the heart of things—that this bill is about providing choice to those in the work force as to whether they want to invest in one particular superannuation fund or another. We all know that the Labor Party likes to have a monolithic approach to life whereby the government controls everything and the market-
place does not determine what people do, but we on this side of the House believe in the marketplace as the appropriate way to go. We believe in choice: the freedom of individuals to make the decisions that affect their lives.

There are few things that affect people’s lives more than the choice of superannuation. People come to me on a constant basis saying, ‘I invested in a particular fund group, and the amount that I received from that group is not sufficient.’ Particularly last year, when the American market slid, people in certain high-profile investment schemes found that the value of their superannuation funds had dropped. As a person who actually invested in one of those funds, I sympathise and empathise with their consideration. Of course I moved to have my funds put in another superannuation scheme, and that is the way it should go.

There is a choice: either your superannuation fund performs or you shift. That is the marketplace. That is what people are used to. They do not want the government determining that they should have only one scheme. They do not want a corporation saying, ‘This is the company’s scheme, and that is the way it goes.’ Even with a very large organisation in Australia—it is one of the top 10 in Australia; and a number of people in my electorate are employed by that particular organisation—only two weeks ago some people came to tell me the difficulties they had when wanting to opt out of that scheme and go into another one, because they do not believe that their superannuation fund is performing as it should.

I was concerned about that, and it highlights the fact that we do need the choice and we do need the competitive environment to make sure super funds are performing in the best manner and that they are getting appropriate returns. I believe that is one of the key issues that people are concerned about in our community, so I am surprised at the speech by the member for Kingston on this issue. On the question of choice, I heard him speak about gay couples. I thought that that was a separate issue that should be debated at another time rather than muddying the waters in terms of this particular bill, which is quite clear. It is clear that the Australian people want options when it comes to superannuation, and the coalition is being responsible and providing that choice. This bill is a measure which is designed to take the superannuation industry forward. It is a step forward by a progressive and economically prudent government, and it goes a long way to confirming Australia’s status as having one of the world’s soundest superannuation sectors.

I think of the time when you and I first left school, Mr Deputy Speaker Causley. One went into various schemes and the money was left behind. I speak for myself: for the first 20 years of my life, I do not know what happened to those funds. I saw very little of them. They just disappeared. There was no choice in terms of the scheme you were in. The money was often left behind or the returns were so poor that it was hardly worth picking them up.

Now of course it is a very different situation. There is a requirement that people should prepare for their own retirement. Right from the beginning, the funds should be separated out and should not be touched. An important part of that is this question of choice. It is important with the ageing of Australia and the demographic shift. We think that, by 2042, over half the population will be aged 45 and over, and a third will be aged over 55. In my electorate alone, over 18½ per cent of my electorate is aged over 65. I listen to the superannuation choices that they made and the regrets that some of them
have. I believe the ability to choose one’s super scheme is quite fundamental.

The size of the superannuation industry in Australia is significant. It is a significant part of the economy. In fact, as of December 2002, Australia had approximately 250,000 separate superannuation funds, which manage in excess of $A500 billion in assets on behalf of 25.1 million accounts. Further, for the year ended December 2002, aggregate contributions to superannuation funds amounted to $A51.7 billion, while benefit payments amounted to $A35.4 billion.

Currently, superannuation averages $56,000 per person and, after the family home, makes up the second largest asset held by most Australians. It is therefore crucial we have the opportunity to determine where our savings for retirement are directed. Can we imagine in terms of our largest asset, our home, if we had the government telling people: ‘This is where you’re going to live; this is the amount that you can put into a home; this is the way it should go.’ People would say you were crazy. We want total choice as to where we live. It is the same with superannuation funds: the second largest asset that Australians hold is superannuation, and why wouldn’t you give them that choice?

The bill currently before the House is yet another example of the coalition getting on with the job of managing the economy. It delivers on the promises we made during the 1996 federal election campaign and reaffirmed in the 2001 election document, A Better Superannuation System. In the 1997-98 budget, the government outlined a choice of funds measure which sees employees able to choose where their superannuation contributions are paid. It provides workers with the right to choose who manages their superannuation. While there is a clear intention of superannuation trustees to do a good job for their members, this intent does not always translate into success and there will be some who fail to protect their members’ interests. We have seen some spectacular examples in that regard.

This bill will amend the Superannuation Guarantee (Administration) Act 1992. From 1 July 2004 it will be a requirement of employers to comply with choice of funds. This will be done in two ways, these being by formal mechanisms of offering a choice of funds to employees or by agreeing to a fund that an employee proposes by way of a written agreement. An individual written agreement will involve the employer being provided with notice by the employee proposing a fund and the employer accepting that fund in writing. For those who are happy with their current arrangements, there is going to be absolutely no need to change funds. However, those who are seeing their retirement funds being whittled away by poorly performing returns and exorbitant fees will be able to protect their nest eggs through choice.

I heard the member for Kingston saying that one of the reasons Labor would not agree was that the question of fees and charges et cetera was not part of this bill. Of course, that is what you get with competition. If you get true competition in the marketplace then people can evaluate what the fees and charges are and go with the company or organisation fund that is able to provide appropriate returns and also minimise the cost to the individual investor.

With approximately $6.9 billion in lost superannuation and the potential for fund members to incur fees in each superannuation fund in which they are a member, it is imperative that a flexible system be created. I had in my electorate office just a week ago, for example, a young building contractor—who is out there in the workplace, moving around from scheme to scheme—saying how
difficult it was to get employers to organise to provide for superannuation funds to be put into different schemes. ‘I don’t understand,’ he said, ‘but I wish there was a simpler way that I could choose for my funds to go into that particular system.’ I said, ‘It is on its way.’ It is a scheme that I believe will have strong resonance in the community. Undoubtedly these changes will lead to revitalised competition in the superannuation industry and make funds more suited to individual members.

The formal choice process is going to ensure that employers offer their employees a standard choice form within 28 days of commencement of employment. An employee will also have the right to request a standard choice form every 12 months. It is within the employer’s entitlements to contribute to a default fund if the employer has complied with the choice requirements and the employee has not chosen in compliance. You can imagine that, when a lot of young people come in, they do not focus on that; they have other things on their mind, as you and I might remember, Mr Deputy Speaker Causley. With this opportunity, people do not focus on it and they do not decide themselves where they should invest the funds but rather it is left in abeyance, so the employer can then make the decision as to where it should go, as long as it meets the requirements. The employer must be willing and able to provide information with regard to the process taken for choice and ensure that the fund has minimum levels of insurance in respect of depth.

The criteria for the selection of a default fund for an employee are contained within the provisions. If there is a Commonwealth or territory industrial award fund for the employee then this is to be the default fund. Should there be no such industry award fund then the eligible choice fund will be the majority fund to which the employer contributes on behalf of more employees than any other fund. If there is more than one fund provided in the award then the employer must choose one as the default fund.

As is clear, the figures which were released by APRA suggest that the return for superannuation funds in Australia over the period 2001-02 was minus 1.6 per cent, and I can certainly attest to that in terms of my private investment fund. However, the average return over the past seven years was in fact a short seven per cent. This data indicates that, whilst global markets have been in steady decline over the last two years, Australian superannuation funds have produced a comparatively strong performance over this time. In the US the average decline in 2002 was 10 per cent; in the UK the average decline in 2002 was 14 per cent. It is true to say that Australia has a superannuation system of which we can be proud.

Superannuation is a process that is evolving, and we have certainly come a long way from the bad old days when there was little attention given to this. You were given no choice, the funds were locked in one company’s superannuation scheme and if people moved on they simply left them behind. Of course, many people did not provide for their retirement and, suddenly, when they faced retirement or were forced through redundancy to move into retirement, they were not prepared for it.

The new approach to superannuation—with people preparing for their retirement by deductions, which they cannot touch, being taken out of their salaries—is a good move; it is moving in the right direction. I am sure that in the future we are going to see further changes made to superannuation schemes, including the prudential management of them. This bill is an important building block. Choice is fundamental to what we on this side of the House believe in. The mar-
ketplace can determine which way to go. In some cases you have market failure but this is not the situation with superannuation funds: most of Australia’s superannuation funds compete in a very systematic and appropriate way. The returns of each fund during the past year are provided in the Australian Financial Review. Those who are concerned can go to the returns of the funds for each year to determine which is the appropriate fund in which to invest.

This is what we want to see in the marketplace: competition, which always fires up companies and organisations to do their best, rather than sitting back, as some of the larger companies have with their one-fund schemes. These schemes have not necessarily been performing as well as some of the private sector schemes that are out there, investing and monitoring the situation and determining where the best return is going to be placed. If they do not, of course the market is fairly ruthless in terms of that, and people will switch their funds, as we have seen with some quite large superannuation schemes over the past 12 months. Management changes and the high fees that are being paid to some of the directors are looked at and some people are moved on—this is part of the scene. At the bottom line, this bill is showing real concern for our retirees, the older people in the community, and making sure that they maximise their funds so that in their golden years they have funds to be able to support themselves, have a roof over their heads.

That is why we are in favour of this true choice situation helping people prepare for their retirement in a free market economy. We on this side of the House believe that this choice should be given to the Australian community. I believe it will resonate strongly with those who are in the work force, and I think those who have already retired will support the government on this. These changes should have been made a long time ago. I support the bill.

**Ms JANN McFARLANE (Stirling) (9.41 a.m.)**—I am pleased to rise today to speak on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. The main reason I am pleased is that I wrote this speech in August 2002 and, every couple of months, as I looked at the progress of the bill in the House, I would start thinking that surely the government had to finalise this matter and bring it to fruition—so I am doubly pleased to be making this speech.

We are now attempting to deal with the issue of superannuation choice for the third time since this Liberal government came to power in 1996. There is no doubt that the broad concept of choice in superannuation is popular and is supported by all parties in this place. The problem is in the implementation of this concept. Questions such as accountability, complexity, protection and cost all arise in this complicated area. The Senate Select Committee on Superannuation, which examined the bill in detail, highlighted these areas in its report. There is currently no legislated choice of superannuation funds at the federal level. Almost 80 per cent of employees do have choice as to how employee superannuation guarantee payments are invested within their fund. These commonly take the form of being able to decide the mix of their investments in sectors such as equity, property or bonds.

To progress this debate, I think it is very important that the government consider the amendment that Labor want to make. This is the amendment moved by my colleague:

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

“the House declines to give the Bill a second reading, and regards it as an ‘unsafe choice’ Bill because:
(1) there is no provision for clear, simple and comparable disclosure so that consumers can understand the total impact of fees and charges;

(2) excessive entry and exit fees, which act as barriers to choice, are not banned, nor is there provision for the regulation of any fees, charges and, in particular commissions on investing the compulsory 9% superannuation guarantee contributions that can significantly erode superannuation savings;

(3) there is no exemption for small business, further burdening it with red-tape and paperwork and the consequential financial costs;

(4) it causes complications for those superannuation funds which provide low cost life insurance for members, with the consequence that many funds will cease to provide a life insurance option;

(5) there is no provision for a comprehensive and effective consumer education program;

(6) there is no provision to include same sex couples in the choice regime, further perpetuating the existing discrimination against same sex couples in relation to superannuation rights; and

(7) there is no prohibition on financial service providers offering inducements to employers to direct superannuation to a particular fund where the fund selected may not be the one that best represents the employees' interests".

I ask the government to seriously consider our amendment. It is an important amendment as it goes to the crux of the deficits of this bill. The bill in itself is a good thing, but it has deficits. As I mentioned, the Senate Select Committee on Superannuation reported on the consideration of bills for July to December 2002 in December 2002. So it has taken a long time for the work that went into this report by the senators to filter through and emanate in this bill before the House. But, without Labor’s amendment, we think it is problematic, particularly from the consumer protection side. I would like to read a section from the report. In the summary on page 135 it says:

The Committee supports the principle of choice, and the right of individuals to choose their own superannuation funds, with appropriate consumer protections. However, the Committee believes that the Bill would benefit from a number of improvements in providing for the successful implementation of choice. Accordingly the Committee believes that the Government should consider making appropriate amendments to the Bill, after examining the implementation issues raised during the inquiry, in particular:

• clarifying and simplifying the default fund provisions, while retaining the protection offered by Federal, State and Territory industrial awards, where applicable;

• considering the compliance burden on businesses;

• considering the impact of fees and charges;

• reconsidering the provisions applying to defined benefit funds, with a view to exempting defined benefit funds from the proposed legislation, providing the schemes are fully funded and the employer contribution is in excess of the nine per cent SG rate;

• ensuring that appropriate levels of death and invalidity insurance cover under the default provisions of the Bill are outlined in regulations;

• considering the impact of death benefits on fund members; and

• reconsidering the level and nature of employer fines, following receipt of advice on their constitutionality.

So the committee, which was a bipartisan committee, raised these points in the summary. I do not think the bill has gone far enough in taking into account these points. Hence, Labor had no choice but to move the amendment now on the table.

I would like to point out the comments made by the Labor senators. I think at this stage I will mention and commend the work of my colleagues Senator Nick Sherry, Senator Geoff Buckland and Senator John Hogg.
They are people with experience who put a lot of work, time and effort into this. They travelled around Australia with the committee to try and make sure that the voice of the community came forward—in particular, the voice of the community with regard to real choice, not just some kind of small framework of choice that actually has problems down the track.

In the report, on page 87 under ‘Additional comments by Labor senators’, the overview says:

Labor senators believe that consumers should have a broad and well-informed choice of fund with full protection. This Bill does not provide the basic elements of this objective.

This Bill potentially impacts on the superannuation retirement savings of 8.8 million Australians. It has major ramifications for their superannuation savings.

This Bill with its deregulation will force employers to offer a choice of fund and will force up to 8.8 million Australians to make a choice of fund.

It goes on to say:

The critical problem is the level of financial literacy of 8.8 million Australians. To what extent should forced decision making be expected of up to 8.8 million consumers and what level of protection should be in place?

The Liberal laissez-faire free market philosophy that deregulation of superannuation will increase competition and should lead to a reduction in costs because 8.8 million consumers will be well-informed as result of disclosure and education is fundamentally flawed.

In the UK the Thatcher Government tried the experiment and it was a disaster. In the US—the often-quoted free market leader—not even the strongest advocates of privatisation of the social security (pension) systems are arguing for choice of fund.

The Government’s disclosure model is not comprehensible and their education campaign miniscule.

If adequate disclosure is delivered what will be the behaviour of consumers when forced to make a choice? Many will make poor decisions to their detriment and/or seek additional advice adding an extra layer of private sector bureaucracy for which they will have to pay from their contributions thus reducing their retirement income.

As you know, Mr Deputy Speaker Causley, I am a mature woman. I have been in this world some time. I am a mother and a grandmother. My children are young adults in their 20s. They work casual seasonal contract work. They come to me and they bring their friends to me. Not only do I work in my electorate 60 hours a week or whatever it is—and, as you all know, we are all workaholics in this place—but also, on the weekends, I have to provide a service to my children and their friends. A lot of it is helping them to complete the paperwork to do the rollover on their superannuation fund for some job they have worked in for a year or two. They have moved into different fields, from hospitality to retail to office work or whatever. I continually ask these young people: ‘What have you done about your super? Have you rolled it over? You will lose it all in exit fees.’ So they bring themselves to me with these forms.

I must point out to the House that I have a superannuation fund too. I want to give a message to the people who design those forms for superannuation funds. For me as a parliamentarian, parent and grandparent, and for my friends, colleagues, neighbours and constituents, can you please simplify the forms and make them understandable? They are complex and obscure. They often do not need a lot of the boxes filled out, but, by the time you work your way from option A to option P, it is very hard to complete these forms logically and sequentially and actually understand what you are doing.

I have been very active in trying to make these young people in my life, as well as my constituents, understand superannuation but particularly understand the importance, if
they have many small funds, of rolling them over into one. When it comes to advice on which one to roll them over into, I do not give it to them. I tell them they have to go out and find out what is best for them. They would like to be able to just tap on a site on the Internet and find the best one with a click, but the world does not work like that.

This bill is weak on consumer protection. To think that people can be financially literate is a bit of a fantasy. My message to the superannuation funds is: do something about your paperwork and also about how you send out brochures and information—particularly to young people, but also to older people—explaining what the fund is about. I am sure that most people got their statement of benefits from their superannuation fund in July and August. If you can understand that and the report that comes with it, you must be an extremely talented person with a degree, a master’s and a PhD in finance and commerce. I am pretty literate, but I have great problems with those statements.

Let us look at what has happened. Let us look at the evolution of a government superannuation policy. Labor introduced the national superannuation scheme in 1992—something we were proud of. This included the compulsory superannuation guarantee, which is now nine per cent. The effect of this measure was to increase superannuation coverage from less than 40 per cent of the workforce to 88 per cent today.

The rationale behind Labor’s superannuation system was threefold. The first goal was to improve retirement incomes to take them above a basic age pension but make them sustainable in the long term, particularly given the increasing age of our population. The second goal was to improve fairness, particularly for low- and middle-income earners, through compulsory superannuation, to improve self-reliance. The third goal was to build an efficient and cost-effective system administered and invested in by the private sector. As my colleague the shadow minister for retirement incomes and savings stated in a recent policy paper, it was a long-term visionary policy.

I find it interesting that all these goals are in sync with the finding of the Treasurer’s Intergenerational Report, which was released with last year’s budget. The government’s actions on superannuation have not been consistent with the findings of its own Intergenerational Report. Labor had planned to expand the contribution regime with a co-contribution of three per cent from the employee and three per cent from the government, making a total of 15 per cent. This was fully costed by Labor in the budget forward estimates, and the actions of this government in abandoning this policy could best be described as short-sighted.

This government’s actions on superannuation since it came to power have been all over the place. It has been a display of backflips and twists that would make an Olympic diver jealous. The first measure, introduced in 1996, was the so-called surcharge tax on higher-income earners. What this effectively did was double tax for high-income earners who were saving for their retirement. You could hardly call this an incentive to save. Then there was the policy of expanding the surcharge by including fringe benefits in income calculations. The government then changed the treatment of termination payments for surcharge purposes. Then, after realising the folly of the original decision to double tax for high-income earners, it announced a phase-down of the surcharge rate from 15 per cent to 10.5 per cent.

There was also the experiment with a savings rebate for voluntary contributions, which they dumped after a year. So much for encouraging saving. So much for the com-
munity being well informed and keeping up with it. Next, there was the failed attempt at consumer protection. I use the term ‘consumer protection’ loosely, because this policy was all about restricting compensation in the event of theft or fraud. By attempting to restrict compensation to 80 per cent of people’s savings, this government certainly showed scant regard for those hard-earned savings.

So what does all this show us? It shows us that this government has not been proactive in encouraging retirement savings. The government’s record on successfully managing this important aspect of people’s lives is lacking. This mismanagement has now extended to the issue of superannuation choice. As I mentioned in my opening remarks, this is the third time this government has tried to address this issue. Again, the government is found lacking.

A constituent rang my office last week—a young chef who was changing jobs and moving from one area to another. He has rung my office twice. He is a bright young man who has struck on the idea of superannuation choice—and I keep giving the message to my lovely electorate of Stirling that it will happen one day—and he wanted to know whether the bill was through. I did not know whether to laugh or cry, because he was signing up to a new job the next day and he wanted to know whether in going into a new job he had a choice in superannuation. He is a young man in his early 20s who understands that these things are happening and who has rung my office three times over a year to find out what was happening.

Mr Cadman—Did you tell him that you had blocked it?

Ms JANN McFARLANE—No, I told him that, because the government could not get it right, it was going to come back into the parliament soon—

Mr Cadman—You are the cause of his problems.

Ms JANN McFARLANE—but that he should sign up on the scheme put forward by his employer, because that was his only choice that day. I hope he started his new job and is happy in it.

Mr Cadman—I hope he votes Liberal.

Mr Martin Ferguson—You are a nasty excuse for a human being.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Batman, we do not need any contribution across the table.

Ms JANN McFARLANE—This is why constituents ask why Labor do not support superannuation choice. This assertion is based on propaganda circulated by this government. It is not true that we do not support choice. Labor support superannuation choice—

Mr Cadman—Rubbish!

The DEPUTY SPEAKER—If the member for Mitchell wishes to speak he will obey the orders of the chair.

Ms JANN McFARLANE—but choice which is backed by full protection for the consumer. Before I go into the specifics of this bill, I also want to speak briefly on an issue that has still not been adequately resolved by this government. A few months ago I spoke in this place on the bill that made changes to the superannuation guarantee. In that speech I constantly referred to the prosecution powers of the ATO. In his reply to members’ speeches, the parliamentary secretary, the member for Fisher, mocked me—like the member for Mitchell is mocking me here today—saying that the terminology I used was incorrect and, as a result, I did not know the system. I would like to correct the parliamentary secretary, the member for Fisher, and point out that I was using the
correct terminology. This terminology is used by the ATO and in the Senate report.

The policy of this government and the policy direction it gives the ATO are the reasons why the parliamentary secretary got so confused. Even though it is known as a prosecution process it is essentially a toothless tiger, and the stated policy is to educate employers to carry out the requirements under law rather than to enforce them. I actually stated this in the superannuation guarantee debate. Unfortunately, education programs do not work on people who deliberately ignore the law. Before this government legislates on choice of super fund it needs to make sure that honest, hardworking people are not ripped off. The minister needs to introduce harsh penalties for those businesses that openly flout the law. Just changing the time frame for payment is not going to work on its own.

Recently, a constituent of mine who worked for a company called Healy Airconditioning, which traded under the name Airworld, approached me about his superannuation. Alwyn Healy is the sort of operator that this government believes does not exist: a shyster. I believe that Mr Healy was the subject of an expose on one of the current affairs programs. Mr Healy was a real class act when his company went broke. It was revealed that he had stopped paying the superannuation guarantee for his employees in 1997. This shyster continued to give his employees fortnightly payslips with their superannuation contributions clearly marked on them. So for almost five years he lied to and stole money from his employees. His penalty: nothing. He has now set up another company called Sola-Air in Bayswater, outside my electorate, and continues to trade.

Meantime, the liquidator and the ATO have told Mr Healy’s former employees that they are at the end of a very long queue of creditors and are unlikely to see any of their superannuation money or entitlements. You have to love this country: there is one rule for the Prime Minister’s brother and one rule for the rest of us. So maybe if the parliamentary secretary got out into the real world and saw the problems that are facing thousands of Australians his contribution to the debate would be more than sitting down and writing notes on our speeches and then selectively misrepresenting our arguments to score political points. This is about people’s lives. The retirements of the people who worked for Healy Airconditioning are affected by the loss of years of superannuation contributions.

I do not expect the Prime Minister will change and, as a result, I do not look forward to either the Prime Minister or the parliamentary secretary making a positive contribution to this debate. Maybe the parliamentary secretary could do something useful for a change and tell the House how his government intends to get my constituent’s money back and how the employees of Sola-Air are going to be sure that this same sort of rort is not pulled on them. I challenge him to restrict his remarks to practical ways in which my constituent can get his retirement nest egg back. I am more than happy to provide the details of my constituent to him so that he can do this.

In conclusion, Labor do support choice, but we want good choice; we want choice with consumer protection. At the moment, consumers do not have a choice, and they cannot move their money due to the pension structure of their superannuation. That is why they need some equity and they need it now. The government needs to bite the bullet and take some positive steps, further than just changing the frequency of indexation. I support the bill with Labor’s amendments,
and I thank you for the opportunity to speak in this debate.

Mr CADMAN (Mitchell) (10.01 a.m.)—I rise to speak on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. I have in my hands a report by the Australian Senate Select Committee on Superannuation dated November 2002. It has taken one year for the Labor Party to think about it. It has taken one year for them to take some positive action by saying that this is a good thing. The fact of the matter is that the Australian Labor Party do not like choice because they think it works against the big funds run by the unions. They are afraid of competition and are seeking to protect their mates in the unions. That is what this is about. The Australian Labor Party will never agree to choice. At the end of the day, I believe that, if they got back into government, there would be no way that they would introduce choice. It is not a factor that is even on their radar, because they do not agree with it. That is the simple truth of the matter. They would rather have the complexity and cost of the current system, which just keeps adding up for people who change jobs and for people in itinerant work. This is a wonderful thing for workers, but the Australian Labor Party keep blocking it.

As I said, there is a Senate report dated November 2002. I stand for the government members of the committee a little because the previous speaker indicated that there was a bipartisan result. It was not a bipartisan result. The government members of the committee clearly stated that the legislation should be passed. The committee as a whole came to a conclusion, and in their comments in the introduction, right at the beginning of their report, they said:

A key issue associated with choice is portability of superannuation benefits. During the inquiry, the Government released a consultation paper on portability. Under the proposed arrangements, portability would relate to the balance of existing funds at 1 July 2004, while choice would relate to contributions made after 1 July 2004.

In the report, as a group the senators said that they broadly agreed with choice, some parties more strongly than others, and they considered the government should get on with the job. One year later, we are still debating this issue, and we still have a whole raft of amendments proposed by the Australian Labor Party—a raft of amendments which only seek to delay the acceptance of superannuation choice for the workers of Australia. That is what all this is about: just seeking to delay, to put off and to never get around to supporting the workers.

The people of Australia should remember that nothing can be blocked in the Senate unless the Labor Party agree. The minority parties and the Independents on their own cannot effectively block any government initiative; it takes the Australian Labor Party to bring it to fruition. I think it is a sad thing that an organisation that claims to support the workers of Australia will not allow this legislation through. If it is so flawed, so terrible, so complex and so difficult, why not let it through and then every day criticise the government for such a poor result? But, no, they are not prepared to give it the test. They are not prepared to let it into practice. They are not prepared to let it become law because they know that it is a good thing for workers. What they are afraid of more than anything else is that large union super funds will not be able to compete. That is the only reason that the Australian Labor Party are opposing this legislation—to look after their union mates, to build up the funds and to continue the complexity that is there now. If there were any rationality, any commonsense or any truth in fact in the statements they are making about the need to change this legislation because it is so terrible for the workers of Australia, if they were thinking smart po-
literally, I am sure they would let it in, let it become law, let it create chaos and then point to the government’s incompetence. But that is not their intention.

I would like to draw the attention of the House to the fact that most workers in Australia have absolutely no say where their superannuation savings are invested. Regardless of the fees they are charged and of the returns they get, they have no opportunity of saying where their funds go. They should be given that say. Every person who has a super fund values that super fund and has probably made that their super fund by choice or they have decided on a fund that best suits their needs on the advice of family or their first employer. Having done that, they ought to be allowed to consolidate the savings generated from their hard work in that fund of their choice. As they go through life prior to marriage—and young people may change jobs on a number of occasions—they should be able to achieve the age of family formation with a certainty of the funds that they have put away and with a capacity to borrow from, or to put up as an asset, their contribution to superannuation. But now that is not possible for many because they have got bits and pieces scattered through a series of funds, much of which is being white-anted away by fees and charges. If it could be consolidated, that process would be much diminished.

In November last year the Financial Planning Association conducted research which showed that 71 per cent of employees believed they should have a right to choose their own super fund. In fact, the FPA chief executive, Ken Breakspear, said he hoped the findings of this inquiry would help encourage the passage of super choice legislation through parliament. That was a year ago, and I am sure there is a continuing requirement by more than 70 per cent of people involved in super to choose where their funds are invested.

The same survey found that almost 50 per cent of those who do not have a say said that they would move to another fund, given the opportunity. So 50 per cent are unhappy with the funds they are in and want to move to another fund. The survey found that only 25 per cent of respondents had been able to choose their super fund. I think that is a terrible thing and this is a good thing the government wants to do. We have been at this now for a year, in the process between the House and the Senate, and for years before that, as we tried to get a breakthrough and a change that would benefit the workers of Australia. The only obstacle in the way is the Australian Labor Party. If the current Leader of the Opposition is true to his word now, he will get in there and make a change, but today we see the Australian Labor Party holding their traditional line of obstruction and non-compliance and seeking to persuade the public of Australia that the government has not done anything.

The fact is that the government has been powerless to do things because of the Senate. The Senate Select Committee on Superannuation stopped short of supporting calls for a cap on fees charged by super funds but said that the government should consider regulating fees to reduce the costs paid by all members. Part of the choice process is to look at the fees that are being charged. Part of the choice of deciding what fund you want is to see which one offers the best opportunity for your stage in life and your prospective employment. The Democrats in the Senate have this weird idea that governments should regulate the fees and charges in superannuation. In many instances I would have to say that I am disappointed by the level of fees and charges that funds put on their members. However it is a factor of choice, and this is not the legislation where we should start
fooling around with fees and charges. This legislation is to offer choice; fees and charges can be dealt with in other ways. What the opposition is doing is seizing on fees and charges and rolling them into the choice legislation to try to get other changes that are not part of the choice agenda so that they can use a further excuse, saying, ‘Well, the government is not really going to consider choice as it should be considered.’

I think the Australian Labor Party are missing a great chance. If this legislation is so bad, why for political purposes would they not let it through? The fact is they do not think it is bad; they are concerned about the impact on union funds and they want to protect their union friends. I am not including you in that Mr Deputy Speaker, but I know the Australian Labor Party just wants to protect the millions and millions of dollars stored up in union super funds. That is what this is all about—year after year preventing workers from having an opportunity to receive reasonable retirement benefits.

The amendment that is the basis of the Australian Labor Party’s objection says that the House declines to give the bill a second reading and regards it as an unsafe choice bill. The reason given is that there is no provision for simple, clear and comparable disclosures so that consumers can understand the total impacts of fees and charges. That has nothing to do with choice. Given the opportunity for choice, the first thing people will ask is, ‘What are the costs? What are the charges?’ So there is absolutely no reason to add this amendment. The excessive entry and exit fees are all to do with the general operation of superannuation. They have nothing to do with the choice factor. The government is seeking to get the factor of choice in as a principle for the workers of Australia. Fees and charges are another issue altogether, and if the Australian Labor Party want to deal with them, they should be dealing with them under general legislation covering super and not under the choice bill.

The fact is that the Australian Labor Party are opposed to choice. They do not want choice. They do not want choice for workers and they are not prepared to back the workers of Australia to give them choice in superannuation in order to get the best results in their retirement to choose a fund that suits them and their families and to provide the most beneficial retirement package. I think the hypocrisy of the Australian Labor Party and the way they claim to represent the workers of Australia is beyond belief. They even want to bring in the compulsory nine per cent superannuation guarantee as part of their amendments to this legislation.

Following the Senate inquiry and the report by the Senate Select Committee on Superannuation, the government said, ‘Fine, we think choice is important and we will go away and have another look at it and see what other amendments and changes we can make.’ On 4 November, the Minister for Revenue and Assistant Treasurer, the Hon. Helen Coonan, stated exactly where the government was prepared to modify things in order to listen to what was said by the community, take note of consultations we have had over a long period and see whether it might be possible to negotiate a reasonable outcome through the Senate.

Regarding the commencement date, employer groups argued they needed at least 12 months to prepare for choice, and the government decided it would not commence this bill until 1 July 2005. That was sensible. Regarding penalty provisions, the current situation is that there is a strict liability offence, with a maximum penalty of $6,600 per breach. There was concern that this would be found to be unconstitutional, so that has been changed, and the penalty will be set at 25 per cent of the value of the contributions paid.

CHAMBER
into an incorrect fund. That provides protection for employees so that an employer cannot claim, ‘I just happened to write the wrong name on the cheque, and so your money has gone into the wrong account.’ The penalty will be capped at $500 per employee. The Commissioner of Taxation will have the discretion to reduce this penalty—including down to nil—if it is an honest mistake, while retaining the option of really applying the force of law if that is needed.

With regard to default funds, the bill prescribed a three-step procedure that employers must follow when selecting a fund for employees. We felt that this was inappropriate because the default rules imposed an added obligation. This was one of the objections of the Senate committee and one of the reasons that the Australian Labor Party said that there was an impost on small business. The default rules will be changed to reflect the status quo for employers when selecting a fund. If there is no award governing the contributions, the employer will be able to select any complying superannuation fund as a default fund. This is consistent with the current superannuation guarantee legislation. I did not know that the Australian Labor Party objected to that legislation—I think it introduced it, if I remember correctly. So we are following your own pattern; your own template is being followed. The government is following a template laid down by the Australian Labor Party in bringing some consistency to the choice of default funds by employers.

What has the government done and what is it prepared to consider with regard to the choice process itself? The current bill contains two choice processes: either an employee can choose a fund under a formal choice process or an employee can have an individual written agreement. It was said that these two processes were complicating the legislation. So what has the government done about that? The government has proposed amendments to provide for one choice process. An employee will be able to choose a fund at any time provided they have not selected one in the previous 12 months. Employers do not have to accept a fund if the employee does not provide account details or any other prescribed information to prove that the fund will accept the contributions. It is very simple, very easy and very reasonable, and it demonstrates that we have listened to employees, employers, funds and those parties in opposition to this, such as the Australian Labor Party, who do not want and resist and reject—and have continued to obstruct—the introduction of choice in superannuation.

The government has also made amendments in the area of defined benefit funds. The governing rules of some defined benefit schemes require retirement, retrenchment or resignation benefits to be paid to a person, provided they are a member of the fund at the time of these events. That is inappropriate because members of these funds may be able to use the choice of funds process to be paid additional superannuation benefits. The proposed amendments will ensure that an employee cannot choose a fund if they remain a member of a defined benefit fund that fully secures their rights to a benefit. There is no game-playing—it has got to work fairly on both sides, and that is precisely what the government has done. With regard to retirement savings accounts, the Retirement Savings Accounts Act 1997 currently requires an employer to offer an employee a choice of fund before the employer can make a contribution to the RSA. This is an unnecessary choice under the choice of funds process and that provision has been deleted from the RSA Act.

All in all, these are reasonable provisions. This legislation indicates that there is a real prospect for us to be able to make the changes we need. There is a big change
through the $1.3 billion package of superannuation co-contribution and reduction of surcharge measures that the government has negotiated through the Senate. The matched-savings measure provides a direct injection into the retirement savings of Australian workers earning up to $40,000, and for battlers there is another benefit of up to $1,000 annually. That is allowing the government to match people who want to put money into funds. The government will stand as their partner and allow them to prepare for retirement. There is a whole range of retirement packages geared for people of lower incomes or those people whose employers may not be supplying an opportunity for them. It will also reduce the pressure on those making very large contributions so that they are encouraged to contribute even more.

The choice factor is the only block missing from the total package. The choice factor is something that all employees should have access to, and they are being denied that. I repeat: 70 per cent of people want choice, 50 per cent of employees say that they would change their funds given a chance and only 25 per cent of employees are happy with their current fund. It is therefore irrefutable that these changes need to be made. The Senate committee made suggestions and the government has listed a number of amendments and introduced those amendments. The government is concerned that the commencement date, the penalty provisions, the default funds, the choice process itself, the defined benefit funds and the retirement savings accounts should all be modified as the Senate and other groups have suggested.

It is now up to the Australian Labor Party to put their money where their mouth is. They say that they agree with choice: let them give the workers of Australia choice. Let them agree that this legislation should be given a try; let them say, ‘Let’s put this through; we’ve got objections or worries about certain elements of it and we will be pointing out to you, all through the election campaign, our worries about what you have done.’ That would have been a reasonable approach. But at least the workers of Australia who want choice should be given choice.

Debate (on motion by Mr Ripoll) adjourned.

PARLIAMENT HOUSE: SECURITY

Mr FITZGIBBON (Hunter) (10.21 a.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Hunter moving the following motion forthwith:

This House calls upon the Acting Prime Minister to:

(1) table Mr Daniel Bolger’s white wash security report relating to the visit to the Parliament by the President of the United States;
(2) request that the Speaker table the report of the Sergeant-at-Arms into the presence of a rogue camera in the gallery during the President’s address;
(3) explain to the House the failure of Mr Bolger’s report to address the events which led to the presence of the camera;
(4) reveal who gave authority for the third group of US journalists to access the 1st floor northern gallery through the lift closest to the House of Representatives Chamber on the ground floor thus avoiding the security point on the 1st floor walkway; and
(5) reveal who accompanied the third group of US journalists to the northern gallery after it left the Cabinet room, and what representatives of the Department of Prime Minister and Cabinet or staff of the Prime Minister were with them.

This is a whitewash. The facts of this case—

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.22 a.m.)—I move:

That the member be not further heard.
Thursday, 4 December 2003

Question put.
The House divided.  [10.27 a.m.]
(The Speaker—Mr Neil Andrew)

Ayes………...  73
Noes………..  54
Majority………  19

AYES
Abbott, A.J.  Andrews, K.J.
Anthony, L.J.  Bailey, F.E.
Baird, B.G.  Baldwin, R.C.
Barresi, P.A.  Bartlett, K.J.
Billson, B.F.  Bishop, B.K.
Bishop, J.I.  Brough, M.T.
Cadman, A.G.  Cameron, R.A.
Causley, I.R.  Charles, R.E.
Ciobo, S.M.  Cobb, J.K.
Costello, P.H.  Draper, P.
Dutton, P.C.  Elson, K.S.
Entsch, W.G.  Farmer, P.F.
Forest, J.A. *  Gashi J. *
Gambiaro, T.  Haase, B.W.
Georgiou, P.  Hartsuyker, L.
Hardgrave, G.D.  Hockey, J.B.
Hawker, D.P.M.  Hunt, G.A.
Hull, K.E.  Jull, D.F.
Johnson, M.A.  Kemp, D.A.
Kelly, D.M.  Ley, S.P.
King, P.E.  Lloyd, J.E.
Lindsay, P.J.  May, M.A.
Macfarlane, I.E.  Moylan, J. E.
McArthur, S. *  Nelson, B.J.
Nairn, G. R.  Panopoulos, S.
Neville, P.C. *  Prosser, G.D.
Pearce, C.J.  Randall, D.J.
Pyne, C.  Scott, B.C.
Ruddock, P.M.  Slipper, P.N.
Secker, P.D.  Southcott, A.J.
Somlyay, A.M.  Thompson, C.P.
Stone, S.N.  Toller, D.W.
Ticehurst, K.V.  Tuckey, C.W.
Truss, W.E.  Wakefield, B.H.
Vale, D.S.  Williams, D.R.
Worth, P.M.  

NOES
Adams, D.G.H.  Beazley, K.C.
Bevis, A.R.  Byrne, A.M.
Corcoran, A.K.  Cox, D.A.

Crean, S.F.  Crosio, J.A.
Danby, M. *  Edwards, G.J.
Ellis, A.L.  Evans, M.J.
Ferguson, M.J.  Fitzgibbon, J.A.
Gibbons, S.W.  Gillard, J.E.
Grierson, S.J.  Griffin, A.P.
Hall, J.G.  Hatton, M.J.
Hoare, K.J.  Irwin, J.
Jackson, S.M.  Jenkins, H.A.
Kerr, D.J.C.  King, C.F.
Livermore, K.F.  MacKinnon, J.L.
McClelland, R.B.  McFarlane, J.S.
McLeay, L.B.  McMullan, R.F.
Melham, D.  Messick, F.W.
Murphy, J. P.  O’Byrne, M.A.
O’Connor, B.P.  O’Connor, G.M.
Organ, M.  Pihl, T.
Price, L.R.S.  Quick, H.V. *
Ripoll, B.F. *  Sawford, R.W.
Sciacca, C.A.  Sercombe, R.C.G.
Sidebottom, P.S.  Smith, S.F.
Tanner, L.  Thomson, K.J.
Vamvakinou, M.  Wilkie, K.
Windsor, A.H.C.  Zahra, C.J.

* denotes teller

Question agreed to.

The SPEAKER—Is the motion seconded?

Mr McCLELLAND (Barton) (10.30 a.m.)—Yes, Mr Speaker. The Prime Minister’s office has breached security for blatantly political purposes.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.30 a.m.)—I move:

That the member be not further heard.

Question agreed to.

Original question put:

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

The House divided.  [10.32 a.m.]
(The Speaker—Mr Neil Andrew)

Ayes…………  55
Noes…………  72
Majority………  17
AYES

Adams, D.G.H.
Beazley, K.C.
Byrne, A.M.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Evans, M.J.
Fitzgibbon, J.A.
Gillard, J.E.
Griffin, A.P.
Hatton, M.J.
Irwin, J.
Jenkins, H.A.
King, C.F.
Macklin, J.L.
McFarlane, J.S.
McMullan, R.F.
O’Connor, G.M.
Pibersek, T.
Quick, H.V.
Sawford, R.W.
Sercombe, R.C.G.
Smith, S.F.
Thomson, K.J.
Wilkie, K.
Zahra, C.J.

AYES

Albanese, A.N.
Bevis, A.R.
Corcoran, A.K.
Cooman, S.F.
Danby, M.
Ellis, A.L.
Ferguson, M.J.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G.
Hoare, K.J.
Jackson, S.M.
Kerr, D.J.C.
Livermore, K.F.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Murphy, J. P.
O’Connor, B.P.
Organ, M.
Price, L. R.S.
Ripoll, B.F.
Sciacca, C.A.
Sidebottom, P.S.
Tanner, L.
Vamvakoumou, M.
Windsor, A.H.C.

NOES

Abbott, A.J.
Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadmam, A.G.
Causley, I.R.
Ciobo, S.M.
Costello, P.H.
Dutton, P.C.
Entsch, W.G.
Forrest, J.A.
Gamboro, T.
Georgiou, P.
Hardgrave, G.D.
Hawker, D.P.M.
Hull, K.E.
Johnson, M.A.
Kelly, D.M.
King, P.E.

Lindsay, P.J.
Macfarlane, I.E.
McArthur, S.
Nairn, G. R.
Neville, P.C.
Prosser, G.D.
Randall, D.J.
Scott, B.C.
Sliper, P.N.
Southcott, A.J.
Thompson, C.P.
Tollner, D.W.
Tuckey, C.W.
Wakelin, B.H.
Williams, D.R.

NOES

Andrews, K.J.
Bailey, F.E.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Cobb, J.K.
Draper, P.
Elson, K.S.
Farmer, P.F.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hockey, J.B.
Hunt, G.A.
Jull, D.F.
Kemp, D.A.
Ley, S.P.

Lloyd, J.E.
May, M.A.
Moylan, J. E.
Nelson, B.J.
Panopoulos, S.
Pyne, C.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Vale, D.S.
Washer, M.J.
Worth, P.M.

* denotes teller

Question negatived.

SUPERANNUATION LEGISLATION AMENDMENT (CHOICE OF SUPERANNUATION FUNDS) BILL 2002

Second Reading

Debate resumed.

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

Mr RIPOLL (Oxley) (10.37 a.m.)—I rise to speak on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. This bill is very important to many Australians. In fact, I would say that it is important to all Australians; it should be something that people actually take note of. I do not want to talk at length about a whole range of issues contained within this bill, but I do want to spend a little bit of time outlining Labor’s view and trying to dispel some of the myths that are contained within the body or even the title of this bill.

The government has for a long time had the idea that giving bills a particular name
makes them represent a particular type of view. For example, ‘choice’ is a word that has been used widely in this debate, in terms of giving people more choice. There is this idea that just by giving people choice you are making things better. I argue that that is not the case. Choice is not always better, because you can have a variety of bad choices to make rather than good choices. I am more concerned that the government have a look at this bill and, rather than just offer up choice, give people, say, safe options or safe choices—choices and options that will actually make their retirement income more secure into the future. To me, that would be a much better way to approach this type of legislation.

This bill does not do that and does not, I believe, represent what is critically necessary for people in the long term—that is, for their retirement. This is so much so that Labor has actually moved an amendment relating to a range of areas. I want to briefly go through the changes that Labor is proposing. In particular, I note the fact that there is no provision in the bill for clear, simple and comparable disclosure so that consumers can understand the total impact of fees and charges. This particular area is critical. As people would know, one of the greatest problems that we face—not only in terms of superannuation but in terms of banking and finance—is this issue of fees and charges and the impact it has. It has a huge impact. In fact, it now probably represents the largest proportion of revenue for institutions, rather than the actual packages themselves. So Labor believes it is critical that there be a clear, simple and comparable way for different funds to be assessed by people when they are making their choice so that they can understand what it is that they are actually getting into.

One of the analogies I use when talking about this type of legislation is mobile phone contracts and deals. Everybody knows that if you walk into any mobile phone outlet the plans and types of offers that are available are extremely confusing—you can never really compare two plans. It is done that way so that you really do not get that choice. This goes back to the earlier point I made: being offered a lot of things does not actually mean you have choice. If you really examine the choices you have and you do not understand them then you have no choice. The government cannot just get away with talking about choice of superannuation funds if the people it is meant to benefit gain no benefit because they cannot make a viable comparison. At the end of the day, people actually lose because they cannot compare in any real way what it is that one fund will cost them in fees and charges and so forth. That is one area of concern in particular that I have and it is one that this bill does not address.

The other area of concern is excessive entry and exit fees. These are actually barriers to choice. They are not banned and there is no provision in this bill for the regulation of any of these fees or charges, particularly in terms of commissions on the investment of the compulsory nine per cent superannuation guarantee contributions. Government has to put in legislative protection; that is why bills are drafted. But if government does not do that then we have wasted our time, because we have not provided options so that people can make realistic choices. I would rather that this government used words like ‘realistic choice between one particular product and another’. But if we are going to go down this path—and this bill certainly takes us down there—then it will be legislation like the mobile phone plan analogy I used, in that people are not going to be able to make any real comparisons.

Labor is also concerned that there is no exemption for small business. That is something that this government has done for a
long time: continued to burden small business with red tape. I can recall in previous elections the government making a hoo-ha about cutting red tape and being the friend of small business. But when it really comes down to it—when they are really tested as to whether they are the friend of small business—we do not see it, certainly not in legislation. The burden that is now faced by small businesses is massive. It is mostly delivered by this government. This continued red tape in terms of paperwork and the sort of work that needs to be done by small business proprietors in managing the super funds that they have to deal with represents an opportunity missed by this government. They could have done a much better job in this bill.

There are also complications in terms of low-cost life insurance for members, in that those funds will cease to provide any real life insurance option for people who are in those types of funds. There is no further provision for a comprehensive and effective consumer education program. This is something that it would be worth while for the government to pick up out of this. I can understand that the government is not going to want to pick up all of Labor’s amendments and suggestions, but it could pick up the idea that superannuation is not only a vitally important program but actually essential for people.

Retirement income is one of the great issues that we will be talking about more and more as we grow to understand the absolute necessity of people being able to fund themselves in retirement, rather than relying on the tax system and pensions, which are just not adequate. It is now widely accepted that people really have to make an extra effort with their superannuation, with their retirement income. There is no provision in the legislation to provide consumers with effective education programs which would give them the skills necessary to make educated choices. There is not much point in so-called choice in legislation if people do not understand what it is that they are choosing between. With regard to the complexities of superannuation, which are many, people end up making decisions which are not based on any real knowledge of what those decisions will mean in the long-term future. That is another missed opportunity; it could have been part of this legislation.

Something that Labor has been pushing for, which is extremely timely in terms of a range of issues out in the community, is recognition of same-sex couples in superannuation legislation. In this legislation there is no recognition of and provision for that. Again, this is a missed opportunity to provide for same-sex couples in the choice regime. It further perpetuates the existing discrimination against same-sex couples in relation to superannuation rights. We have moved on from the old days when we did not recognise or understand those relationships. We have moved away from superannuation arrangements for the white picket-fence type of family unit. People are in same-sex relationships and they spend their whole lives together. That should be acknowledged and recognised by government. Everyone else has recognised it. Everyone in the community now recognises and accepts that that is a reality of life and that people make lifelong commitments in same-sex relationships—commitments that last for 30, 40 and 50 years. If two people contribute throughout life to each other and to a fund, that should be recognised in law. They should be given the same rights as other Australians. It is another missed opportunity.

When you really look at this bill, you see that it is a bill of missed opportunities. We do not have the time to redo this bill. This is the end of the year; we are on the last day. A lot of work has gone into this. We do not have the time to redo this. But the government did have the time and did have the opportunity.
That is why we debate bills. Anybody listening today might ask why we come into this House and debate bills and why, as an opposition, we get upset and even angry with the government when they cut short debate on bills, when they guillotine and do not allow debate to take place. That creates a culture of contempt. It creates a culture where ministers always think they are right and that they cannot possibly make an error.

Government ministers will smile or bark at you when they get a bit annoyed, but they are barking at you because they do not want to hear another view. Their view is absolute; their view can never be wrong. Their view is it. After you point out that they had 100 spelling errors in the bill and one paragraph in the wrong place, and that their bill does not work as it is meant to, they say, ‘Oops!’ If we spent the necessary time on that great democratic principle, the debate, and the process and the use of the Senate in order to deal with these things, then we would get much better bills. Of course, that is only if they are willing. We can almost say that we need a coalition of the willing from the government, where they would be willing to sit down and look at these things for the benefit of all Australians rather than just pushing their ideological agenda.

Talking about ideological agendas, I was listening to the member for Mitchell. He is a fine member who has been in this place just about longer than anybody else, I think. The government members just cannot help themselves. They have to come in here and take whatever it is that is on the table and relate it to something that is completely irrelevant to the actual bill. The member for Mitchell started talking about union control. I was thinking: ‘Blow me down! How do the government always relate everything back to union control?’ It is as if they think there is some sort of evil network out there of union control of superannuation. If the member for Mitchell and the other government members actually thought that was the case, they might have done something in this legislation. But they did not, because it is not the case.

It is a fact that there are very good industry based funds which are not union controlled but where unions participate and union officials are trustees or members of boards. That is a good thing, because they represent the workers who invest in those funds. It is the workers’ money that is in those funds. What is silly about having a representative of the workers on a board or as a trustee? To me that makes sense. Surely you could not have it run by just the fund managers. That would be an imbalance, wouldn’t it? You surely could not have just the bosses on the board or as trustees. Surely there needs to be some balance. I think there is balance, because a wide range of people are responsible for managing many of the industry funds and other funds that are extremely important for people’s futures. But, again, government members come in here and speak garbage about what they see as giving choice. ‘Giving choice’ for government is code for taking away something. Giving choice means: ‘We are going to take something off you. We are going to allow you to choose to have something less.’ At the end of the day, that is what it is about.

There is a range of issues in this legislation. There is no prohibition on financial service providers offering inducements to employers to direct superannuation to a particular fund. I think that is another missed opportunity in this legislation. It has to be understood that there will be some unscrupulous people out there who will do unscrupulous things. Part of our role, and absolutely part of government responsibility, is to protect retirement savings. If you consider what superannuation means for most Australians, it is all that they have when they come to re-
The family home is the major asset, followed by superannuation. There really is not too much else for the majority of ordinary Australians.

So our responsibility as a parliament and, particularly, as a government is to protect those people’s interests, to make sure that the funds do not fall over and to make sure that their retirement is protected. Not only is it in their best interests as individuals or as a family unit but it is in the interests of all Australians. It is in the interests of government; it is in the interests of taxpayers. I think it is another missed opportunity. This bill should have been called the ‘Superannuation (Missed Opportunity) Bill’, because there is more missed opportunity in it than there is any real change or worth in terms of making things better. They are a number of the issues that I wanted to outline.

In the few minutes I have left to speak in this debate, I want to make a couple of other brief comments about choice. The member for Mitchell and other government members have gone down the path for some time whereby they believe that statistics prove everything. Supposedly, 70 per cent of people who were surveyed wanted choice. I have experienced this in my electorate, where the member for Blair did a survey on an excessively important issue in the electorate. It was a huge survey on a road issue. There were 100,000-odd surveys, and he got back 180—an amazing response! The survey asked the question: do you want an alternative route to the current one? So the question is: do you want another road? Of course you do. Who would say no to that? It is a ridiculous proposition that people do not want choice. If you asked me, ‘Do you want choice?’ I would answer: ‘Well, of course I do. Who doesn’t? Everybody wants choice. But what choice are you offering? What is it that you are actually putting on the table?’ As I said earlier, if people cannot make an educated decision between packages or between funds then what choice is there? You tick a box or you ask somebody else. That is not real choice. The work that needed to be put into the legislation to give people real options and real choices simply has not been done. This is more about unsafe choice than it is about any real choice.

There is another issue in terms of superannuation and retirement incomes that I put on the Notice Paper as a question to the minister. I have had a response, although it was late—very tardy of the Minister for Employment and Workplace Relations, but such is the case—on the extremely important issue of superannuation deductions and provisions under a particular act, the Safety, Rehabilitation and Compensation Act 1988, in relation to hardship for a number of former public servants. I am extremely disappointed by the response from the minister, who, from his answer to me, appears not to comprehend the issue at hand. I use this opportunity to make the plea to him that people who are affected by a number of sections under this act are suffering and losing money. Their retirement income is being eroded by what is clearly an unfair mechanism contained within that particular act. While it is not related directly to this bill, it is related to superannuation and the choice that we are talking about, and it is another area where the government could make choice happen by fixing up parts of bills that do not work. As I have said, I put that as a question on notice, and I will be following that question up with another question.

Labor are doing some positive things in terms of our own policy. We are looking at people’s retirement incomes and making sure that there is safety out there, but also that there is growth and that their incomes are protected into the future. If we look at compulsory superannuation, it is widely acknowledged that it has been extremely suc-
cessful. Right across the board this has boosted people’s retirement incomes and made it possible for people to look forward to a decent future and a good life in their retirement. Boosting superannuation savings is essential, particularly for women. Women have not traditionally had great retirement incomes. Given the realistic proposition these days that people may separate, become widowed or encounter a whole range of different circumstances, we need to be conscious of the fact that women in particular need to have their retirement incomes protected. Other groups that particularly need to be looked at are people who are self-employed, contractors or people who work in industries where there are not the funds or mechanisms to give them a decent retirement future, and particularly older people who have come into the superannuation guarantee mechanisms quite late. So there is a whole raft of issues within the bill that were not addressed adequately by the government.

Labor have made a number of proposals. Particular policy options include reducing the contributions tax by either two per cent for all members or 3.5 per cent for those aged 40 years and over. We have heard this message from the community: ‘The taxing regime on superannuation is unfair and needs to be addressed.’ The government has had seven years to look at this very real issue. If you talk to people who understand this, they know that the taxes on retirement incomes are simply way too high. Other policy options that I am particularly interested in are about capping fees and charges at 1.2 per cent or the appropriate dollar amount, and providing full compensation for funds lost due to theft or fraud.

They are the things that government should be doing. They are missed opportunities because they are not contained in this bill. If the government went out and talked to people in the street and asked what it was that they needed to be adequately provided for then those things are the answer they would get. What I do not agree with is that the government say, ‘Yes, we’ve been listening, but what we’ll do is give the top five per cent of income earners in this country a big break, rather than everybody. We’ll give the bonuses and the benefits to people who earn incomes in excess of $90,000-odd a year.’ Everybody needs to be looked after, but I think we should spend a bit more time on this. This government should acknowledge that if we are going to talk about the battlers then we should actually be providing for the battlers. The day will come when people out in the street realise what the government have been doing. (Time expired)

Mrs MOYLAN (Pearce) (10.57 a.m.)—I am simply flabbergasted. Normally the member for Oxley delivers a good speech in this House, but it is evident that he has not read the detail of the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 and he has certainly not given recognition to the tremendous consultation process that this particular bill has been through. In fact, I could go through each of his criticisms and demonstrate that the member for Oxley is quite wrong in much of what he has said. He has accused the government members of talking garbage. Well, I have never heard so much garbage in relation to a presentation on a bill.

There are 27 speakers listed to speak on this bill today. That demonstrates the interest of this parliament, and certainly of the government, in this bill being properly debated. This bill originated before the 1996 election, when the coalition, unlike the opposition today, were working very hard on developing new policies to put before the Australian electorate in relation to superannuation and retirement self-sufficiency. Those policy initiatives included portability of funds. We have delivered on that. We brought the legis-
lation to the House to allow portability of funds, which has been a huge issue. Where people moved in their jobs a number of times and set up various super funds, the gains that they were getting were being lost—fees and charges were gobbling them up—and the sheer difficulty of managing a number of funds was problematical. We have delivered on that.

As for choice of funds, the bill is here before us today. I think it is important. What a lot of rubbish there has been! Do we say to our kids, ‘Don’t worry about going to school today, darling, and don’t worry about trying to do algebra, because it’s all too hard and the choices are too difficult for you; so just stay at home and don’t do anything’? How dare we say to the Australian electorate that you do not have the capacity to make your own decisions, to go out there and fossick around for information that is vitally important to your retirement and that we as a parliament do not—or at least the Labor side do not—have any confidence in the ability of the public to go out there and use their own initiative to make these kinds of decisions? There are endless amounts of information available to the Australian public.

I think it is extraordinary that we hear people on the Labor side constantly saying—and the member for Kingston, who spoke on this bill earlier, made the same point—that it makes it difficult for people to navigate. Yes, it is difficult. A lot of decisions in life are difficult. But are we going to produce a nanny-state mentality in Australia today? Are we going to help people by providing information and education as well as basic legislation to ensure that businesses do the right thing—or are we just going to run this protectionist mentality, this nanny-state mentality? I am confident that the majority of people out there in the electorate can make their own decisions, given the correct information.

That information is available to the Australian public.

When this bill goes through, we will have delivered on choice of funds. We have delivered on the contribution splitting, which was another element of the coalition’s early policy discussions. We have delivered on asset splitting under the Family Law Act. I was the Minister for the Status of Women at the time. In fact, I was one of the people who initially pushed income splitting on dissolution of marriage because many women were disadvantaged by not taking this into account in the split of assets. We have delivered on that. That legislation came to the House, it was debated and it is now in operation. We have delivered on tax incentives to help people build a nest egg for retirement and for self-sufficiency in their retirement. This government has delivered $11.2 billion worth of tax benefits to retirees, superannuants and pensioners—people on pension schemes. It is a huge investment by the Australian government—the Australian people, really—in retirement self-sufficiency.

In the lead-up to the last election, the government was committed to delivering three key initiatives in superannuation. They were in a policy called A Better Superannuation System. This policy was designed to make superannuation attractive, accessible and a secure means of long-term saving. It built on the outstanding record of the Howard government to tackle some of the prickly issues in relation to provision of a strong retirement income—issues that Labor never tackled in their 13 years in government. The government places a very strong emphasis on helping Australian families to achieve financial self-reliance in retirement.

Today we debate the bill that amends the Superannuation Guarantee (Administration) Act 1992 to allow people choice. Neither the member for Kingston nor the member for
Oxley mentioned this, but I think it is important to mention that this bill went through a Senate select committee process. The Senate Select Committee on Superannuation supported the principle of choice. They made some important recommendations. Many of those recommendations were taken up by government. This bill was modified to take account of those recommendations, which included extending the date for commencement. The government also reduced the maximum penalty, reducing the liability on small business. It simplified the default rules to retain the status quo for employers when selecting a superannuation fund for their employees. It reduced the choice-of-fund processes from two to one, thus reducing some of the compliance elements for business, and it allowed employers to refuse a chosen fund if the employee does not provide them with certain details about the fund within a given time.

These changes to the bill reflect the excellent consultation processes that the minister has entered into. I congratulate the minister for doing a tremendous job with this bill, because it is not an easy area. It is tough, as I said. Some of these are very prickly sorts of issues that have had to be dealt with. Labor, when they were in government for 13 years, did not see fit to tackle some of these prickly issues. It is commendable that our minister has and has gone through the consultation process and has ensured that these concerns have been reflected in this bill before the House today. It has made it easier for employers to comply and it has made it easier for employees to choose a fund.

The amendments support the Senate select committee’s finding that the employer cost should be kept to a minimum and penalties reduced. There have been sceptics in the business sector about the operation of choice of funds. We have heard some of them today. I suppose one of the things that gave rise to that scepticism and concern is the situation that occurred in the United Kingdom. It did cause some concern, because consumers did not have any strong protection laws and it left them at risk of being sold inferior products. That is not the case in Australia. We do have those laws. The government has seen to it that we have an effective consumer protection regime. That is another item that was really highlighted in the Senate select committee and that the government has taken note of and has done a lot to strengthen. The Financial Services Reform Act 2001 did a lot to strengthen the necessary protective mechanisms so that we do not have our consumers caught up in the same problems that were experienced in the UK.

The result of the government introducing the Financial Services Reform Act 2001, which commenced on 11 March 2002, was the provision of a harmonised framework of disclosure obligations for superannuation funds and indeed other financial services. These reforms therefore allow much better access to information by the consumer so that they can make informed decisions. Again this idea that everybody needs protection and that members of the public are too stupid to make decisions for themselves—that is the implication from the Labor member for Oxley and the Labor member for Kingston—I, for one, find deplorable. I am sure many people out there would find deplorable the suggestion that they cannot make their own decisions, that they are not smart enough to work their way around some of the decisions that they have to make.

To further highlight that, choice of funds has been available in my state of Western Australia for five years and it has operated successfully, although some people continue to be of the view that it will create problems. It is interesting to note that the ANZ Bank released in May 2003 the findings of research into the financial literacy of adult
Australians, which revealed that most Australians have a reasonable level of financial literacy. This goes right against what the member for Kingston and the member for Oxley are purporting. In fact, the results of that survey were that 98 per cent of the public understand that they must prioritise their needs to balance income and expenditure, 97 per cent know that their employer must make superannuation contributions for them and 91 per cent know that they can make extra superannuation contributions. It was interesting that only five per cent of people did not think planning or saving for retirement mattered. That is a fairly low percentage—while we would like a 100 per cent conversion of people to the notion that planning for retirement is important, it is a relatively low percentage. Certainly only 37 per cent had worked out what they would need for their retirement. We need to do more work in this area but, in answer to the member for Oxley, the government has made provision, through the Australian Taxation Office, for education and publicity on choice in superannuation.

The initial allocation is $12.7 million in 2002-03 and then $10.3 million in 2003-04.

The government has acted on recommendations to limit the compliance cost, and this goes to the heart of the criticism by the member for Oxley about the difficulties for business in this particular bill and missed opportunities. Opportunities have not been missed at all. The government has ensured that employers will have the flexibility to choose the most cost-effective and least onerous method of providing choice to employees. If there is no agreement, employers can satisfy their choice of fund obligations by entering into a certified agreement or an AWA with their employees. If there is no such agreement, employers must provide a standard choice form to existing employees, and to new employees within 28 days of their commencement of employment. I do not see this as particularly onerous. After this time, employers will only have to provide this information at the request of the employee. Employers will be able to reject an employee’s choice if the employee seeks to change funds within 12 months of having chosen a fund. The employee must also provide to the employer written evidence that the fund will accept contributions from the employer, and any other prescribed information. If not, an employer will also be able to reject an employee’s choice on these grounds. The government has taken notice of the Senate select committee’s recommendation and reduced the penalty provisions to $500 per employee, with the Commissioner for Taxation able to, in certain cases, use his discretion to reduce the penalty to nil if necessary.

Electronic banking and computer software will further reduce the compliance cost aspects for business. In WA, where the fund has operated for five years, clearing houses have been established, requiring the employer to write only one cheque for distribu-
tion to nominated funds. So there are schemes being developed, as well as software and electronic banking, which will make compliance quite simple for businesses. The average cost to business of complying with choice of funds has been estimated at $54 in the first year and $36 each year after that, so you can hardly say that this is a massive cost for the business sector, particularly small business. The government has amended the default rules to reflect the status quo for employers when selecting a fund, and employers are also required to make award payments to a fund nominated in a Commonwealth industrial award, which will continue to make payments to that fund if an employee does not choose a fund. If there is no award then the employer will be able to select any complying superannuation fund as the default fund.

Once again the structure of this bill and the changes made reflect the government's willingness to work with various groups and individuals to provide a legislative response without unduly penalising small business by unwieldy compliance measures and draconian penalties. Overall, this is a good outcome, and again I say the minister should be congratulated on the work that she has put into this bill. With superannuation forming the largest savings of most families, apart from the family home, workers should have the right to choose who manages their superannuation nest egg. This government has had a strong record of improving superannuation and retirement income policies since it came into office in 1996. That has not come about by chance. These policies had been worked on in the years leading up to our success in the 1996 election. I know, as I was on the group in this parliament—the backbench committee; with the now Treasurer and in fact David Connolly, who formerly served in this House, and others, including John Watson from the Senate—that worked quite hard on these policies in those early days. This early policy work has paid dividends in assisting Australians to achieve financial independence in retirement.

I do not have many more minutes, but I am going to try to summarise just some of those. I think I will run out of time, because the achievement list of the Howard government since it came into government in 1996 is so long. These include: superannuation tax concessions amounting to $11.2 billion—those are 2003-04 figures; increased age for voluntary contributions; availability of extra contributions by working people between the ages of 70 and 75; contributions to superannuation by recipients of the baby bonus; allowing parents, relatives and friends to make superannuation contributions on behalf of a child—up to $3,000 per child over a three-year period; increasing the limit of full deductibility of super contributions by self-employed people—and that was a very strong issue in the lead-up to the 1996 election; allowing portability of superannuation funds; requiring employers to make at least quarterly superannuation payments to protect the interests of the employee; and allowing temporary residents to access their superannuation. Many young people came from other countries to work here and went home again. Money was deducted and they would under normal circumstances never have received that money or the benefit of it.

We have amended the Family Law Act to allow superannuation benefits to be split when a marriage breaks down; introduced the superannuation spouse rebate, which allows individuals to make super contributions on behalf of their low-income spouse; provided capital gains tax relief—and our shadow minister for small business put this policy into our small business policy package in 1996 and we have given the effect to that promise—to allow a small business to use the proceeds of a sale of a business for
retirement income purposes; removed the anomalies in the means testing arrangements; amended the capital gains tax so that the nominal capital gains of super funds are taxed at the concessionary rate of 10 per cent where the assets are held for at least one year; strengthened preservation arrangements; introduced the retirement savings accounts, which are very important for people who have many different jobs and only small amounts of money to invest; regulated to free self-managed superannuation funds from the full prudential requirements faced by the larger funds; indexed Commonwealth civilian superannuation pensions; provided higher tax rebates for senior Australians; introduced the bench and bonus scheme; and implemented new investment rules. These are very significant measures which help to ensure maximum financial self-reliance in retirement.

The opportunity for workers in this country to exercise their right of choice and determine their own retirement destiny is a very important principle. This is where there is a philosophical difference between the Labor Party and the coalition parties. We believe that people have the right to determine their own destiny and somebody else is not necessarily superior in making those kinds of decisions about other people’s lives. It is an important principle and this bill ensures that workers are afforded that opportunity. (Time expired)

Mr GAVAN O’CONNOR (Corio) (11.18 a.m.)—I listened with great interest to the contribution by the member for Pearce to this debate on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. I note her comments on the speech by the member for Oxley—she said that his speech was garbage. I have been in this House and heard some unbridled hypocrisy, but I think the member for Pearce has just taken the cake in that regard. We listened to her speech where she said what a great thing superannuation is and that this bill picks up the prickly issues that Labor never tackled in 13 years of government. Labor tackled the big issue—it gave superannuation to Australian workers and it lifted the participation rate from 40 per cent to over 90 per cent of the Australian work force. One of the greatest structural reforms in retirement incomes policy that Australia has ever seen was introduced by a Labor government.

It was not just introduced by a Labor government; it was introduced with trenchant and virulent opposition by the Liberal Party. Here we have Liberal members getting up in this place and telling us what a great bill this is, providing choice to Australian consumers of superannuation, yet they are the very people who denied choice to Australian working people in getting access to superannuation and improving their standard of living in their retirement years. I think the member for Pearce has to be very careful when she levels criticism against the member for Oxley about a speech being garbage. You come into this House and tell us what a great thing superannuation is, yet you opposed it when Labor introduced it. I think the Australian people can make their minds up about the sincerity of members opposite when they level criticisms against Labor governments of the past.

Senior members of the current government had some very interesting things to say about superannuation when Labor expanded the coverage from 40 per cent to 90 per cent of the Australian people. The honourable member for Mayo is a senior minister in the government. He said that the insertion of superannuation provisions in industrial awards was ‘one of the most underrated threats to the future stability of Australia’s economy, and indeed to the capitalist system’. This idiotic piece of psychobabble from the now Minister for Foreign Affairs was uttered in 1985 in his response to the
insertion of superannuation provisions in industrial awards.

I could go on, with Liberal members lining up at the gate to debate against giving choice to Australian workers about a better standard of living in their retirement and opposing superannuation for workers, yet they come into this House today as the paragons of virtue, defending choice in superannuation. I guess it is the end of the parliamentary session and members will say anything on the floor of this House in the heat of debate.

But I pick up on another point made by the honourable member for Pearce. She said that planning for retirement is important. Of course it is important to plan for your retirement, but it is also important for working people to get access to a better retirement incomes policy. The member for Pearce said that planning for retirement was so important, yet she is a member of a party that fought tooth and nail against providing access to superannuation for working people. So we now have, ‘Planning for your retirement, and superannuation is very important for consumers,’ but it was not so in the past, when only the privileged few were able to gain access to superannuation and a better standard of living in their retirement.

The member for Pearce levels the criticism at members opposite that we are arguing along the lines that consumers are too stupid to choose their own fund. She argues, in debating the points that we have advanced to tighten up regulations and give protection to consumers, that we are simply saying that consumers are too stupid to choose their own fund. I note that, in the banking system, consumers have the right to go to the various financial institutions with products in the retail marketplace and choose which product serves their particular interests. But that does not mean we do not have a regulatory regime to regulate the conduct of those financial institutions; it does not mean that we do not have mechanisms in our legislative framework to ensure that consumers are protected. So when members on this side of the House advance arguments to enhance the protective mechanisms in superannuation, I think the member for Pearce is drawing a long bow in arguing that we regard consumers as being too stupid to choose their own funds.

My colleague in this place the honourable member for Kingston has a second reading amendment to this legislation, which outlines some very important matters that are not covered adequately in this piece of legislation. For example, the amendment says:

(1) there is no provision for clear, simple and comparable disclosure so that consumers can understand the total impact of fees and charges—

that are being levied on superannuation products they consume. The amendment continues:

(2) excessive entry and exit fees, which act as barriers to choice, are not banned, nor is there provision for the regulation of any fees, charges and, in particular commissions on investing the compulsory 9% superannuation guarantee contributions that can significantly erode superannuation savings;

(3) there is no exemption for small business, further burdening it with red-tape and paperwork and the consequential financial costs;

(5) there is no provision for a comprehensive and effective consumer education program

(7) there is no prohibition on financial service providers offering inducements to employers to direct superannuation to a particular fund where the fund selected may not be the one that best represents the employees’ interests”.

On this latter point, I think the government has missed a golden opportunity to offer in
this bill better protection for Australian consumers in superannuation. Why it has not picked up on this particular amendment, I do not know.

The second reading amendment proposed by the member for Kingston contains sensible provisions—sensible measures—that improve protection for Australian consumers in the superannuation marketplace. We know that at the moment there are some real shysters in the financial services industry that are taking consumers down. We have celebrated cases in the media where companies and individuals providing financial advice have lost millions of dollars and are going into receivership. We know that many financial services providers do not have the competence to properly advise consumers about the superannuation products that are available in the marketplace. Many consumers are now falling foul of that bad financial advice from those people—and have in the past.

This is a very sensitive issue in the community because people’s retirement incomes are very important to them. Many of my constituents have come to me, concerned about the fees and charges being levied on their superannuation products. They are concerned about the long-term impact on the returns they will receive on their retirement and, as a consequence, the potential adverse impact on their standard of living. This whole area is of real concern to working people in this country.

This bill has a long and tortuous history that goes back to 1996. At that time, the choice of funds concept may have been a radical proposal for this government but in 2003, at the end of this parliamentary year, it is time that the government put its union-bashing prejudices aside and delivered to this parliament and to the people of Australia suitable and informed legislative guidelines for superannuation funds that will benefit all Australians.

The choice of funds concept needs to work for the benefit of working people, not just for the benefit of the financial services industry. On this side of the House we believe that consumers should have a broad and well-informed choice of funds with full protection. This bill in its present form does not provide the basic elements of that fundamental protection that we seek.

We know the history of the coalition in the superannuation area, and I alluded to that in my opening remarks when I commented on the contribution of the member for Pearce. The Liberal Party and The Nationals fought tooth and nail to stop Australian working people from getting access to superannuation. Many Australians today have an improved standard of living in their retirement that they would not have had if the Prime Minister and the Deputy Prime Minister, and the Liberal Party and The Nationals that they represent, had got their way on the floor of this parliament. That is the truth of the superannuation matter. Members opposite continue to peddle what are blatant mistruths to consumers—that is, that industry superannuation funds are merely union funds.

There are many superannuation funds where some trustees are appointed by trade unions, but there are no union-only funds allowed under Australian law. In fact, the superannuation industry’s supervision body requires that all nonprofit funds have an equal number of employee and employer trustees. So there are a few myths about this. The real rationale for this particular piece of legislation is that it is merely an extension of the prejudice of the Prime Minister and the minister for industrial relations against the union movement. The real rationale for this bill lies in the historic and entrenched anti-union attitudes of the Liberal Party, rather
than it being a reasoned and rational piece of legislation.

I refer now to an extraordinary claim by the then Minister for Financial Services and Regulation, Mr Hockey, when he launched proposed changes to the regulation of superannuation funds in October 2001. It gives an insight into the mentality of Liberal ministers in this regard. In relation to those changes to the regulation of superannuation funds, he said:

It is going to be tough. It is going to be hard particularly for the industry funds. It is going to mean that the representatives of some of the workers on those industry funds, including union officials, are going to start to be held accountable for investment decisions. It is going to force those people to disclose and at times, seek approval, of members if they are going to engage in related-party activities. So if they are giving work to mates they are going to need to seek approval of members of the fund. The days of the cosy relationships in superannuation are now over.

That statement really reflects the blind prejudice of the Liberal Party towards any outcome that is reached through cooperation and negotiation between employers and trade unions. But, I tell you what, this minister knows about ‘cosy relationships’. I refer to a newspaper article that I came across yesterday, 4 December, which related to the lavish hospitality that the minister received from Emirates Airlines. Here we have the minister, who with reference to superannuation talked about ‘cosy relationships’, being attacked in a newspaper article by the head of Qantas and the head of the Sydney Airport Corporation for the lavish hospitality that he enjoyed with the compliments of Emirates Airlines. In the article, Mr Dixon of Qantas said:

However, we would ask that he get his facts right occasionally.

In reference to Mr Dixon, the article went on to say:

He blew his top after learning that Mr Hockey’s offending comments were uttered while the minister enjoyed lavish hospitality from rival Emirates Airlines ...

Mr Max Moore-Wilton, who was the head of the Prime Minister’s department before he moved to the Sydney Airport Corporation, branded Mr Hockey as a ‘galoot’. The member for McMillan is a country boy and so am I; we know what a galoot is. And I see the honourable member for Parkes, who represents a country electorate, is here; he knows what a galoot is. The problem is that one of his senior ministers is a galoot; of course the minister was a galoot when he was in charge of financial services and regulation.

There are some core issues here. As far as we on this side of the House are concerned, we believe that consumers should have a broad and well-informed choice of funds, with full protection. Put simply, this bill does not provide that. This bill potentially impacts on the superannuation retirement savings of 8.8 million Australians, and it has major ramifications for their savings. The bill, with its deregulation emphasis, will force employers to offer a choice of funds and will also force up to 8.8 million Australians to make a choice of funds. Of course, there are great financial risks for people in this.

Make no mistake: superannuation is a highly complex financial product. There are risks involved when people do make those choices. It is not like a consumer item or whitegoods; it is a long-term investment because it is not accessible by retirees until aged 55 or 60, and it is not easily returnable if it is invested in a poor product. The tragedy of the superannuation story is that the impact of adverse investment decisions takes years upon years to emerge.

We have some views. We believe the bill should be amended to cap ongoing fees and charges that can be debited against the super guarantee contributions and accumulated
superannuation guarantee savings of new members at 1.2 per cent per year or an appropriate combination of dollar and percentage amounts. We believe there should be a prohibition on entry and exit and switching fees that can be debited against accumulated superannuation guarantee savings of new members before a reasonable time, and we believe there ought to be a cap on the total cost of insurance that can be debited against those contributions.

Above all this bill does not—but should—provide reporting and public disclosure of all fees and charges made by superannuation funds and their intermediaries. Superannuation was a great Labor initiative and no amount of humbug from the member for Pearce or anybody opposite can alter the fact that, when we gave the working people of Australia access to it, it was opposed tooth and nail by the Liberal Party and The Nationals.

Mr JOHN COBB (Parkes) (11.38 a.m.)—I must confess I was slightly amused a while ago to hear the members for Corio and McMillan described as representing country electorates. I think the next time they see something country it will bite them.

But I rise to speak now on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. Quite obviously superannuation is the second most valuable asset a lot of Australians have, after their homes. In some cases it will be the only source of retirement income that they get. More than 80 per cent of the nation’s work force contributes to a superannuation fund in one form or another today. Bearing this in mind, it is rather incredible to find that 2.7 million Australians have unclaimed superannuation. That is quite staggering. That means one in every three Australians who work have not claimed their superannuation. In other words, they do not know where it is. In total, that is $6.9 billion—an average of $1,600 per account. It is sitting around waiting to be claimed and in a sense it is unaccounted for. When you consider that for many people this is going to be their only source of retirement income it makes you stop and wonder how we could ever be as careless as that. Why would we risk the health and wellbeing of such a serious investment with so much at stake for our future—and certainly the wellbeing and enjoyment of our senior years? The answer is simple, I guess: we are either confused, complacent or both, and perhaps we just do not know how to find it.

Towards the end of the nineties, around 14 per cent of Australians changed their jobs every 12 months. That is a staggering statistic, but probably those of us who employ people will not find it a surprising one. Those aged between 20 and 25 years were the most itinerant, with one-quarter of them consistently changing their jobs on an annual basis. So we really should not be too surprised to think that anybody under 25 may have as many as five different super funds. I know that many employees I have had, especially those in the shearing industry, had absolutely no idea what they had. At the same time they are getting up to five different administrative charges on five different lots of money, rather than one. Quite obviously, at the age of 25 retirement and the long term may not be the most important things on their minds and so they do not keep track of those funds in the way they should, and certainly the system up until now has not encouraged them or even made it easy for them to do so. So I guess you can really see how $6.9 billion can be floating around unclaimed in superannuation funds at this time.

It is true that many people do not know where their funds are, but fund managers have also been known to lose track of funds and, with the resulting chaos, the govern-
ment had to do something. The government has been trying to since 1996. The current superannuation arrangements do not make it easy. They certainly do not make it easy for the individual. If fund managers get confused about it, why wouldn’t you? Federal income tax laws provide incentives to encourage employers and employees to contribute to their own future and their own retirement through superannuation funds, but the biggest problem is that there are no obligations for employers to give their workers or employees the right to nominate their own funds. This has long been a bone of contention, but you must have not just the right but the encouragement to take an interest in your own future.

From time to time it does happen that employers will ask, but they do not have to, and certainly in the bigger situations they generally tend not to. At the federal level, compulsory employer superannuation can exist under either an industrial award or the superannuation guarantee charge, but in essence most Australians have absolutely no power—none at all—over their own super funds and where their savings and their futures lie. We have to change that, and the coalition government has been trying to since 1996. We have tried to work with the opposition to make it happen, and thus far we have not succeeded. I know we are now looking at what the Senate Select Committee on Superannuation has suggested as ways to lower the confusion and make it easier, and we are leaning to some of the things that that committee put forward.

I commend the amendments put forward in this legislation, and I urge opposition members to consider the wellbeing of working Australians and their right to choose their own super fund. Let us be honest: the more we encourage people to have some direction about where their retirement plan is, the better off they are and the better off the nation is. Superannuation choice would give Australians a much greater sense of personal ownership and control over their superannuation. For employees who do not currently have a choice of fund, it would provide the opportunity to make an informed decision about their own investment goals and strategies. It would start to address the sense of complacency that one in three Australian workers have. They simply do not know where their superannuation is and have not claimed it.

That brings to mind a situation that my daughter was in with one employer some years ago. She changed jobs a few times and lost track of things. She simply accepted the word of the fund manager that the money had been put in, but in fact the super fund did not reflect any contributions being paid into her account. You could say that perhaps she should have been more vigilant. Indeed, she should have, but the system at the moment does not encourage or make it easy for people to keep track of their own funds. If it is one fund, you have only one thing to watch, and I am certain you would be more encouraged to do so. I suspect my daughter, like most Australians—especially young Australians—was overwhelmed by a confusing superannuation system. It is a system that does not give much joy to the person most affected: the employee.

The Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 not only honours the government’s seven-year commitment to overhaul the system but also recognises that, by providing employees with choice, we are giving them the incentive to take control of their retirement savings. Money Management defines it as follows:

The introduction of choice-of-fund has the potential to result in greater interest in superannuation as a savings vehicle and increased levels of
awareness of the benefits of super. Subsequently, increased levels of contributions can be expected. It is likely that choice and portability would increase competition among superannuation providers for business which is currently ‘tied up’, resulting in a better outcome for many fund members. The risk is that employees, when given control of their superannuation, could make decisions contrary to their best interests. This is why it is important to have in place a strong disclosure regime combined with professional advice.

In 2002, the Financial Planning Association released a report called Super choice, which was compiled for the FPA by Roy Morgan Research. The results suggested:

- Seventy two percent of respondents had their superannuation fund chosen by their employer, while twenty-five percent were already able to choose their own fund
- Eighty-eight percent of respondents would like to keep their superannuation fund when changing jobs.

There were various other findings, but these findings underline the fact that we do have to give people the ability to have one fund—not half a dozen, as is currently the situation. FPA chief executive Ken Breakspear says that all Australians have the fundamental right to choose their superannuation fund due to its enormous impact on their future. This is especially so with Australians seemingly retiring earlier—although I sometimes wonder if a lot of them are not going to come back to work in their later years.

While the Liberal and National parties have remained completely committed to introducing this bill, we recognise and appreciate the need, to get this bill passed, to make amendments that will satisfy the opposition. Since this bill was first introduced in 1998, after the choice of fund measures were removed, several amendments have been made. We now have a bill that recognises the rights of employees and removes the administrative burdens that were considered to affect employers. In fact, one of the worst issues was the cost of administration. I have seen funds that have ended up in debit simply because the cost of administration came to more than the value of the contributions. We now have a bill that, first and foremost, gives employees the right to nominate their own superannuation fund. It is a one simple choice option. They must select a complying superannuation fund or scheme, or retirement savings account, and they will be able to choose a fund at any time, provided they have not selected one in the previous 12 months and have supplied enough details for the employer to make that contribution on their behalf.

We have amended this bill to reduce the burden on the employer. In its original form, the bill set out a three-step procedure for employers to follow. We now have a simplified process. If there is no award governing the contributions, the employer will be able to select any complying superannuation fund as a default fund. This is consistent with the current superannuation guarantee legislation. It will be totally transparent, it will be easier to follow and it will definitely give the employee the control over his own life that he currently does not have.

Labor is inclined to say that this is too hard—it is too difficult—and that employers are not well-enough informed to make these decisions. I think that is bunkum; I am sure they are. The government do not employ a defeatist attitude where people’s lives are concerned. Let us help them to help themselves, if that is the situation. We believe that, with a comprehensive education program, Australians are—and will and should be—well equipped to make their own choices.

**Ms KING (Ballarat) (11.50 a.m.)**—I rise to speak on the Superannuation Legislation Amendment (Choice of Superannuation
Funds) Bill 2002, which will affect the retirement future of Australia’s 8.8 million fund members. This bill seeks to provide employees with greater choice in the selection of employer sponsored superannuation. On the surface, it seems a sensible thing to propose. There are arguments to say that it could create greater competition in the super industry and lead to improved returns and that having people take greater control of their retirement future means that they will have more ownership over the decisions that they make. But equally the arguments against the bill are just as strong.

You only have to look at the United Kingdom to discover what happened when deregulation of their superannuation market took place without safeguards to protect superannuation savings. Even the most free market culture in the world, the United States, is not talking about this sort of deregulation. In some cases in the UK fees doubled and additional costs were also incurred by those seeking financial advice. The bill will potentially see an increase in advertising for the various products, with these costs being passed on to consumers. The Australian Consumers Association has stated, ‘Without adequate regulation, fees and charges would keep rising with superannuation in the same way that deregulation of banks has led to increases in bank charges.’

Without the safeguards proposed by the opposition, many more Australians will find that their superannuation savings rapidly diminish. With deregulation many Australian employees will consider making changes to their fund or their investment. But how are they going to make an informed choice? The government claims that employees will be protected by improved disclosure and an education program. The Australian Taxation Office will spend some $28 million over four years on establishing choice and deregulation. But no-one will be surprised to discover that half the money budgeted will go to the ATO for administrative costs. Only the remaining $14 million will be used to educate the 8.8 million fund members on super choice. That is $1.60 per member and, frankly, it is not enough to ensure that sufficient information is provided to make an informed and appropriate decision—a decision that could have a serious impact on your retirement future.

In principle, the concept of choice is fine when the choices are clearly set out and well understood. However, this legislation fails because it is choice without the necessary safeguards. Choice without the necessary safeguards does not serve the interests of either the consumer or the superannuation industry. Superannuation is a complex financial product. It is not like buying a CD, a house or a car. I have serious concerns that the level of financial literacy required to make the sorts of choices the government is proposing is not widespread amongst the Australian community. When you ask most people about superannuation many do not understand the scheme that they are in, they do not understand how it works or how their deductions work and they do not understand what is going to be needed to build enough retirement income in order for them to have a secure retirement future.

Encouraging consumers to increase their financial literacy is a good thing but you cannot just throw open the industry in the way proposed in this bill without safeguards, because if you do that you will just leave people to sink or swim. That is why Labor has introduced a ‘safe choice’ system—choice that will give consumers the ability to decide where to put their superannuation moneys but within a framework that allows real choice accompanied by appropriate safety. Foremost amongst these issues is that of adequate disclosure, particularly on the effect of fees, charges and commissions on
superannuation accumulations. Consumers cannot be expected to make real choices if they do not understand what they are choosing.

The government, of course, argues that the new disclosure regime, which was introduced as part of the FSR process, will resolve this problem. It frankly will not. Information and knowledge are two very separate concepts. The provision of information alone does not guarantee that consumers will have financial knowledge. Apart from the fact that disclosure alone will not be enough to ensure that consumers fully understand the choices they are making, recent research on the ASIC disclosure model has shown that there are major problems with this model and that even with recommended changes the model is inadequate.

As I have already mentioned, experience overseas has shown that increased competition in the retirement savings industry has not led to cost savings. In fact, costs have increased. But will charges increase? Shouldn’t increased competition mean reduced costs? One needs only to look at the banking industry for an idea of what might happen. Costs have increased, in line with the increased marketing and advertising that super funds potentially will have to undertake to attract investors. These increased costs will naturally have to be passed on to investors. Amendments proposed by the opposition will see fees, charges and commissions capped, thereby protecting savings. Without a cap or some control over fees, charges and commissions, retirement savings will dramatically be reduced. The government may consider a small annual fee increase of, say, two per cent as insignificant. This two per cent increase will reduce the final retirement accumulation by 40 per cent. Labor cannot let that happen.

But not only can administrative fees be increased; entry, exit and switching fees may also be affected by this bill. I can easily imagine a scenario where a fund may have unrealistically low entry fees to attract investors and then costly exit fees to ensure that investors remain. Telstra’s mobile phone contracts are a real example of such control. Another positive amendment proposed by Labor is to ensure that entry, exit and switching fees are kept fair. This will be achieved by prohibiting fees beyond reasonable administration costs. This will help maintain the nest egg that so many Australians will be depending on in their retirement years.

It is not just the employee that will be affected by the bill as proposed by the government. We all remember the difficulties faced by many small businesses in collecting the GST for this government. We all remember the problems that small businesses had in completing the BAS return. We all remember the additional cost burden placed on small businesses getting their accountants to help them through this complex task. We also remember the time it took mums and dads to complete this form—time away from their families and from their businesses. This burden cannot be allowed to be replicated through complex and onerous procedures being imposed on small business people. Concern has already been expressed by a number of employer organisations. The Motor Traders Association, the National Farmers Federation, the Australian Industry Group and the Queensland Retail Traders and Shopkeepers Association have all expressed concerns over the possibility of increased red tape and increased administrative obligations.

Australian small businesses are still smarting over the increased workload and costs flowing from the tax collection role inherited through the GST. Australian small businesses
do not want to go through this again with superannuation fund choice. But what will happen should a small business not be able to meet the increased compliance costs or negotiate their way through complex forms and procedures? They will face the possibility of significant penalties and potential legal action. Labor has proposed that the bill be amended to exempt small business from the choice regime, an amendment supported by the Council of Small Business Organisations of Australia.

Liberal members have been spruiking the right of choice in super funds, but they will not provide that same right of choice of domestic partner for superannuation purposes. Now that we are living in the 21st century, isn’t it time that we all grew up and acknowledged that there are people living in committed and stable same-sex relationships? These relationships may be a little different from the Leave it to Beaver family of the 1950s or the Brady Bunch of the 1970s, but it does not make them any less significant or meaningful for the people involved. This bill as proposed by the government discriminates against same-sex couples by not allowing them to enjoy the same equity as others. We believe that same-sex couples should have that equity. They also have the right to feel secure and confident that their partner will have rights should one pre-decease the other. Again, Labor has proposed that the bill be amended to provide equity for those in same-sex relationships.

Our proposed changes will ensure that retirement savings are protected for the future and not eaten up by fees and charges. Our proposed changes will ensure that employees can make well-informed decisions on where to place their savings and in what investments. Our proposed changes will ensure that small business operators are not burdened with complex and onerous procedures. And our proposed changes will ensure that all Australians are treated equally with regard to their superannuation choices, regardless of their sexuality or domestic arrangements.

Labor does not support a bill that will introduce unsafe choice. The second reading amendment to the bill moved by the shadow minister, the member for Kingston, strengthens the bill and should be adopted. The bill is an unsafe choice because: there is no provision for clear, simple and comparable disclosure so that consumers can understand the total impact of fees and charges; excessive entry and exit fees, which act as barriers to choice, are not banned, nor is there provision for the regulation of any fees, charges and, in particular, commissions on investing the compulsory nine per cent superannuation guarantee contributions, which can significantly erode superannuation savings; there is no exemption for small business, further burdening it with red tape and paperwork and the consequential financial costs; it causes complications for those superannuation funds which provide low-cost life insurance for members, with the consequence that many funds will cease to provide a life insurance option; there is no provision for a comprehensive and effective consumer education program; there is no provision to include same-sex couples in the choice regime, further perpetuating the existing discrimination against same-sex couples in relation to superannuation rights; and there is no prohibition on financial service providers offering inducements to employers to direct superannuation to a particular fund, where the fund selected may not be the one that best represents the employees’ interests. The changes proposed by Labor to the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 will ensure that this bill meets the needs of the 8.8 million fund members. I commend the second reading amendment to the House.
Ms PANOPOLOUS (Indi) (12.02 p.m.)—I rise to support the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. This is an important facet of the policy debate within the context of the superannuation industry, which is currently undergoing significant improvements due to the government’s landmark reforms in superannuation for Australian workers, particularly for low-paid workers. The government is particularly aware of the importance of nurturing and encouraging a culture of saving within the Australian community. The current reforms proposed by this government recognise this need, and that is another reason why the bill is a welcome addition to the raft of reforms currently being undertaken in this parliament.

The bill recognises the importance of allowing workers to choose where their superannuation contributions are to be paid. The government has consistently argued the need for this type of legislation to be passed. Unfortunately, though, attempts have been undermined in the past by the Labor Party and the Australian Democrats. This legislation will provide wider investment choice for employees and fund members and is a welcome initiative within the context of the superannuation policy debate. The opposition have consistently opposed choice legislation for superannuation funds. Since the election of the Howard government in 1996, the opposition have consistently attacked the measures undertaken by the government.

The choice of superannuation fund legislation currently under debate has been introduced twice before by the government and has been defeated by the Labor Party and minor parties in the Senate on both occasions. This very unfortunate and persistent opposition has not advanced this crucial debate any further and has highlighted the Labor Party’s spoiling role in opposing legislation that would substantially benefit working Australians in their financial planning for retirement incomes. But perhaps there is a glimmer of hope on the horizon. We know that the new Leader of the Opposition is, uncharacteristically for a member of the Labor Party, in favour of choice. He said so in 1995, when he stated:

If ... the needs of children and families are complex and diverse, then the role of government is simple and twofold: first, to maximise choice ...

So we know that the opposition should now be favouring choice as a central tenet in determining policy intentions for the benefit of Australians. Members opposite might do well to read the now Leader of the Opposition’s comments on choice and come on board and strongly support this bill. Such hopes, I think, will not be realised, but we can only hope that in the new year the members of the opposition will read many of the previous comments of the new leader they have chosen, albeit by a narrow margin, and we may see some very interesting changes to their negative approach to the government’s reform agenda.

It should be noted that superannuation savings represent for most people their second largest asset, after the family home. This factor highlights the importance of creating an industry that allows people freedom of choice in deciding who manages their superannuation. This will lead to increased competition within the industry and will see improved returns for workers on their superannuation savings. With this in mind, it is extremely disappointing that many within the Labor Party and minor parties have consistently worked over the years to oppose the government’s reforms to allow greater choice of funds. Indeed, the proponents of the anti-choice argument are relying on the misguided premise that workers should not be trusted with decisions about where to invest their superannuation funds. It is an absurd notion and one that should sit quite uncom-
fortably with Australian workers who are trying to plan their retirement, but it is no surprise because it is these same people who also support denying workers the right to choose whether or not to join a union.

All people in the work force should have the right to choose where their superannuation investment funds are channelled. It should not be the right of employers to force where a worker invests their superannuation savings. The legislation requires that employers comply with the government’s choice of superannuation fund requirements. These changes are in no way new changes; they were announced as far back as the 1997-98 budget and represent the government’s continued efforts to consolidate the superannuation industry and assist with working Australians’ retirement incomes.

The bill legislates to allow employees to have greater flexibility in choosing where their contributions are to be deposited. Through amending the Superannuation Guarantee (Administration) Act 1992, this bill strives to provide that choice for employees. Choice of superannuation funds for employees constitutes the biggest change in superannuation policy since the introduction of the superannuation guarantee. The benefits of this system will be felt by many workers, who will welcome the opportunity to choose where their superannuation income goes. Employers will have to comply with these new regulations in two ways: by allowing the employee the choice as to which fund they wish their superannuation to be paid into or by formally allowing the support of a fund nominated by an employee in a written agreement.

We should remember the notion of choice in today’s society. Workers have every right to nominate where their superannuation entitlements are to be invested, in a similar way as people are afforded choice when acquiring similar long-term assets such as personal investments and the family home. A key factor in the success of the long-running reforms of the superannuation industry is the exploration of the notion of freedom of choice to provide for the most effective and efficient system of retirement planning for working Australians. This reform is an important and necessary mechanism with which to give workers more flexibility and choice. In turn, this will effectively lead to greater services and lower fees stemming from competition between fund providers.

The choice of fund legislation will deliver control of superannuation savings into the sole domain of the workers themselves, who ultimately should have control over their retirement savings. This policy is all the more important, because we have seen in recent times that many funds have delivered negative returns to investors. The government already has safeguards in place to deliver greater transparency of operations and employee protection through the government’s regulation of the superannuation industry and through the Financial Services Reform Act.

Australian workers should have the last say as to where their contributions are directed. As part of this policy venture, the government has also introduced portability of superannuation legislation which reaffirms commitments made most recently in the 2002-03 federal budget. This legislation complements the current bill for choice of funds in allowing members of accumulation funds the ability to transfer their savings from their existing fund to one of their own choice.

In March this year, the Australian Prudential Regulation Authority detailed that there were more than 24 million superannuation accounts in Australia. This would reasonably equate to workers having two or even three
separate superannuation accounts. This bill will allow for a reduction in fees and charges through the creation of a more competitive regime within the superannuation industry. Currently, superannuation funds hold about $500 billion in employee investments. This figure highlights the extreme importance of the industry and the fact that the Australian workers are the main contributors to this system and therefore should have complete control when it comes to dealing with their financial futures.

In other industries that have undergone competitive and deregulatory changes in recent times, the argument of choice has been of paramount importance. It has led to an increase in consumers’ awareness of where their money is going and to whom. This is the foundation argument of this bill: giving employees the opportunity for greater choice and jurisdiction over their superannuation and retirement savings. It is a strange and curious fact that Australians have limited choice over such an important product as superannuation, but the Australian Labor Party believes that the Australian public and workers do have a right and the ability to choose when it comes to election time but will not give them the freedom to choose how to allocate their own superannuation contributions and to which fund.

Superannuation is a compulsory financial need, and Australian employees currently have very little control over their superannuation incomes. Currently, employers and not employees hold the power to control superannuation savings, and it is this very anomaly in the system that needs to be urgently addressed. The Australian Financial Review has stated that the choice of fund legislation is ‘difficult to argue with in principle’ and, indeed, it is difficult to argue with legislation that will give more power to employees who wish to choose where it is best to invest their superannuation savings. The Howard government has undertaken significant initiatives within the industry in recent times to improve its accessibility for Australian workers. This legislation is a necessary element of those changes and would give that much-demanded choice.

Whatever the Leader of the Opposition’s musings on choice eight years ago, the Labor Party does not like choice: they oppose students having a choice about whether or not to join a student union; and they want to force workers to join militant unions in spite of the falling rates of union membership—which obviously illustrates the lack of service that such unions provide to workers. We know that at the end of the day the Labor Party is in favour of conscription, because that provides their fundamental financial stability, which they use to run their campaigns. But they should be a bit broad-minded and not confuse forcing people to join certain organisations and certain superannuation funds. They should remember that these funds do belong to workers and they should have every right to decide where these funds should be allocated. I am very proud to be a member of the coalition government, which both values and offers real choice. This is the very premise of this legislation, and for these reasons I commend the bill.

Mr DANBY (Melbourne Ports) (12.14 p.m.)—Although the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 is intended to provide employees with greater choice in the selection of employer sponsored superannuation, Labor believes that the practical implementation of it presents many risks. This is the basis for Labor’s opposition. As the minority report from the Senate Select Committee on Superannuation noted:

... consumers should have a broad and well-informed choice of fund with full protection—this
Bill does not provide the basic elements of this objective.

Superannuation was introduced by the Keating Labor government in order to ensure that all individuals would have an adequate standard of living upon retirement. Now nearly nine million Australians have superannuation, so any changes we make here affect nearly one in two Australians. If this government persists with this bill, it will adversely affect one in two Australians, in the opposition’s view. Back then, those opposite opposed superannuation. The member for Mitchell said at the time:

... there is no fairness or justice in superannuation as it is being presented to the Australian workers by the current government.

The member for Corangamite said:

The disastrous consequences on employment have been discussed by bodies such as the former Confederation of Australian Industry.

Now the Liberal Party pretend to be the champions of superannuation. It has always been a Labor idea. Like Medicare, Labor introduced it and only Labor really believes in it. Therefore, I believe that only Labor can be trusted to have a correct view about it. Over each individual’s working life they have the ability to accumulate a great deal of money in their superannuation fund. How that money is invested has the ability to greatly affect the standard of living of our population upon retirement. We have a duty of responsibility, a duty of care, to ensure that superannuation is invested sensibly.

In March 1998 the Senate Select Committee on Superannuation released the report entitled *Choice of fund*. They found that there was no evidence that significant numbers of employees sought choice of fund, that employers regarded choice as yet another unwanted administrative burden, and that the success of the policy depended on the employees making ‘an informed choice’—that it was important that employees understood the consequences of the decision they made. The *Choice of fund* report also found that key features of statements, such as disclosing fees, charges and commissions, must be simplified to allow adequate comparisons to take place.

Complicated information surrounding superannuation will present a major practical difficulty. Given the time required to understand the superannuation information, it is unlikely that many consumers will be able to make an informed decision relating to their choice of super fund. Nearly four out of five people do not complete their own tax return, due to its complexity. Superannuation would be just as complex, if not more so. Although the opposition do support the concept of choice in superannuation, we are not about to support an inadequate, insufficient and complex bill. Simply because the bill is called the ‘choice of superannuation funds’ bill does not necessarily mean that it is a good bill or in fact that it is about real choices in superannuation. That is why, at the Senate select committee, the opposition made practical, sensible recommendations. But the government refused to listen or to improve the bill.

Additionally, there is a risk of further multiple account proliferation. With the ability to swap easily, there is a great danger of funds being lost. There are concerns relating to the compliance burden on business. There will be huge marketing campaigns devoted to trying to woo customers. This represents a waste of resources in unnecessary advertising and is likely to further add to the administrative cost of superannuation via the cost of competitive advertising being built into people’s superannuation charges. The Australian Consumer Association has stated that, without adequate regulation, fees and charges will keep rising with superannuation in the same way that deregulation of the
banks has led to an increase in bank fees and charges.

There are a number of concerns relating to the practical consequences of this legislation. Choice is likely to increase the cost of funds, with transfer fees and administrative costs et cetera. Complicated product information is likely to convolute the issue for the average person taking on superannuation. There is the risk of members being fixated on short-term rather than long-term performance. There are high risks associated with that strategy. That is why I support the second reading amendment moved by the member for Kingston:

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

“the House declines to give the Bill a second reading, and regards it as an ‘unsafe choice’ Bill because:

(1) there is no provision for clear, simple and comparable disclosure so that consumers can understand the total impact of fees and charges;

(2) excessive entry and exit fees, which act as barriers to choice, are not banned, nor is there provision for the regulation of any fees, charges and, in particular commissions on investing the compulsory 9% superannuation guarantee contributions that can significantly erode superannuation savings;

(3) there is no exemption for small business, further burdening it with red-tape and paperwork and the consequential financial costs …

The government go on and on about how they are the party of small business, but, as with the GST, they are happy to give small business more and more red tape all the time.

The amendment moved by the member for Kingston continues:

(4) it causes complications for those superannuation funds which provide low cost life insurance for members, with the consequence that many funds will cease to provide a life insurance option;

(5) there is no provision for a comprehensive and effective consumer education program …

Most importantly, the amendment continues:

(6) there is no provision to include same sex couples in the choice regime, further perpetuating the existing discrimination against same sex couples in relation to superannuation rights …

It is all very well to say that people have a choice of super funds which do not discriminate. All super funds should not discriminate. People who want to pass on to a partner their superannuation, their life savings, should have the right to pass them on to the partner with whom they have had a loving, long-term relationship, regardless of their sexuality. It is a perpetuation of the discrimination against them that this bill would not see that all super funds do that. The amendment concludes:

(7) there is no prohibition on financial service providers offering inducements to employers to direct superannuation to a particular fund where the fund selected may not be the one that best represents the employees’ interests”.

I would like to focus on part (6) of this amendment specifically. The additional comments by the Labor senators in the select report said:

This Bill represents substantial changes to national legislation that purports to provide choice for all Australians. Given that Australians have a fundamental right to choose a partner, we believe that this Bill should also make amendments to the provisions that currently discriminate against those who are in same-sex relationships. It is ironic that the Liberal Government—so-called—argues for choice as a fundamental right in so many contexts and yet in this Bill that is intended to provide superannuation choice of fund it doesn’t also provide for choice of domestic partner for superannuation purposes.
This is a very major problem. The Melbourne Age recently identified eight per cent of the community in Victoria as living in same-sex relationships, and they have the right to dispose of their superannuation in an equal way with all other Australians. We were in a very similar situation a few months back with the Superannuation (Government Co-contribution for Low Income Earners) Bill, where the Labor Party moved an amendment to remove discrimination in superannuation but the government rejected it. Now we are in the same situation, and once again the government is going to reject equality for same-sex couples with this bill.

On 21 August 2001, the Prime Minister said that he was opposed to discrimination on the basis of sexual preference. Yet in area after area the government continues discrimination on the basis of sexual orientation. In this area of superannuation it is particularly regrettable, as I thought the Liberal Party was meant to be in favour of property rights. When these people want to pass their superannuation on to their surviving partner, it is their perfect right. After all, they are savings accumulated during their lives living as a couple together.

The gay community are a very active community in all states. They have actively and successfully fought against discrimination. A few nights ago in Melbourne they held the Rainbow Awards. I had the privilege of launching the awards a few months back with Vivien St James, pictured in my newsletter, and earlier this week the awards were announced. Unfortunately I was not there—I am here. However, I would like to take this opportunity to congratulate all the winners: from the hall of fame, Dulcie Du Jour and Chris Gill; best venue, DT’s Hotel; Tex McKenzie; woman of the year, Chief Commissioner Christine Nixon; innovative event, Pride March Cake Bake-Off; Jan Hillier Drag Excellence, Dulcie Du Jour; best show, Hot August Night; entertainer of the year, Damian Nicholas; gay icon of the year, Justice Michael Kirby; Candi Stratton; best night out, at the Peel; Tabitha Turlington; young achiever, Andrea Anquillano; outstanding volunteer, Gay and Lesbian Switchboard volunteers—

Mr Hunt—Did you get an honourable mention, Michael?

Mr DANBY—Perhaps after this speech I might. As well as the fun and festivities, the issue of discrimination is one that is very alive in the gay community’s mind in both Melbourne and Sydney—and, I am sure, in other cities too. The issue of discrimination in superannuation, tax, health, social security and even veterans’ affairs is high on their agenda, and unfortunately this discrimination is perpetrated with this bill. I urge the House to support the amendments moved by the member for Kingston and adopt the Labor Party’s policy that would end this discrimination.

Mr HUNT (Flinders) (12.26 p.m.)—I rise to support the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. In supporting the bill, I take myself back 18 months to when I was visited by a worker from the then BHP plant at Western Port, now the BlueScope Steel plant at Western Port, who said to me, ‘Look, I simply want to be able to choose where I put my own superannuation.’ He said that he thought that that was part of the government’s policy and was interested as to why that was not being implemented. I explained then and I explain now that it is part of the government’s policy, and it is being implemented, but that it was stalled in the Senate. It was stalled in the Senate for over a year.

Now, thankfully, that Senate obstruction has been removed, and we are in the process of giving workers at BHP, at Ingham’s in Somerville, throughout the electorate of
Flinders and in fact throughout Australia choice over where they will be able to place their own superannuation funds. That is good in itself, as an individual right and an individual choice, and it will also lead to much greater competition and pressure on the superannuation providers to perform and to provide results. That is a critical step. So when I think back to that meeting 18 months ago, I am proud to be able to say that this legislation provides choice in superannuation funds. For the first time, an industry worker, whether in a chicken plant in Somerville, an office in Cowes or electrical trades in Rosebud—in all of those areas—will have real choice over the superannuation which they choose for the rest of their lives.

This bill is about moving towards the goal, the vision and the dream of lifetime portability of our superannuation account. For me, the end result and vision that we are working towards is that there will be a single account which each of us will be able to maintain, to rollover and to have as a lifetime account across all professions and all different employment models so that it does not becomes a job based superannuation account, it becomes a human based, person based account, and its sticks with them and stays with them. That will be a tremendous step forward. That is the vision; that is the goal; that is the objective.

When people say, ‘Oh, this doesn’t achieve everything that I want,’ I say, ‘Well, get out of the way.’ Do not stop an improvement because you think that the perfect should be the enemy of the good. That is my message to the honourable colleagues on the opposite side of the House. Do not stand in the way of something which improves, simply because you might think that there are other things which could be added or amended. That is a very important thing, particularly when you come to the fact that this bill is all about the principle of choice.

There are approximately nine million Australians who have and maintain superannuation accounts of some form or other. Each one of those Australians will, over time, be able to assume greater control over their choice of funds. They do not have to elect to change. There is no burden on them to do so. There is a fiction which has been presented today that in some way this will be an extraordinary and complex business. It will not.

What the legislation does is provide the capacity to consolidate and to roll over and, above all else, the capacity for people, if they so choose, to take the choice and to take responsibility for their own superannuation funds. That is a principle which, I would hope, every member of this House would endorse. This notion that each individual will have the capacity to say to the corporations for whom they work or to say to the superannuation fund providers, ‘I am not happy,’ is the very same principle we have with government. The single most important thing is the capacity to choose whether to throw out a government and, in having that, to maintain responsibility, to maintain scrutiny, to maintain a sense of propriety over that government. It places that power in the hands of every individual. This legislation, for the first time in Australia’s history, empowers and provides that opportunity for every individual.

Is it the finality? Of course not. Superannuation is, in historical terms, a relatively new concept and a relatively new product. We are adapting and developing. What we find on the other side, though—and I am not a natural knee-jerk critic of different views in the parliament—is that on this occasion there is a reform which the vast majority of them believe is a positive reform and yet the very motion which they brought before the parliament today is to block the reform, because they wish to tack onto it other elements which are not necessary. There may be merit
in some of those and there may not, but they wish to tack those on and, in so doing, they wish to stop the passage of legislation which would provide choice for nine million Australians.

In particular, I want to take on two of their arguments. The first argument is that this notion of increasing choice will increase the cost of funds because people might move. But what it does mean is that funds will have to be more accountable and that, where they are subject to choice, funds such as the large industry funds, which have 50 per cent union representation on their board, will, for the first time, have to compete to win business. That affects two elements of their performance. It affects their investment performance and it affects the costs, fees and charges which they will impose. Those will no longer just be compulsorily levied. People will have the choice as to whether they wish to accept or not accept that particular fund provider. That is an important step forward.

The second argument that I wish to take up that was brought up by our friends from the opposition is that they say there is no such thing as a union fund. Yet what we see across a range of industries is compulsory funds attached to those industries, paid into by union members, with compulsory 50 per cent union membership of the board. In that situation, you effectively have direction and control over the investments of those funds by the union members. I believe a critical step forward—it is not included in this bill, but that is no reason for not passing the bill, and I put that message to our friends from the opposition—is that in Australia we should be moving to a situation where each of the major funds has at least one-third of directors being independent.

That would do two things. One, it would ensure that neither the industry nor the union has control over the superannuation fund. Two, it would ensure that the independent directors would have an important role in ensuring that the viability of the fund is maintained, the integrity of the investment process is maintained and the health of the member’s contribution is advanced and improved. As well as those first two, there is a third measure which I think is a very important one. That third measure, which comes from this notion of a core of one-third of independent directors, is very simple. It is the idea that it would create a class of independent directors and a practice of having independent funds management directors. I think that would be an extremely sensible and valuable step in advancing the Australian superannuation funds industry—an extremely sensible step forward.

The fourth thing I wish to raise is a point which our friends in the opposition have raised. They have talked about the fact that there should not be any discrimination in relation to same-sex partners and the ability to access superannuation funds. That is a reform which, over time, I would like to see achieved. I am against discrimination and I think that, as a society, we are evolving in that direction. That is something which I have been working towards quietly behind the scenes and something in which I believe. It is not a necessary element of this bill. It is not a reason to stop this bill. It is not a reason why we should not provide that choice immediately. It is something to work towards over the long term. I am happy to be able to make that point in public on the floor of a house of the parliament of Australia and to say that I am committed to the capacity for choice in superannuation funds over time for same-sex couples.

I believe that is an important position. It is one which comes from the heart. It is one of the fundamental reasons I am a member of the Liberal Party and it is one of the things in which I believe passionately. But I say to the
opposition: it is no reason not to provide choice for the vast majority of Australians. Do not let the perfect be the enemy of the good. Do not abuse the position that is entrusted to you. Do not abuse the opportunity that this House provides to create and propose new initiatives which bring forward new benefits for people within Australia.

Overall, this bill has two primary purposes. Firstly, it provides more superannuation fund choice and flexibility for consumers. It fulfils the government’s election promise to allow choice of superannuation fund, drawing from the superannuation policy statement A Better Superannuation System. So firstly it provides choice; and, secondly, it provides better superannuation services, and that is an extremely important step. Where does this bill fit within the overall context of Australian superannuation reform? It provides greater choice and flexibility for consumers by ensuring that employers provide a choice of funds to employees. It does so in the context that current federal and state legislation make it unusual for employees to be given choice—it is not a norm; it is a rare thing. This legislation will help to establish it as a fundamental principle. The change is necessary due to the fact that hundreds of Australian industries and those involved in working in them need tailored superannuation schemes. What we are working towards is the goal of lifetime personal portability. That is the simple concept in superannuation which all of us should keep fixed in our minds.

The second critical element of this bill is that it increases the quality of superannuation services, and it beggars belief that people might stand in the way of that improvement. Current state legislation does not actively encourage competition or even efficiency amongst superannuation providers. This encouragement is doubly necessary due to the fact that we have an ageing population and that, when we look forward to 2020 or 2030, we see that Australia will be more dependent upon the decisions we make now. The decisions we make now help to prepare Australia for a generation hence—they are critical—and, by encouraging an increased quality of superannuation services, as to their efficiency and their productivity, and decreasing the capacity of funds to gouge—which currently exists within the industry based, union run superannuation funds—we improve the capacity of returns for all Australian workers.

I believe that this bill is ultimately an important step forward; it is a real step forward. It may not be the final step but it is a necessary and critical step along the way. If one blocks this, as the opposition is proposing, we are left moribund; we are left without taking the necessary steps forward to help immediately, going forward from this day, the vast majority of Australian workers. But if we do pass this bill—if we do take the steps which are available—and if we do allow the reforms to occur then we are working towards (1) a more efficient economy, (2) a society which is better prepared for its long-term future and (3) perhaps most importantly of all, the capacity for individuals to control their own financial future.

As the member for Cook said in his speech, it would beggar belief if we were to tell Australians how much they could invest in their family home, where they had to invest and on what basis they had to invest in the family home. The second greatest asset owned by each Australian, on average, is their superannuation. In the same way that we have that flexibility which we do not question about the first asset, the family home, we should apply the same principles to the second asset, which is the superannuation fund. On that basis I am delighted to support the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. I commend it to the House.
I urge all members of this House to support this bill and pass it forthwith.

Mr BRENDAN O’CONNOR (Burke) (12.41 p.m.)—Superannuation is a very important issue in this country. It is one of the most important issues for all families because it is critical, and it has always been critical, that people have the capacity to save. But, given our ageing population and the changes that are occurring, it is more important than ever that there is a system of savings that is certain and fair. However, the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 is not entirely fair, and that is why Labor has problems with it. I commend the member for Flinders—and I think the member for Sturt, who was in the chamber, agreed—for speaking out against the government on the issue of same-sex couples being discriminated against over superannuation. That took some courage and conviction, and I commend him for making those comments. However, he is clearly at odds with his leader and the minister on this matter. The government have no regard for same-sex couples. They are homophobic and they are discriminatory, and I think people understand that.

However, I would like to go to the heart of the rationale for this bill before I go into the detail; I would like to go into the reasons for this bill. I wish it were just a question of a bit of Liberal Party philosophy applied to a particular area of policy: the capacity of people to choose. However, I was struck by a quote that was in a Labor senators’ report arising out of a Senate committee. The report quoted the member for Solomon, Mr David Tollner, speaking at a Northern Territory Industrial Relations Society conference on 31 August last year, as saying:

The other day I was at a backbench briefing. The subject matter was superannuation—an area in which I have some experience and I was paying attention. It was suggested that the freedom of choice in superannuation funds to be offered to employees through new legislation was, in part, a union busting exercise. I said: ‘How does that work?’ I got referred up the line—to a senior parliamentary colleague who maintains a strong anti-union stance on all matters. He said he couldn’t tell me how that works. The moral of the story is that sometimes the cause takes precedence over reason.

The member for Solomon unwittingly came across the rationale for this bill. This bill is about diminishing the capacity of industry funds to operate. In doing so, it is making the system far more complex and uncertain for Australian working families. It really worries me to think that the enmity this government has towards registered organisations of employees is such that it has an effect on so many areas of its own government policy, to the point where it will happily introduce a complex, unworkable set of arrangements in order to undermine industry funds which, in the end, are not union funds—there are employer and employee representatives on a trust fund that oversees their retirement savings. That is unfortunately the main rationale for this bill.

There have been efforts in other places to introduce choice in this manner. Indeed, I know that in the United Kingdom the Thatcher government introduced choice. It caused all sorts of problems to the system and made it very unworkable. It left many employees very vulnerable and, most importantly, it made their savings very vulnerable. I think the government has to get its mind back on what matters in this area.

The government likes to say that what it is about is choice. I can recall that, prior to the Hawke governments, those conservative governments were not about choice. Maybe they were, but the choice was that, if you were a manager, you might have got a good salary and superannuation. But very few ordinary wage earners in the late seventies and
prior to the Hawke administration received superannuation. My father started work in the early- to mid-fifties. The first time he received superannuation was in the mid-eighties. He was an ordinary wage earner and, like many Australian workers, he was not in receipt of superannuation benefits. That came about in the eighties.

As the member for Corio said earlier, those changes to superannuation occurred despite the opposition of the now Prime Minister, who was on the front bench then, and the trenchant opposition that the Liberal-National coalition had to those changes. They opposed superannuation. They did not want ordinary employees to have the capacity to save for their retirement. We know that super was there for many people—

Mr Ciobo—That’s rubbish!

Mr BRENDAN O’CONNOR—But you opposed them. The member for Moncrieff interjects, but the fact is that, when those superannuation bills were passed into law or passed through the Senate, they were opposed by the then opposition, including the Prime Minister.

We know that the Prime Minister has always opposed Medicare and we know that he has always opposed superannuation. But we also know that the Prime Minister is mean and tricky. He has to go around and find ways to undermine things, not directly but indirectly, where he can. This bill is not about looking after the interests of ordinary working people and providing choice. This bill is more about undermining industry funds and setting adrift a system that is reliable and workable—albeit with some problems, which Labor have already made comment on. There are some major problems about portability that should be fixed. In these times when people are leaving their jobs or finding new jobs more often than once they did, there has to be a greater capacity to have a system of portability that ensures they are able to do that.

There are so many other issues that Labor would like to attend to and will attend to when in government, but this government historically is ideologically predisposed to not wanting people to have superannuation. It is on the record as such. I think this bill is an indication that it has concerns, as I said, for industry funds or what it likes to call union funds. Let us remember that industry funds enable employer representatives and employee representatives to oversee the retirement savings of a particular group of employees. Let us also remember that, in the last number of years, when compared with other funds, industry funds have fared better. When we look at the returns in a very difficult period for superannuation, with much of the investment being overseas, and we compare industry funds with non-industry funds, we find that, on average, they have done far better than those other schemes. So, despite the scaremongering and the enmity this government has towards those funds, they have outperformed other funds in the system.

I have great concerns about the actual motives behind the government’s position on this. I am also concerned that they are not thinking clearly because, as the member for Solomon said, they are more about union busting. They are more concerned about that than they are about the 8.8 million Australian workers who are now recipients of superannuation. What Labor has said it will do is introduce a safe choice of fund and allow an individual to select the fund he or she wishes to join. Choice is at present already available to many employees prior to retirement and to most at retirement.

What most stands out from fund surveys is that, generally, these choice products—retail funds purchased by an individual—have higher costs and deliver lower returns.
Choosing a fund sounds fair and simple in principle, but, in reality, when choice of fund is put into practice, it is essentially deregulation. In the United Kingdom, as I said earlier, when the Thatcher government introduced choice it was a major disaster, caused by misleading selling on a massive scale. Members were convinced to transfer on the advice of advisers selling commission based products. This eventually cost the financial services industry £11.56 billion in compensation.

Similar problems have arisen in other unregulated systems. We argue that a safe choice regime will ensure that fund members in a compulsory superannuation system, where individual financial literacy is variable, will be fully protected from the pitfalls of a financial services marketing environment. A main feature of this regime will be the necessity for members transferring from one fund to another to sign a standard member option form that clearly compares all fees and charges and long-term investment returns for both the fund that the member is leaving and the fund that he or she proposes to transfer to. Fundamental to a safe choice regime is the clear disclosure of all fees, charges and commissions that may apply to a fund.

In addition, other tough but necessary regulation will be needed. Further details will be introduced by Labor in the coming months and leading up to the next election. Employees must be allowed to make an appropriate choice, so penalties will be introduced to deal with employers and financial institutions that use coercion to influence an employee to join a particular fund. So we are saying that, yes, there is choice now, and perhaps there should be greater choice where possible, but it has to be choice that provides protection for employees.

We think the government’s intentions are blinded by their enmity towards industry funds and are not about ensuring that people, if allowed a greater capacity to elect which fund they are in, will be protected. This is not like buying a carton of milk or a CD; this is one of the most important financial decisions a person can make. I do not think that too many people fully understand the detail of superannuation. I do not pretend to. I would seek advice—counsel—if I had to make decisions, and I think that most reasonable people would like to be in that position. However, given that occasionally there is a nexus between where a person works and what superannuation fund they may be in a position to choose from, there needs to be a capacity for those employees to be properly protected.

That is what we are about. We would like to see people properly protected. We find that the way the government has gone about this does not properly ensure that employees will be in a position to make a choice with full disclosure and full knowledge, nor, we assume, in every circumstance, will they do anything other than take the advice of their employer. So, in discharging his or her responsibilities, the employer will have a great deal of responsibility in this regard.

I do, of course, support the amendments moved by the member for Kingston. I have concerns in relation to the government’s application. I think the reason that the government’s application is faulty is, to a large extent, because of its ideological hatred of trade unions and their involvement in industry funds. I think that is a real problem. If they could just get over that hurdle—if they could just get over their concern about and enmity towards unions—I think they would think more clearly on this very fundamental area of policy. So I concur with many of the comments made on this side of the House in relation to the problems.
Earlier I commended the member for Flinders—and I do so again—on his courage in standing up to the Prime Minister and the government on same sex couples’ rights. I think he had every right to do that. I know there are other members—I think the member for Sturt is one of them—who support the capacity for same sex couples to be treated equally. It is 2003: when will it be time for this government not to treat same sex couples with such scant regard? So I commend the member for Flinders and those other members who were obviously not able to convince their own government to change this bill in respect of same sex couples.

This bill was introduced into the House for the wrong reasons. It was introduced on the basis that it was about choice, but in effect it is about causing chaos in this very important area of policy for this nation, because of the enmity that this government has. In the end, you always have to question this government when it comes to superannuation. They have never supported it; they did not support it in the eighties, and now they cannot get rid of it. Like Medicare, the government are having trouble getting rid of it directly, so they would like to muck it up, cause problems and see it fail. They are against it, and they always have been. For those reasons, I have problems with this bill.

Mr CIJBO (Moncrieff) (12.58 p.m.)—I am quite astounded that someone would come into this chamber to speak against this legislation and argue that it is about the Howard government wanting superannuation to fail. I find it incredible—amazing—that the member for Burke could actually believe the Australian people would sit there, listen to that diatribe and agree with him. Does the member for Burke think he has convinced anyone on the opposite side of the chamber that this legislation is about making superannuation fail, that there is some grand plot on the Howard government benches whereby we want billions of dollars of savings, in the form of people’s superannuation, to be squandered? That is absolute rubbish, and the member for Burke’s contribution—for lack of a better term—to this debate should be treated as absolute rubbish, because it is an absurdity.

This bill is actually about providing a choice of superannuation funds to employees. It is about saying we recognise employees are intelligent enough to make a decision about where they would like to see their superannuation contributions go. It is about ensuring superannuation fails. That was the thrust of what the member for Burke said: the choice of superannuation bill is a way in which the Howard government is attempting to make sure superannuation fails.
ployee. Rather, where possible, we will provide opportunities for the Australian people to take responsibility and to make up their own minds about ways in which their lives could be impacted. When it comes to superannuation, they have a crucial and fundamental decision to make about what happens with their superannuation.

Let us put all of this into context. Back in the early 1990s, 12 to 14 per cent of the Australian population were aged 65 and over. It is predicted by demographers that by 2030 or thereabouts the percentage of the Australian population aged 65 and over will be in the vicinity of 25 per cent. Effectively, we will see a doubling in the number of people aged 65 and over during that period—at least, that is what is forecast. We have to be serious about the unique challenges that face the government, whether it be us or, one day, the opposition. The reality is that, should that doubling occur, the government will need to make a decision about how to fund the expectations of the Australian community.

It goes without saying that a large number of people have made very significant contributions throughout their lives to Australia’s tax base. Rightly or wrongly, a lot of people take the attitude that when they retire—when they attain 60 or 65 years of age—they should be able and entitled to go onto the age pension. That is a reasonable expectation. But the question that really needs to be answered is: how will we address this large proportion of the Australian population that would like to be on some form of age pension benefit? Even when only 12 to 14 per cent of the population were aged 65 and over, it was difficult to pay for all of those benefits with our tax base. How much more difficult will it be when approximately 25 per cent of our population are expecting government support for their age pension?

I applaud the opposition for, in large part, being the initial driving force behind superannuation. I think it was a forward-looking policy to say that we needed to ensure Australians provided for their retirement. It was a recognition of the true fact that Australians needed to take charge of their wealth into the future so there would be some form of annuity available to them when it came to their retirement. But I heard the member for Burke say the Howard government is opposed to superannuation. Let us deal with that: that is absolute rot. We were opposed to the structure the ALP were looking at introducing in their legislation, but we are not opposed to superannuation at all. We fully support and applaud all Australians with regard to their superannuation. What we were opposed to was the structure the ALP were implementing. That is water under the bridge now, but I needed to put it on the record to refute what the member for Burke said.

The government have also looked at making sure that, when Australians do retire, there is, ideally, an annuity from their superannuation that they will be able to feed off which will provide a reasonable standard of living for them and which can be augmented by the age pension if necessary. A large part of that is making sure we have market conditions that are conducive for people wanting to be involved in superannuation. Compulsory contributions are already part of legislation, but the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 takes things another step forward.

As part of our 1997-98 budget we spoke about our push to have a choice of funds measure. This was reaffirmed in 2001 as part of our election policy platform, when we announced our A Better Superannuation System package—a policy that said we would ensure a choice of funds was made available to all employees. We said that because we
recognise that it is a crucial step to providing incentives for employees to look at where their superannuation will be when it comes time to retire.

From anecdotal evidence, it appears that a large number of Australians do not take an interest in their superannuation, because it seems to be something that is a bit too complex and something they do not want to deal with. This bill lays on the table an opportunity for them to take an interest and get involved, knowing that they can help to engineer the types of outcomes that they are seeking later in life when they retire.

We are very cognisant of the fact that providing choice of super may provide some additional compliance costs to small businesses and to employers in general. The Howard government is very aware of the fact that employers do not want to deal with more red tape. I know that on the Gold Coast, which has the highest number of small businesses per capita in this country, employers do not want to deal with more red tape. But what we fundamentally believe is that employees have the right to decide where their superannuation contributions should be going, and the bill before the House finds a very appropriate balance between the employers’ wish to not have overly complex compliance and therefore high compliance costs and the employees’ wish, should they so desire, to be able to choose where there superannuation contributions go.

As I touched upon at the outset of this debate, if an employee does not make a choice, a default fund is available. Initially when the government was mooting this legislation we said that, where there was an industry award—a Commonwealth or territory award—an industry fund should be used as the default fund. This bill amends our initial proposal and now provides that the status quo fund will be the default fund, provided of course that it is a complying fund for the purposes of the legislation. That means it is less onerous for small business.

Small business operators, and indeed all employers, have nothing to fear from the introduction of this bill. The compliance requirements associated with this bill are minimal. It means that, for employees, it might in fact be an even more attractive proposition to work for a particular employer because they perhaps are contributing to a particular fund or, alternatively, employers are more than willing and able to assist an employee to make an informed decision about where their superannuation should go.

I have spoken about the reasons why we believe choice of fund is good for employees, but let us also look at some of the other externalities that will flow from this bill—and they are positive, because we fundamentally believe that choice of superannuation will also provide enhanced competition, which in turn will lead to greater efficiency. The net outcome of enhanced competition and greater efficiency should be that there are improved returns on superannuation and, in addition to that, there should be lower charges and administration fees involved with superannuation.

By having choice of funds when it comes to employee contributions, fundamentally we have a situation where superannuation funds will need to compete to try to obtain as much as they can from their customer base. They will be looking at saying to employees: ‘Now that you are no longer anchored to a particular fund, come and invest your money with us. If you invest your money with us, we will be looking at $X as a return and looking at enhancing your bottom line, because we have put pressure on our administration charges—we have put downward pressure on the prices that are involved. And, because we take a very proactive approach,
we are looking at achieving a higher return than one of our competitors.

It is a good outcome that, because of choice of funds legislation, there will be improved competition, greater efficiency, higher returns are more than likely, and it is expected there will be lower fees and charges involved with the administration of a super fund. Again, these are very positive, tangible results that I know the Australian people will respond to very strongly because they recognise that these will be the positive externalities that flow from choice of super funds.

I would also like to touch upon the fact that in this amendment we have also altered the deadline for when the choice of fund legislation will commence. Originally it was proposed that it would be 1 July 2004, but a number of employer groups have argued that they would like that to be extended by 12 months to ensure there is more than adequate time for preparation to comply with the new framework. As a consequence, this bill as it stands will provide for choice of fund commencing from 1 July 2005, providing a large lead-in time so that there are no nasty surprises for employers.

All in all, the bill before the House is good for employees because it means that they now can take charge and have an informed position about what they are doing with their superannuation. It is good for employers because we are giving them plenty of lead-in time and plenty of notice with regard to the change in the framework, and we are also ensuring that they now can be willing to meet the demands of employees to have control over their superannuation. We have amended the bill so that now employers are not in a situation where they need to look at default funds in relation to the industry fund but rather can continue with the status quo, provided that, as I said, the status quo is a complying fund.

An employee can make a choice at any time with respect to the fund they would like their contributions to go towards, provided they have not selected one in the previous 12 months. If an employee has not provided bank account details or any other prescribed information to their employer, the employer does not have to accept that fund. We have been very business friendly, particularly for small businesses, with this legislation to make sure that it creates as few compliance costs as possible. This bill is an important one. It recognises that where possible we need to encourage Australians to provide for their retirement and it limits the compliance costs for employers.

In the final throes of this discussion I would like to touch briefly upon the issue of same-sex couples. A number of speakers on both sides of the chamber have spoken about the situation with regard to same-sex couples and the allocation of superannuation between them. It is my view that, with regard to same-sex couples, whilst this bill does not make provision for the allocation of superannuation, superannuation should be treated the same as any other asset. A couple in a same-sex relationship should be able to bequeath their superannuation in a manner that is appropriate and in the same way as they would with any other household asset or, indeed, their family home or something of that nature. I think that ultimately should be the goal that we strive for as a modern government, and I am sure that in time we will achieve that outcome. This bill is a good bill and I commend it to the House.

Mr JOHNSON (Ryan) (1.15 p.m.)—I am delighted to speak in the parliament this afternoon on the last day of sittings for this parliamentary year and I extend, on behalf of my family, good wishes to colleagues in the parliament and to all those who make this place run so efficiently. I am honoured to speak following my good friend and Queen-
sland colleague the member for Moncrieff, who, when he speaks in the chamber, always speaks very eloquently and with great intelligence. It is a great pleasure to speak in support of the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. It is another example of the Howard government putting policy and legislation before the parliament that is in the interests of the country. It is also another example, correspondingly, of the opposition being in a frame of opposition just the sake of it. I say to those opposite: ‘Support this bill, because this is something that would enhance your prospects in the broader community. If you just listen to the people around the country, you might learn something.’

Since the introduction of the government’s A Better Superannuation System policy in 2001, and the electoral endorsement of that policy at the November 2001 elections, this government has worked very hard to achieve much-needed reform in Australia’s superannuation system. The government has developed a whole raft of changes that will benefit the Australian community, with stronger and more equitable superannuation arrangements. These include the government’s co-contribution for lower income earners, the super safety amendment, reduction of the superannuation surcharge, superannuation splitting for spouses, superannuation portability and, of course, this legislation that is now before us—the super choice amendment, which we hope will receive support from both houses of the parliament. All these changes are reforms that will provide very real benefits to our fellow Australians, very real benefits to the workers of Australia. They will improve the security and the efficiency of our superannuation system.

Unfortunately, as I have alluded to, the opposition seems to be in a position where it does not wish to subscribe to good policy, to policy and legislation that will make a very real difference to our fellow Australians. The Labor Party even voted down a reduction of the superannuation surcharge earlier this year. When I conveyed that to Ryan residents, who continually ask about that, they just remained absolutely astonished. This rate, if it had been accepted by the opposition, would have reduced the figure from 15 per cent to 10.5 per cent. This would provide great savings to our fellow Australians, especially those nearing the age of retirement. But that is something that those of us on this side of the parliament will continue to work for. The reforms in A Better Superannuation System will clearly benefit Australian workers—the very people that the Labor Party is supposed to champion and fight for.

The amendments in this bill before us will provide more choice for superannuation funds for Australian employees. That is the essence of it. This legislation will alter the Superannuation Guarantee (Administration) Act 1992 and will hopefully take effect from 1 July 2004. The purpose of it is to enable Australian workers to have the freedom to decide which superannuation fund or scheme they want to subscribe to. Employers will need to be able to make contributions to a range of funds and comply with the choices of their employees. The onus will be on employers to provide a choice of superannuation funds and provide support for that range of funds. Employers will be obliged to provide their employees with unlimited choice in terms of complying with super funds, and there will be financial penalties for employers who do not comply with the choice of fund requirements.

I find it astonishing that putting up an idea of choice would receive stubborn opposition from those opposite. It is a situation, if I can use an analogy, which is like employers choosing homes for their employees. We would not compel employers to choose our
homes; we would not let employers tell staff where to bank, who to insure with or which stocks to buy, so why continue with a system where people have little say in how one of our largest assets is invested? I say to the sole representative of the opposition sitting in the chamber, the member for Braddon—a decent man, a very civil man in this parliament—‘Surely you wouldn’t want to be told where to live or which stocks to buy?’ Some of those opposite have even bought Telstra shares, if I recollect correctly. The member opposite might be one of them; I am not sure about that. Superannuation is a very important asset. I am sure he appreciates having the choice of where to live but, unfortunately, he does not subscribe to the view that he can have the choice of where to put his superannuation.

This bill differs from previous bills rejected by the opposition. The process of this new amendment will be easier to administer for employers and employees alike. Workers will have the option of choosing a fund through a formal process or through individual written agreements with their employers. A written agreement sees the worker providing written notice of a proposed fund for contributions and the employer giving written notice accepting that fund. I heard the member for Ballarat in the chamber earlier talking about this bill being counterproductive to the interests of small business and employers. What absolute nonsense. What sheer hypocrisy it is for those opposite to talk about what is in the interests of small business. They would not know the first thing about small business.

If the employer is already contributing to a defined benefits fund on behalf of the worker, then the employer must provide a formal choice of funds process. This is to ensure that employees will receive the necessary information so that they can make an informed decision about their choice. As colleagues on this side of the parliament have said very eloquently, and I am sure they will continue to make the point, who are we to say to the Australian public that they have no idea, that they do not know what is best for them? It is absolutely astonishing that those opposite can take the position to the Australian public that they know best about a very important asset—the superannuation funds of the employees of Australia.

The employer must offer a standard choice form to the employee within less than a month—within 28 days of employment. The employee can also request a standard choice form every 12 months. These are among provisions that make a difference and make this very responsible. There are default provisions; for instance, where the employee does not choose a complying fund, eligible default funds are defined in Commonwealth or industry awards for the employees or by the super fund that the employer contributes to for the majority of their employees.

The benefits of this legislation are significant. The clear and obvious benefit of the legislation is that Australian workers, Australian employees, will have influence over their super funds. Australian employees will be able to choose where their money goes. I say to those opposite and those listening throughout the country today that this is a very elementary concept: you choose where your money goes. You do not have the government telling you, as is the opposition’s position by not supporting this bill.

It is most unusual that Australians cannot make this very simple, fundamental choice for themselves. I know the people of Ryan—the great electorate of Ryan that I have the privilege of representing—will stand shoulder to shoulder with those of us on this side of the chamber, because they are very concerned about how their superannuation is managed and looked after. They can choose
for themselves. They do not need the Labor Party to tell them where their money should go.

Superannuation is a compulsory financial product that all employers are obliged to provide for their employees. As I said, why shouldn't Australian workers be allowed to direct their own investment choices? By giving Australian employees more choice and the ability to participate in the decision-making process for superannuation, workers will also gain a sense of ownership and responsibility for their financial and retirement future. We all know that the Australian population is ageing, and so superannuation assumes critical importance, which hopefully all members of this parliament will acknowledge. So with this sense of ownership, workers may well contribute more voluntarily to their super outcomes and take a greater interest in how their money is managed and invested.

Another benefit will be increased competition. If employees and workers are not locked into a specific fund by their employers or their industry, the superannuation industry will need to work very hard to earn the respect of those workers. Australians work very hard for their money, and it is absolutely essential that their future investments are looked after properly by those who manage them. Efficiency will also be a positive outcome of the changes. In order to attract the hard-earned dollars of Australian workers, super funds will need to demonstrate their viability and performance in very real terms and they will have to perform for their members. Increased competition and efficiency will also put pressure on fund administration charges to be competitive, if not to be decreased.

There is widespread interest and concern throughout the Australian community about superannuation. As my Queensland colleague the member for Moncrieff alluded to, it is in fact the opposition that can perhaps claim some brownie points for being the initial driver of superannuation. As this government acknowledges, you should give credit where credit is due. It makes the point all the more dramatic on this last day of sitting that those opposite stand in a very different position to where they were a decade ago and a decade before that. More and more Australians recognise that their future retirement will depend on their superannuation funds, and that is why this is assuming supreme importance. Yet, in 2003, the very party that supposedly claims credit for this is doing a U-turn and doing everything in their power to make life difficult for those in the superannuation industry and those who have their superannuation funds at risk through superannuation managers. The people should have the choice as to where their money goes.

The Labor Party's response to these amendments is contemptuous; it is very patronising. They have dismissed it out of hand. They talk about it being of importance to small business, yet they go against what really is important to small business employers who want to make life easy for their employees in terms of superannuation investments and keep it as simple as possible. In the superannuation policy paper of 2002, the Labor Party said they wanted full investment choice. But when the option came before them, they rejected these amendments, as I have alluded to. Labor rejected the Superannuation (Surcharge Rate Reduction) Amendment Bill in 2003, which would have reduced the burden of the superannuation surcharge by almost five per cent over three years.

Let me repeat for the benefit of the people of Ryan, whom, as I said, it is a great pleasure and honour to represent in this parliament: the Labor opposition rejected the
Howard government’s intentions to reduce this surcharge. I might take this opportunity to be more specific for my constituents. I want to say again to Ryan residents like Mr Tony Speer of Taringa, who has written to me about the surcharges, that the government has tried to reduce them. That is right—the government has tried to reduce them. But the opposition stands firmly against this—an appalling situation over something so important.

The government has demonstrated its strong commitment to improving and reforming the current superannuation regime in this country. I understand the former Leader of the Opposition was to address the cream of Australia’s superannuation industry earlier this week, but something more important came up: the very question of who was going to lead their party. So superannuation came second to that. The superannuation industry lost out. The former Leader of the Opposition decided that he would rather cast his vote in a ballot than talk to the cream of Australia’s superannuation industry. They were supposed to meet for a very important address and no-one addressed them, not even a staffer or an important adviser. I look forward to the new Leader of the Opposition talking to the Investment and Financial Services Association, who manage some $655 billion for nine million Australians—a big sum of money in anyone’s language.

These 200 guests were regrettably unable to hear the words of wisdom from the former Leader of the Opposition, so I look forward very much to the new Leader of the Opposition going in and speaking to this industry. The member opposite, the member for Brad- don, might be able to speak on superannuation and tell us what the Labor Party’s position on superannuation is, what they are going to do and whether they are going to let our fellow Australians have choice in superannuation. Why would the opposition stand against this government’s policy? It is just another example of its lack of commitment to the very important measures that this government is introducing. This is all about making life easy for Australians. The government has demonstrated a strong commitment to improving and reforming the current superannuation regime in this country, and the Minister for Revenue, Senator the Hon. Helen Coonan, has shown this commitment by tireless work in preparing a number of very significant legislative changes, including the current one that is before us, to revitalise the push for superannuation reform.

Other important initiatives, as I outlined at the outset, such as portability of superannuation, government co-contribution for low-income earners, surcharge reduction and superannuation splitting for spouses, have been put forward but all have been rejected by those opposite. That is an appalling state of affairs for an alternative government of the country. I want to quote my Taringa constituent Mr Speer. He says:

My family and I have been Liberal supporters for as long as I can remember. The friends and associates I mix with are the same. The subject of superannuation is, at our age, a major consideration and discussion topic when we meet. I have little doubt that the party who has the will to be serious about major changes to superannuation will win a lot of votes. People over the age of 45 do comprise the majority of the population, as I have already mentioned.

They are words of wisdom indeed and are very strongly reflective of why Mr Speer supports this side of government, this side of the parliament. It is because this government is doing exactly that. It is focusing on and is committed to superannuation and superannuation reform. I look forward to conveying to him and to other Ryan residents again that it is the opposition that has stood very stubbornly against all the measures that this government has introduced to try to reform the

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superannuation industry, to make this industry user friendly and very efficient, and to make a difference.

In the debate on this very important bill, the member for Braddon looks a lonely soul sitting here in the chamber by himself. It is a shame that many of his colleagues have already flown home. Many of his Queensland colleagues have already abandoned him and gone back to Queensland. They obviously do not have an interest in this bill and in speaking to it, whereas those on this side of the chamber are getting up, one after the other, to speak very eloquently, very strongly and very genuinely about how important this bill is to superannuation. I know that the member opposite is a very decent and civil man, but regrettably he does not have any ideas about superannuation. Like his colleagues and his new leader, he is more concerned about things that are not what the people of Australia are concerned about, and one of the most important ones is superannuation.

Australia’s superannuation industry is very important. A significant amount of money is invested in it, and this government strongly supports a savings culture. It is important for all Australians to be mindful of saving for their future and their retirement, and the Howard government stand very strongly behind that idea. We encourage it, and measures such as this bill and these amendments are all about that. It is a tragedy that those opposite will, for ideological, or perhaps philosophical, reasons that are very much out of sync with the broad Australian community, be opposing these measures. I ask those opposite: if you listen to the community and subscribe to commonsense and logic, how on earth could giving Australians choice in something so critical as superannuation be something not worthy of support? It is just amazing. It is that kind of conduct and attitude that will banish you to that side of the chamber for many years to come, indeed if not decades, until you get a decent Leader of the Opposition. Perhaps the member for Braddon might even put his hat in the ring. He might even then put Tasmania on the map.

In conclusion, I want to encourage those opposite to support this bill and these amendments, because they will make a difference to our fellow Australians. Why would well-meaning and strong schemes such as this which the government is putting before the parliament be opposed? I want to commend the amendments to the parliament. I want to invite the Labor Party to support the government in these important measures for the people of Australia and for the people of Ryan, for whom superannuation is of supreme importance to their lives and to their ease of mind. I am going to continue speaking in this parliament, in the greatest democratic chamber in the Western world: the Australian House of Representatives. I am going to speak very strongly about the importance of superannuation and what the government is doing to put it at the forefront of people’s lives, because certainly the opposition does not do that at all. (Time expired)

Dr WASHER (Moore) (1.35 p.m.)—I thank the members for Ryan and Moncrieff for their input into this. I notice that, unfortunately—and I sympathise with the member for Braddon over there—the rest of the booked speakers are missing in action, so the opposition is diminished. They have gone home—or gone fishing or whatever. It is a pleasure to talk on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. I want to quote Benjamin Franklin. In 1789, he wrote the words: ... in this world nothing can be said to be certain except death and taxes.

More than 200 years later, a third certainty is emerging—that is, we have an ageing population. Australia, like most industrialised
countries, is experiencing the ageing of its population through advances in medicine and better standards of living. In 40 years time, the number of people aged over 65 years will be doubled and the number of people over 85 years will be four times greater than it is today. That, together with the declining birth rate of the 1970s, means a much smaller work force will be contributing to the tax base required to support a rapidly increasing ageing population. That is one of the reasons why this bill, which provides choice in and portability of superannuation, is so important. The policy objective of the choice of fund proposal is to provide employees with greater choice as to which complying superannuation fund or RSA will receive compulsory superannuation contributions on their behalf from their employer.

This element of choice will give employees freedom to make decisions about their retirement nest eggs and will create greater competition within the superannuation industry and, in turn, greater competition within the industry will place downward pressure on fees and charges. Increased competition and better returns will benefit all people with superannuation and will reduce, over a period of time, pressure on the age pension system. The age pension system is likely to come under pressure in the middle of the next decade, when the baby boomer generation starts retiring. So it is increasingly vital that we take steps now to encourage more people to save for their retirement and, importantly, to give them a choice about where their money is invested and how it is administered.

It is difficult to argue against the right to choose. The ability to decide where to invest your money should be a straightforward and basic democratic right. There would be outrage in the community, as suggested before, if it were ever suggested that people should have their homes, bank accounts or insurance policies chosen for them.

Mr Sidebottom—These speaking notes sound similar to mine.

Dr WASHER—Great thinkers think alike, Sid. One of the most significant investments that many people will ever make—and which will determine their standard of living in retirement—is beyond their control. Regardless of the fees they are charged, the returns their funds achieve or the services their funds deliver, employees cannot change their fund. Even though it is the worker’s money and it is the worker paying the fees, the decision on which fund to invest in is made by the employer or, through their award, by their union—which might relate to some of the problems opposite. Imagine if in order to get a home loan the lender reserved the right to choose your house or your employer chose the bank account into which your wages should be paid. These scenarios would be totally unacceptable, and yet that is a scenario that currently exists with regard to superannuation, except in my home state of Western Australia.

To all those who argue against choice in superannuation, let me say that the Western Australian experience has been positive; we already have choice. The Western Australian experience has shown that the compliance burden for employers can be contained. The market has evolved to keep employer costs to a minimum. For example, the largest WA based super fund operates a clearing house for employers to make contributions efficiently and cheaply to multiple funds. Employers who use a clearing house need only write one cheque and provide details of the funds of which their employees are members, and it is handled.

Detractors of this legislation also argue that most people are not superannuation experts—neither are they necessarily real es-
tate, banking, financial planning or insurance experts. But they should be given the choice to consult an expert, just as they do for other investments such as buying a home or investing in property. Of course, the status quo can remain for those who choose it. Anyone happy with their current superannuation arrangements can choose to retain them. It is all about choice—choice to direct your money to a fund of your own choosing or choice to leave your contributions where they are.

The $6 billion in ‘lost’ superannuation suggests very strongly that people tend to forget about money that they have no ability to control. If people actively have control over their own money, we should see a marked improvement in the level of interest in superannuation and a heightened awareness of participation in retirement saving programs. Research shows that most Australians want to be able to choose their own superannuation fund and have the freedom to move their money as and where they like. More than 70 per cent of respondents to a survey said that they would like ‘full choice of fund’. Yet still the opponents of choice say no. They appear to believe that it is preferable to let consumers languish in a fund with higher fees and charges and poor returns rather than focus on achievable reforms.

It is important that a strict regime of disclosure accompany the successful introduction of choice, and that regime is already in the pipeline. From March next year, financial advisers will not only have strict legislative disclosure requirements; they will also have to have passed more stringent licensing requirements. To comply with their obligations under the FSRA, planners will be required to disclose fully and completely all of their fees, charges and commissions. Similarly, all fees and charges associated with the products they are recommending will have to be disclosed. Where a planner’s advice may have a detrimental impact on the client, the planner is required to explain clearly what that might be. For example, a planner advising a client to move to a new superannuation fund would clearly have to indicate if the ongoing fees and charges in the proposed new fund exceed those of the client’s current fund. With open and honest disclosure, the client would then be in a position to make an informed choice over where his or her superannuation contributions should be invested. No employee will be obliged to change their fund if they are happy with their existing arrangements.

This legislation is all about empowerment, not compulsion. With more than $A500 billion invested in superannuation and representing for most Australians their second largest asset after the family home, superannuation is hugely important. The government is committed to ensuring that the superannuation system is robust, safe and flexible and that it meets the needs of Australians in retirement. The Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 builds on that commitment by giving choice to the employee and creating greater competition within the industry. I commend the bill to the House.

Mr KING (Wentworth) (1.44 p.m.)—Thank you, Mr Deputy Speaker Hawker, for your usual sagacity and tolerance in the administration of your important work in this parliament. I wish you and your family and those who assist you in the work that you do a very happy Christmas.

The Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 that is before the House is of great importance in ensuring that some 4.8 million ordinary Australians are entitled to a choice of which superannuation fund they wish to see their life savings deposited in. That is an important matter for many Australians, not just for those I have mentioned but also for
the 0.6 million-odd businesses that are the employers and that are also likely to be affected by this choice legislation.

I heard the address from the member for Kingston a little bit earlier in this debate. The first point he made about this proposed legislation—a point which seemed to not carry any weight at all—was that there would have been insufficient notice about the nature of the legislation and its provisions for those who might be affected by the legislation when it comes into force on 1 July next year. With the greatest respect to the member for Kingston, that is just complete rubbish. The fact is this legislation has been on the Notice Paper longer than just about any other legislation that has been proposed since this government began its beneficent regime back in 1996. Indeed, in 1997-98 the Treasurer, Mr Costello, proposed in the second budget that he put to the House this very measure. The Senate first rejected this legislation on 8 August 2001. So the members of this place have already had an opportunity to examine in some detail the proposal and the policy behind the proposal that is being considered today.

Since then there have been some further improvements to the proposal being put to the House through the process of consultation that the government have put in place. In particular, the Association of Superannuation Funds of Australia and the Investment and Financial Services Association have been consulted. Employer groups—in particular, the Australian Chamber of Commerce and Industry—small business groups and those representing employee interests have also been consulted. The two concerns that were mentioned in that process of consultation—namely, the importance of reducing the burden of choice on employers whilst ensuring the key objective of greater choice of funds—were the principal focus of that process of consultation and that, I believe, has led to an improved piece of legislation coming before the House.

It was not just that process that led to an appreciation by the broader commercial community, by those superannuants who might be affected or by people who contribute to funds. Indeed, on 5 November 2001, in the document A Better Superannuation System, the coalition in a very clear statement put to the people of Australia the very measure that is now being proposed before this House. On 14 May last year the Assistant Treasurer put out a press release that detailed the measure that is now being considered. So the suggestion that there has been insufficient time or opportunity for those who might be affected by these measures to understand, comprehend, digest, comment on or be consulted about the measures is just complete rubbish. In addition to that, the government has contributed some $28.6 million to be spent over the next four years as part of a measure to assist in educational programs linked to the legislation. I commend the government and the minister for the presentation of these proposals. I suggest that the criticism by the opposition that they have had insufficient notice to comment on or be able to understand this legislation is completely empty and nonsensical.

The question then arises: what is the need for choice in a situation such as this? Under current arrangements there is no real choice for employees in relation to their superannuation fund. Employers deposit funds in appropriate, eligible funds as designated by the superannuation insurance scheme and relevant authorities, but also as a result of the choice of the employers. There is no choice for employees to determine the direction of the funds which make up the nest egg they are looking forward to when they retire.

One of the great things about being Australian is that we take care of our older peo-
people in ways that so many other countries do not. The superannuation legislation before the House, which this government strongly supports, is a very good example of the care that we have for older Australians and the respect that we have for the choices of older Australians, unlike those opposite who would rather dictate to those who make contributions to superannuation schemes and force them to go down a single track.

What is the reason for their position? What is the reason for their opposition to choice? At the end of the day we know that the real reason is that they are seeking to protect the trustees of union superannuation funds and the choices of the union bosses in relation to employees. That is what it is all about. It is all about protecting the livelihoods of the trustees of the superannuation funds and the little golden nest eggs that they have been looking after for years. There is no real choice for the workers of Australia in the policies of the Australian Labor Party. They are exposed again for their hypocrisy in opposing this important legislation.

There is an important basic principle at work here. I will give two examples that have affected me in my work in the electorate of Wentworth. The first example concerns a number of people who were employees of Ansett airlines before its unfortunate demise. Several people have come to my office in despair because the superannuation fund arrangements that were put in place by the employer immediately prior to the demise of the airline—and there were some very strange goings-on with the choice of superannuation funds by the board, if I may say so—have left their superannuation at real risk. In some cases it appears they might even lose the benefit of that superannuation. I know some steps have been taken to try to address that problem, but the fact that they have been at significant risk as a result of games being played by one or two senior managers of the board of Ansett immediately before its demise indicates that there is a real reason why employees in this country should be given greater respect in relation to choice of superannuation funds.

I have another example. Recently a person employed by a business up in Bondi Junction came to my office. He was very concerned because the company, which had set up a superannuation fund for him through its own internal arrangements, had scarpered with the funds. The arrangements that had been put in place by this corporation to supposedly protect the interests of this employee were completely non-existent. There was a fraud perpetrated on this employee. He knew that it was going on, and I knew that it was going on—or that it was about to happen or it had immediately happened; we were not too sure. Of course the matter was referred to the police. The problem was that he had no choice as to the direction of his superannuation funds. It was happening before his very eyes. All he could do was leave that business and go to another business, but that was not what he wanted to do. So this legislation is important because the choice that is afforded to workers is also a protection for them.

I know it is said by some in the union movement that workers do not need that sort of protection because they can join a union, but that point can be turned back on the union movement itself: if the union movement is really doing its job and looking after the interests of employees, it ought not to be recommending necessarily that those employees join a union superannuation fund—a union-governed or -dominated superannuation fund. There may be other choices for workers. I hope that as a result of this legislation union bosses have the courage, the moral rectitude and the sense of concern for workers and members of their union to advise employees in particular businesses, especially in small to medium sized businesses,
that there is a choice, that they do not have to go into the union superannuation fund. I hope that, in the education process which the government is wisely putting in place, employees will be told about those possible choices. That is why this legislation, which at heart offers choice to Australian workers, is so important.

The member for Kingston said that not only does this legislation offer an unsafe choice—I think he called it the ‘unsafe choice’ regime, and I have already dealt with that issue—but it does not offer an informed choice. But the whole point of the legislation is to afford workers the opportunity to have an informed choice. Let us take the union position. If the unions are doing their job, if the shopfloor steward or union delegate is really looking after the interests of the employees in a particular business, that delegate—that union will be informing those staff members of the real choice that they have, and that information should include the alternatives.

There may be half a dozen substantial superannuation funds an employee can choose between. There may be some that are performing and some that are not. There may be some charging high fees, such as those charged—I think, inappropriately—at the moment by some superannuation funds, and some that are not. There may be some that are better managed than others. That will be the case, and that is why it is terribly important that the union delegates on the floor, the supervisors and so on, give the employees the information to be able to make that choice. So there is a reason, if people act properly, that informed choice will occur in the interests of employees and staff in particular businesses right across the nation, where there are unions.

Of course there will be some workplaces where there are no unions. In those places the education campaign that the government is putting in place will ensure that there is an informed choice for those people. There is information that will be going out, I understand, through the Australian Taxation Office. There will be material that will be distributed in accordance with what I have read in the explanatory memorandum—and I would recommend that all those who are interested in this examine that memorandum, because it sets out who will be entitled to receive that material.

The suggestion by the member for Kingston that this is an unsafe system is an empty criticism. The suggestion that it does not lead to an informed choice is hypocritical because it is a condemnation of the union movement, which is in a position to inform those workers of their entitlement to make a choice. I hope, and indeed I trust, that the workers of Australia, the 4.9-odd million people who will be affected by this legislation, will exercise a real and clear choice.

It has been said by the member for Kingston and others—using examples from Britain, Chile and other places around the world—that when choice of superannuation funds was opened up fees rose and management commissions were incurred. Even at entry and exit, there were costs imposed on superannuants and contributors. Indeed, when I look at the amendment proposed by Mr Cox, I see that one of the reasons that he gives—or that the opposition give—to oppose this legislation is that excessive entry and exit fees may be charged and that there is no incentive for a reduction in the fee structure. But that shows ignorance, if I may put it like that, of the way this legislation will work and the way the market will work in respect of fees.

One of the things that I am very concerned about at the moment in relation to managed funds is the fact that set fees of, say, up to
2½ per cent are charged on a capital fund under the management of trustees, directors or managers. For example, a flat fee of $5,000 may be charged on a $200,000 fund under the management of a trustee or manager. It seems to me that, by opening up the choice of superannuation funds, some pressure will be put on those managers to charge a more realistic fee, because people will have choice of funds. If they are not getting good value for money in relation to their nest egg—the money they will have when they retire—what will they do? They will not sit back and despair that they cannot do anything about it; they will make a choice. They might even ignore the recommendation of their union—that they should be in the union fund—when their money is being whittled away. They might decide in the interests of their family to put the money in a fund which they have information about—and there is plenty of information available from financial advisers—which will give a return to them and their family in their retirement. That is in the interests of their family and, ultimately, in the interests of all Australians.

Another matter that I want to mention concerns a criticism, as I perceived it, made by the opposition in relation to same-sex couples. It is an issue that is raised in the amendment put forward by the opposition. The amendment says:

(6) there is no provision to include same sex couples in the choice regime …

This issue has been raised in debate before by both sides of the House, as has been recognised. But, with the greatest respect, as I read the legislation, it does not deprive same-sex couples of a choice. They can make a choice as to the superannuation regime by which they propose to have their funds managed and supervised. The choice as such does not involve any discrimination against same-sex couples. The logic of that is obvious, because one, two or more people in the same group may make the choice that is best suited to them. This legislation is not designed to recognise families or same-sex couples; it is designed to confer choice. It is disconcerting and silly of the opposition to make that sort of criticism of this legislation. If the opposition wish to propose such a measure, they should deal with it up front and in a more cogent fashion. Of course the rights of same-sex couples are important, but it does not seem to me that they are adversely affected by this legislation. It just does not deal with the question one way or the other, and it is not appropriate for it to do so.

In looking at the amendment proposed by the member for Kingston and the various reasons that he has put forward, I would like to finish by commenting on the part of the amendment that says there are no clear, simple and comparable disclosure provisions. When you look at part 2 of the legislation, you will see that it is the very opposite of what the member for Kingston has suggested. It is a very clear and simple procedure for any worker to make a choice of a superannuation fund that will be to his or her benefit. There are only two choices: an eligible fund which they may choose through a simple choice document, or a fund through an agreement which is reached with an employer. The choice is clear and simple. It just requires goodwill on the part of all those involved in workplaces around this country to make sure that it happens in the interests of all Australian families and all Australian contributors to superannuation. In that way, our older people will have an even greater choice of superannuation funds so they may enjoy the retirement which they deserve.

Ms GAMBARO (Petrie) (2.04 p.m.)—I am very pleased to have the opportunity to speak to the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 today, particularly in the
climate that we find ourselves in, based on
the Intergenerational Report and other re-
ports that are available. We are getting older,
and the latest mortality figures show that
men have an average life expectancy of 80
years of age and women have one of 85
years of age, so women need to put away a
bit more for their superannuation. It is be-
coming more and more obvious that we have
to ensure that we have adequate provisions
so that we have a comfortable lifestyle well
into our 80s and 90s. In the area that I repre-
sent, the longevity of people is quite out-
standing. In fact, the other day I visited a
gentleman who had turned 107. Quite regu-
larly I present certificates to those who are
100 years of age or more. After you have
presented seven of those certificates, you run
out of things to say and do—and I am find-
ning that more and more. We have to ensure
that we put away for our later years as we are
living longer.

It is important in this climate to ensure
that we have a good superannuation regime.
The government have been very responsible
in making sure that, as part of that regime,
we have a choice of funds, a system that is
very competitive and a system that ensures
no-one is discriminated against. For far too
long, it has been a very inflexible system. We
have heard previous speakers, including the
member for Wentworth, say that we had ab-
solutely no choice, that it was inflexible and
that employees were locked into funds that
provided inadequate returns and had overly
burdensome conditions and applications at-
tached to them.

It is important that as a government we
recognise that. One of the things that we did
was to consult with a number of interested
parties. We made sure that, when we pro-
posed the choice of funds, we spoke to the
superannuation industry, particularly the As-
sociation of Superannuation Funds of Aus-
tralia and the Investment and Financial Services
Association, about our proposal. Employer
groups were also consulted—because there
are two parts to this and the administration is
largely borne by employer groups—and, in
particular, large employer groups like the
Australian Chamber of Commerce and In-
dustry, and myriad small businesses, includ-
ing those that represent employee interests.

There were some enhancements made to
the 1997-98 federal budget announcements
that reduced the burden of choice on em-
ployers while ensuring that the key objective
of the greater choice of funds was preserved.
I have to admit that when I first saw this leg-
islation some years ago I was very concerned
about the burden on employers, particularly
the amount of paperwork that would have to
be endured and the cost, but some streamlin-
ing has been done and some changes have
occurred, making it much simpler.

There are some aspects of this legislation
that will ensure that there will be great bene-
fits. It will increase competition. As in many
other sectors, competition is a very healthy
thing in the superannuation sector, particu-
larly in the area of fees. I am pleased to see
that people like Richard Gilbert in the indus-
try have been working towards more disclo-
sure, particularly in the area of superannua-
tion fees. I think that is a very good thing,
and I applaud his industry for ensuring that
greater disclosure occurs. He has been work-
ing very hard with members of his industry
so that consumers do have greater disclosure,
particularly in the regime that relates to fees
and charges here.

If there is one thing I get complaints about
it is the amount of fees and charges and the
lack of transparency in superannuation over
a number of years. It has been a huge prob-
lem, and I think we are slowly getting to a
situation where we are getting much more
transparency in the industry—and what
greater amount of transparency is there than
to give people a choice? The opposition have been complaining all morning about what a terrible thing this is. I do not think giving people choice is a bad thing; I think it is a great thing. For far too long employees have been locked into large superannuation funds that have been controlled dominantly by the union movement. I also agree with the member for Wentworth that this opposition to the bill is very much about union dominance and control and influence in the superannuation industry. They do not want any new competitors and are doing everything they can to maintain and safeguard their dominance. So I think this is a great thing. It will lead to greater efficiency. It will mean more competition, it will provide greater returns in superannuation savings and it will also place a downward pressure on those administration fees we often hear about, particularly as they relate to funds.

Greater competition benefits all Australians with super, and over time it will also have a beneficial effect on the age pension system. If we look at what is happening in European countries, we can no longer go down the path of being totally reliant on the age pension system. There are many countries in the world that have recognised that and have encouraged greater savings as well, placing a greater emphasis on providing for their retirement. Australia is no different. We have an ageing population and we have to consider the fact that very soon—in a particularly short period of time—we will have a very large number of baby boomers reaching retiring age. A system like this is very helpful for them.

When the system is implemented it will mean that employers will be able to offer a standard choice form to any employee within 28 days of their becoming an employee and that the employee can request a standard choice every 12 months. The bill, as I said, talks about competition, efficiency and reforms within the industry, and it will result in reductions in fees and charges for all Australians with superannuation. The bill will also allow employees to choose any complying super fund or RSA in which their employer contributions can be deposited and ensure that employer contributions are made to a defined benefit fund and that employers advise employees of the consequences of a choice that would reduce contributions or other specific entitlements. For example, the employer needs to notify the employee of cases where there is death or disability insurance as well.

To be effective, though, that choice would need to be exercised by the employee within 28 days of the employer providing an employee standard choice form. So, after making their initial choice, all employees would have to make a further choice at least every 12 months thereafter. Many of them might decide to stay within the fund, and that would be entirely up to them, but the choice is being provided. The employer would contribute to a default fund if the employee failed to provide an eligible choice fund within that specific time period. The opposition today have complained about it being unsafe; I do not see anything unsafe about that measure. There are plenty of safeguards here and they will ensure that employees will be safeguarded. Also an employer may be served a contravention notice and be subject to financial penalties if they fail to give effect to a valid employee choice. In line with the workplace relations reforms, choice would be subject to the terms of the workplace agreements, which would provide employees with a choice of superannuation fund for their employee contributions.

The bill also provides for other organisations such as the ATO and ASIC to offer information and advice to groups affected by changes and to become familiar with those details. They are fully available for anyone
to access. Under the bill the ATO will provide employers and employees with information in a number of forms, and it will do it in a number of ways, including new pamphlets directly targeted to specific groups such as employers or employees. It will set out the relevant information in a question and answer style, which is very good. Also anyone can access this information through the ATO’s existing Internet facilities, and there will be a number of ATO help lines set up as well. The private sector also will contribute towards the education of the affected groups, and the cost of the implementation is roughly $27 million initially for employers, with later recurrent costs of $80 million. For employees, it will cost nothing, and for fund and RSA providers it will cost $7 million initially, with subsequent recurrent costs of about $2 million.

This is a very good system that has been modified over time. I reject much of what the opposition has had to say today about there not being enough choice, about how it will not reduce bureaucracy and will increase red tape, and about how it does not deal with fees and does not result in safety and security for employees. Safety and security are what this is all about. They are among the strongest features of this bill. I absolutely reject everything that has been offered by the other side in their opposition to this. Superannuation is a long-term investment. It is important that the safety of that investment is guaranteed. It is important that Australians have that choice and it is important that they have confidence in a superannuation system that will provide them with more and more security in the years to come. I commend the bill to the House.

Mr TUCKEY (O’Connor) (2.15 p.m.)—The Labor Party’s opposition to the implementation of the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 is a commentary upon the current status of the Australian Labor Party and, more particularly, what is almost a Luddite culture. Here we are addressing the sixth or seventh piece of legislation in recent times that improves the existing circumstances. It may not improve them to the extent that the Labor Party would desire and it may even be something that people will not like, but, if that is the problem—and more particularly the second bit—why would the Labor opposition, which aspires to be the next government, antagonise the Australian people? Why is it so important that Labor members stop pieces of legislation on such spurious grounds?

Labor members have only one constituency, a rusted constituency, left. It is often referred to as the trade union movement, as though its membership encompassed everyone. We well know that even a large percentage of the remaining 17 or 20 per cent of people in the workforce who are trade union members do not vote Labor. Labor’s constituency is the trade union bureaucracy. Of course, that bureaucracy has inordinate power over the future of Labor people who enter this place and vote. They say that it is down to 50 per cent. That means that you only have to find one other person to vote with you. That is extreme. Rupert Murdoch would tell you that that is quite enough if you want to run a big company.

The reality is that Labor’s opposition to the legislation is due to unnecessary concern about protecting the established trade union superannuation funds. If we believed the retired Secretary to the Treasury who goes on television frequently and very slowly tells us that they are the best thing since sliced bread, we would have nothing to fear. There might even be people voting with their feet under a choice regime and saying to their employer: ‘This is the best option for me and I want you to take me out of, say, the AMP and put me in C+BUS. I am not a builder but that is..."
where I want to be, because I believe they will deliver me better outcomes.’ There is some evidence of that today. The reality is that that will be the choice for an employee but there are other contemporary issues that seem to be misunderstood.

I was in this House when the then Treasurer Keating implemented compulsory superannuation levies. Prior to that we had had some award-structured levies. In fact, I addressed the House during that period to point out evidence that was given to me by seasonal workers in my electorate—and that is another contemporary issue. People today can seldom anticipate lifetime employment, but for many, particularly those represented by rural and regional members of parliament, there is almost a culture of seasonal employment. People work for 11 months a year but in any one year they might have three separate employers, maybe more, and they do it every year. Those workers came to me and said: ‘In each case we have been put into a different superannuation scheme. The outcome is that we now have less money than the employer contributed. It is being eroded by management fees and things of that nature.’ I related that evidence to the House prior to the Keating superannuation law but nothing was done about it.

Here we are today, with surely the most substantial outcome available to workers in many forms of employment. They are able to say to their employers: ‘I want not only to stay with the company you have been putting my money into but also to aggregate or round up all my other funds and get them into one scheme. It is my intention, at least for the foreseeable future, if I leave this employment, to take that policy with me so that I can say to my next employer that that is where I want to put it so that I can get the aggregation of those funds and a single management fee.’ Surely, bearing in mind all other issues to be considered, it is worth while passing this legislation. There is evidence of huge amounts outstanding but nobody knows who owns them. Of course those amounts are now starting to add to the bottom line of a lot of funds that might be claiming a performance to which they are not necessarily entitled. I am not sure how that bookkeeping would work but it is a distinct possibility.

Even if there is nothing else of value in this legislation, it offers a choice to people to round up all their funds into a single entitlement. That is being opposed on the ground that somebody might take a bit out of C+BUS or something else in that process, yet there is the opportunity that C+BUS might get more. Do members want me to suggest adjourning the debate?

The SPEAKER—It is the final day of the session. Therefore, I am extending some generosity.

Mr TUCKEY—If everybody is fired up and ready to go—I have given only half my contribution on this bill; I am sure that the House would be delighted to hear the other half.

The SPEAKER—As the member for O’Connor will be well aware, the chair will do whatever the House wishes. I am not sure what the member for O’Connor’s instructions from the Government Whip were. I am happy for him to continue, unless he has some other specific purpose.

Mr TUCKEY—For the purpose of obliging the House, I would be more than willing to suggest that I continue my remarks at a later hour this day or next year. I do not think that there is any intention to conclude this matter today, so I am more than willing to truncate my remarks, provided I have the opportunity to continue at another time.

The SPEAKER—I reassure the member for O’Connor that it would be my wish, since
the clock still has 13 minutes on it, to ensure
that he has the opportunity to be called again.

Mr Griffin—Mr Speaker, on indulgence,
I would be very happy to move that the
member be not further heard, if that would
assist the House!

The SPEAKER—The member for Bruce
will resume his seat. The member for Bruce’s
sense of humour is probably not needed at
this point in time.

Ms Macklin—Come on, Mr Speaker, he’s
always good for a laugh!

The SPEAKER—I am not going to argue
with the Deputy Leader of the Opposition
about that. But I do need an indication from
the House as to whether it wishes the debate
to be adjourned, and for the adjourned debate
to be listed for a later hour this day.

Debate interrupted.

The SPEAKER—I thank the member for
O’Connor for his accommodation.

HIGHER EDUCATION SUPPORT BILL
2003

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be consid-
ered forthwith.

Senate’s amendments—

(1) Clause 2-1, page 4 (lines 3 to 16), omit the clause, substitute:

2-1 Objects of this Act

The objects of this Act are:

(a) to support a higher education system that:

(i) is characterised by quality, diversity and equity of access; and

(ii) contributes to the development of cultural and intellectual life in Australia; and

(iii) is appropriate to meet Australia’s social and economic needs for a highly educated and skilled population; and

(b) to support the distinctive purposes of universities, which are:

(i) the education of persons, enabling them to take a leadership role in the intellectual, cultural, economic and social develop-
ment of their communities; and

(ii) the creation and advancement of knowledge; and

(iii) the application of knowledge and discoveries to the betterment of communities in Australia and internationally;

recognising that universities are established under laws of the Commonwealth, the States and the Territories that empower them to
achieve their objectives as autonomous institutions through governing bodies that are responsible for both the university’s overall performance
and its ongoing independence; and

(c) to strengthen Australia’s knowledge base, and enhance the contribution of Australia’s research capabilities to national economic development,
international competitiveness and the attainment of social goals; and

(d) to support students undertaking higher education.

(2) Clause 3-5, page 5 (after line 15), at the end of the clause, add:

(2) Higher education providers will be universities, self-accrediting providers or non self-accrediting providers.

(3) Clause 8-1, page 7 (line 9), after “higher education providers”, insert “(universities, self-accrediting providers and non self-accrediting providers)”.

(4) Clause 13-1, page 9 (line 7), after “Listed providers”, insert “(universities and certain self-accrediting providers)”.

CHAMBER

(6) Clause 16-15, page 11, omit “Northern Territory University”.

(7) Page 16 (after line 9), at the end of Subdivision 16-C, add:

16-55 Disallowance of approval

(1) A notice of approval under paragraph 16-50(1)(b) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(2) A decision of the Minister to approve a body corporate as a higher education provider takes effect at the later of the following times:

(a) on the day immediately after the last day on which a resolution referred to in subsection 48(4) of the Acts Interpretation Act 1901 disallowing the notice could be passed;

(b) the day (if any) specified in the notice under paragraph 16-50(1)(b) as the day on which the approval takes effect.

(8) Clause 19-10, page 18 (line 4), omit “4 months”, substitute “6 months”.

(9) Page 18 (after line 11), at the end of Subdivision 19-B, add:

19-12 Minister to have regard to financial information

In determining whether a higher education provider is financially viable, and likely to remain so, the Minister must have regard to any financial statement provided by the provider under section 19-10.

(10) Clause 19-15, page 18 (after line 16), at the end of the clause, add:

(2) The Minister must not determine that a higher education provider meets an appropriate level of quality for an Australian higher education provider, unless the Minister is satisfied that:

(a) if the provider is not a "Table A provider—the provider meets the requirements of sections 19-20 and 19-25; or

(b) if the provider is a Table A provider—the provider meets the requirements of section 19-27.

(11) Heading to clause 19-20, page 18 (line 17), omit “Provider”, substitute “Provider (other than Table A provider)”.

(12) Clause 19-20, page 18 (line 18), after “provider”, insert “(other than a "Table A provider")”.

(13) Heading to clause 19-25, page 18 (line 28), omit the heading, substitute:

19-25 Quality assurance—provider (other than Table A provider)

(14) Clause 19-25, page 18 (line 29), after “provider”, insert “(other than a "Table A provider")”.

(15) Clause 19-25, page 18 (line 29), omit “agree in writing to”.

(16) Page 19 (after line 12), at the end of Subdivision 19-C, add:

19-27 Quality assurance—Table A provider

(1) A "Table A provider must be audited by a quality auditing body at least once every 5 years.

(2) The provider must, in relation to each audit of the provider:

(a) either:

(i) before the start of the audit, reach agreement with the body on the time of, and the arrangements for, the audit; or

(ii) comply with the Minister’s determination under subsection (3); and

(b) in relation to each audit, comply with any requests, made in the course of the audit by the body conducting the audit, that are reasonable having regard to the provider’s circumstances.
(3) If the provider and the quality auditing body are unable to agree on matters referred to in subparagraph (2)(a)(i) in relation to an audit of the provider, the Minister may, after consulting with the provider, determine in writing the audit arrangements for the provider.

(17) Clause 19-35, page 20 (line 1), after "procedures", insert “that, in the provider’s view, are”.

(18) Clause 19-45, page 20 (line 26), omit “The”, substitute “Except where the provider is a Table A provider, the”.

(19) Clause 19-45, page 20 (line 29), after “procedure”, insert “referred to in paragraph (1)(c)”.

(20) Clause 19-70, page 23 (after line 12), at the end of the clause, add:

(3) A notice under this section must not require the giving of information that a higher education provider is required to give to the Minister under section 19-95.

(21) Clause 19-75, page 23 (line 19), after “may”, insert “significantly”.

(22) Clause 19-80, page 23 (line 22) to page 24 (line 8), omit the clause.

(23) Clause 19-90, page 24 (lines 19 and 20), omit “, under its funding agreement under section 30-25 in respect of the year,”.

(24) Clause 19-95, page 25 (line 15), at the end of paragraph (2)(b), add “for a particular year by the date specified in the Higher Education Provider Guidelines in the year preceding that year”.

(25) Clause 19-105, page 26 (lines 4 to 9), omit paragraph (3)(d), substitute:

(d) imposed in accordance with the Commonwealth Grant Scheme Guidelines for the imposition of fees in respect of overseas students; or

(26) Clause 22-35, page 31 (lines 21 and 22), omit subclause (2), substitute:

(2) A decision of the Minister to revoke the approval of a higher education provider takes effect at the later of the following times:

(a) on the day immediately after the last day on which a resolution referred to in subsection 48(4) of the Acts Interpretation Act 1901 disallowing the notice could be passed;

(b) the day specified in the notice of revocation under subsection 22-20(3) as the day on which the revocation takes effect.

(27) Clause 27-5, page 33 (lines 13 to 21), omit the clause, substitute:

27-5 Guidelines

(1) The grants payable under this Part are also dealt with in the Commonwealth Grant Scheme Guidelines and the Tuition Fee Guidelines.

(2) The provisions of this Part indicate:

(a) when a particular matter is, or may be, dealt with in the guidelines; and

(b) whether the matter is dealt with in the Commonwealth Grant Scheme Guidelines or the Tuition Fee Guidelines.

Note 1: The Commonwealth Grant Scheme Guidelines and the Tuition Fee Guidelines are made by the Minister under section 238-10.

Note 2: The Commonwealth Grant Scheme Guidelines may also deal with matters arising under section 93-10.

(28) Clause 30-10, page 35 (after line 10), after subclause (2), insert:

(2A) If the provider has indicated to the Minister its preferred distribution of those places, the Minister must have regard to that preferred distribution in deciding the distribution of those places.

(29) Clause 30-10, page 35 (line 14), at the end of subclause (3), add:
and (c) the number of those places that have an enabling loading.

(30) Clause 30-15, page 36 (lines 1 and 2), omit subclause (2).

(31) Clause 30-25, page 36 (line 17), omit "Secretary", substitute "Minister".

(32) Clause 30-25, page 36 (after line 19), after subclause (1), insert:

(1A) In negotiating the agreement the Minister must have regard to all of the types of matters that the provider has indicated to the Minister it wishes to be specified in the agreement.

(33) Clause 30-25, page 37 (after line 5), after subclause (2), insert:

(2A) However, the agreement must not specify as a condition to which the grant is subject a matter in respect of which the Minister could have made a determination under subsection 36-15(2) (or could have made such a determination but for subsection 36-15(3)).

Note: The Minister has the power under subsection 36-15(2) to determine that students are not to be enrolled as Commonwealth supported students in particular courses. The determination is disallowable (see subsection 36-15(3)).

(34) Clause 30-25, page 37 (after line 5), after subclause (2), insert:

(2B) Where the agreement specifies conditions to which the grant is subject, that are additional to the conditions that apply under Division 36, those conditions must not relate to industrial relations matters.

(35) Clause 30-25, page 37 (after line 22), after paragraph (3)(c), insert:

(ca) the maximum number of Commonwealth supported places provided by the provider which can have an enabling loading in the grant year; and

(36) Clause 30-25, page 37 (after line 25), after paragraph (3)(d), insert:

(da) the maximum amount of enabling loading that will be payable to the provider, under the Commonwealth Grant Scheme Guidelines, in the grant year; and

(37) Clause 30-25, page 37 (lines 26 to 31), omit paragraphs (3)(e) and (f).

(38) Clause 30-25, page 37 (after line 34), at the end of the clause, add:

(4) The Minister must cause a copy of the agreement to be laid before each House of the Parliament within 15 sitting days of that House after the making of the agreement.

(39) Clause 33-5, page 39 (line 5), at the end of the clause, add:

; and (d) if the allocation has specified under paragraph 30-10(3)(c) a number of Commonwealth supported places that have an enabling loading—the amount of enabling loading worked out under the Commonwealth Grant Scheme Guidelines for those places.

(40) Clause 33-15, page 40 (lines 3 to 13), omit subclause (1), substitute:

A higher education provider’s "basic grant amount for a year is increased under this section if:

the Commonwealth Grant Scheme Guidelines impose on higher education providers requirements to be known as the National Governance Protocols; and

the higher education provider’s certified agreement, made and certified after 22 September 2003, includes the following clause: “The provider may offer AWAs in accordance with the Workplace Relations Act 1996”; and

the Minister is satisfied that the provider met the requirements in paragraphs (a) and (b) as at a date, specified in the Commonwealth
Grant Scheme Guidelines, in the year preceding that year.

(41) Heading to subclause 33-25(1), page 41 (line 2), omit “105% of allocated places”, substitute “allocated places by 5% or higher agreed percentage”.

(42) Clause 33-25, page 41 (lines 13 to 16), omit paragraph (1)(b), substitute:

(b) in the preceding year, the number of Commonwealth supported places provided by the provider exceeds:

(i) 105% of the total number of Commonwealth supported places allocated to the provider for that year under section 30-10; or

(ii) the percentage of that total number that is the percentage specified for the purpose in the funding agreement entered into with the provider in respect of that year; whichever is higher.

(43) Clause 33-25, page 41 (lines 17 to 27), omit subclause (2), substitute:

(2) The adjustment under subsection (1) is an amount worked out using the formula:

\[
\text{Excess places} \times \frac{\text{Student contributions}}{\text{Places provided}}
\]

where:

**excess places** is the number of Commonwealth supported places that the provider provided during the preceding year in excess of:

(a) 105% of the total number of Commonwealth supported places allocated to the provider for that year under section 30-10; or

(b) the percentage of that total number that is the percentage specified for the purpose in the funding agreement entered into with the provider in respect of that year; whichever is higher.

**places provided** is the number of Commonwealth supported places that the provider provided during the preceding year.

**student contributions** is the sum of all of the student contribution amounts that the provider has received, or is entitled to receive, for all of the units of study undertaken with the provider during the preceding year.

(44) Heading to subclause 33-25(3), page 41 (line 28), omit the heading, substitute:

Corrected basic amount is less than the basic grant amount

(45) Clause 33-25, page 42 (lines 1 to 3), omit subparagraph (3)(a)(i), substitute:

(i) provide for an adjustment when the provider’s corrected basic amount for the preceding year is less than the provider’s basic grant amount for that year; nor

(46) Clause 33-25, page 42 (lines 6 and 7), omit paragraph (3)(b), substitute:

(b) the provider’s corrected basic amount for the preceding year was less than 99% of the provider’s basic grant amount for that year.

(47) Clause 33-25, page 42 (lines 8 to 10), omit subclause (4), substitute:

(4) The adjustment under subsection (3) is an amount equal to the difference between:

(a) 99% of the basic grant amount; and

(b) the corrected basic amount.

(48) Clause 33-25, page 42 (after line 23), after subclause (5), insert:

Corrected basic amount exceeds the basic grant amount

(5A) A higher education provider’s basic grant amount for the grant year is increased by an adjustment if:

(a) the Commonwealth Grant Scheme Guidelines neither:

(i) provide for an adjustment when the provider’s corrected basic amount for the preceding year
(i) provide that there is to be no adjustment in these circumstances; and

(ii) the provider’s corrected basic amount for the preceding year exceeded the provider’s basic grant amount for that year; and

(c) the Minister determines that the provider’s basic grant amount for that year should be increased by an adjustment under this subsection.

(5B) The adjustment under subsection (5A) is an amount equal to the lesser of the following:

(a) 1% of the * basic grant amount;

(b) the difference between the * corrected basic amount and the basic grant amount.

(49) Clause 36-15, page 48 (lines 12 to 14), omit paragraph (c), substitute:

(c) the unit forms part of a course to which a determination under subsection (2) applies.

(50) Clause 36-15, page 48 (after line 14), at the end of the clause, add:

(2) The Minister may determine in writing that:

(a) a specified undergraduate or postgraduate course is not a "course of study in respect of which students, or students of a specified kind, may be enrolled in units of study as * Commonwealth supported students; or

(b) an undergraduate or postgraduate course of a specified type is not a "course of study in respect of which students, or students of a specified kind, may be enrolled in units of study as * Commonwealth supported students.

(3) In deciding whether to make a determination under subsection (2), the Minister must have regard to the effect of the determination on students undertaking the course, or a course of that type.

(4) A determination of the Minister under subsection (2) must not be made later than 6 months before the day that students are able next to commence the specified course, or a course of that type, with the provider.

(5) A determination under subsection (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(51) Clause 36-35, page 50 (lines 26 to 28), omit all the words from and including “50%” to and including “for that year,”, substitute “65%”.

(52) Clause 36-35, page 50 (line 28), after “provides”, insert “for domestic students”.

(53) Clause 36-35, page 50 (lines 30 to 32), omit subparagraph (1)(a)(i), substitute:

(i) a course of study to which a determination under subsection 36-15(2) applies; or

(54) Clause 36-35, page 51 (line 3), after “provider”, insert “for domestic students”.

(55) Clause 36-35, page 51 (line 9), omit “50%”, substitute “65%”.

(56) Clause 36-55, page 53 (line 10), omit “Commonwealth Grant Scheme Guidelines”, substitute “Tuition Fee Guidelines”.

(57) Clause 36-55, page 53 (lines 19 and 20), omit “Commonwealth Grant Scheme Guidelines”, substitute “Tuition Fee Guidelines”.

(58) Clause 41-10, page 56 (table item 6, column 2), omit “meet the Commonwealth’s share of”, substitute “assist with”.

(59) Page 60 (after line 3), at the end of Part 2-3, add:

41-50 Grant amounts is disallowable instrument

(1) Before the start of a year, the Minister must cause a list to be prepared setting out the maximum amounts of all grants which may be paid in the following
year for each purpose of grant specified in the table in section 41-10.
(2) The list is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(60) Clause 46-20, page 62 (lines 14 and 15), omit paragraph (2)(d).
(61) Clause 54-1, page 66 (line 5), omit “Secretary”, substitute “Minister”.
(62) Clause 54-1, page 66 (line 10), omit “Secretary”, substitute “Minister”.
(63) Clause 54-1, page 66 (line 14), omit “Secretary”, substitute “Minister”.
(64) Clause 54-1, page 66 (line 16), omit “Secretary”, substitute “Minister”.
(65) Clause 54-5, page 66 (line 18), omit “Secretary”, substitute “Minister”.
(66) Clause 54-5, page 66 (line 20), omit “Secretary”, substitute “Minister”.
(67) Clause 57-1, page 67 (lines 5 to 10), omit “Secretary” (wherever occurring), substitute “Minister”.
(68) Clause 57-5, page 67 (lines 12 to 20), omit “Secretary” (wherever occurring), substitute “Minister”.
(69) Clause 60-1, page 68 (line 6), omit “Secretary”, substitute “Minister”.
(70) Clause 60-1, page 68 (line 7), omit “Secretary”, substitute “Minister”.
(71) Clause 60-1, page 68 (line 11), omit “Secretary”, substitute “Minister”.
(72) Clause 60-1, page 68 (line 14), omit “Secretary”, substitute “Minister”.
(73) Clause 60-1, page 68 (line 22), omit “Secretary”, substitute “Minister”.
(74) Clause 60-5, page 68 (line 25), omit “Secretary”, substitute “Minister”.
(75) Clause 60-5, page 69 (line 3), omit “Secretary”, substitute “Minister”.
(76) Clause 60-5, page 69 (line 5), omit “Secretary”, substitute “Minister”.
(77) Clause 60-10, page 69 (line 8), omit “Secretary’s”, substitute “Minister’s”.
(78) Clause 70-1, page 72 (line 8), omit “5 years”, substitute “7 years”.

(79) Clause 73-1, page 73 (line 7), after paragraph (b), insert “and”.
(80) Clause 73-1, page 73 (after line 7), after paragraph (b), insert:
(c) any *life long SLE that the person has under section 73-22;
(81) Clause 73-5, page 73 (line 14), omit “5 *EFTSL”, substitute “7 *EFTSL”.
(82) Clause 73-5, page 73 (line 18), omit “5 *EFTSL”, substitute “7 *EFTSL”.
(83) Page 75 (after line 8), after clause 73-20, insert:

73-22 Life long SLE

(1) A person has a *life long SLE in the circumstances specified in the Student Learning Entitlement Guidelines.
(2) The amount of the *life long SLE is an amount (expressed in *EFTSL) worked out in accordance with the Student Learning Entitlement Guidelines.
(84) Clause 76-1, page 76 (lines 23 and 24), omit “: see section 76-5”, substitute “or life long SLE: see sections 76-5 and 76-10”.
(85) Clause 76-5, page 77 (lines 14 to 30), omit the example.
(86) Page 77 (after line 30), at the end of Division 76, add:

76-10 Reducing a person’s life long SLE

(1) If a person has a *life long SLE, that life long SLE is not reduced under section 76-1 in relation to a unit of study unless:
(a) if the person does not have an *additional SLE—the person’s ordinary SLE is less than the *EFTSL value of the unit; and
(b) if the person has an additional SLE—the sum of the person’s ordinary SLE and the person’s additional SLE is less than the EFTSL value of the unit.
(2) If:
(a) a person has both:
(i) a *life long SLE; and
(ii) an ordinary SLE or an additional SLE, or both; and

(b) the ordinary SLE or additional SLE is insufficient (or the ordinary SLE and additional SLE taken together are insufficient) to cover a unit of study in which the person is enrolled;

then, in reducing the person’s SLE under section 76-1 to take account of the unit:

(c) the person’s ordinary SLE or additional SLE is reduced (or both the person’s ordinary SLE and the person’s additional SLE are reduced) to zero; and

(d) the person’s life long SLE is reduced only to the extent that the ordinary SLE or additional SLE is insufficient (or the ordinary SLE and additional SLE taken together are insufficient) to cover the unit.

(87) Clause 82-10, page 82 (line 18), omit “that is available”, substitute “or life long SLE that is available (or the person’s ordinary SLE and the person’s life long SLE that are available)”.

(88) Clause 93-10, page 88 (line 3), omit “is:”, substitute “is the amount specified in the following table in relation to the funding cluster in which the unit is included.”.

(89) Clause 93-10, page 88 (lines 4 to 15), omit paragraphs (a) and (b).

(90) Clause 93-10, pages 88 and 89 (table), omit the table, substitute:

<table>
<thead>
<tr>
<th>Maximum student contribution amounts per place</th>
<th>Item</th>
<th>Funding clusters</th>
<th>Maximum student contribution amount per place</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Law</td>
<td></td>
<td>$7,854</td>
</tr>
<tr>
<td></td>
<td>2 Accounting, Administration, Economics, Commerce</td>
<td>$6,709</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 Humanities</td>
<td></td>
<td>$4,710</td>
</tr>
<tr>
<td></td>
<td>4 Mathematics, Statistics</td>
<td>$6,709</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Behavioural Science, Social Studies</td>
<td>$4,710</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 Computing, Built Environment, Health</td>
<td>$6,709</td>
<td></td>
</tr>
</tbody>
</table>

(91) Clause 104-1, page 94 (line 32), omit “part; and”, substitute “part.”.

(92) Clause 104-1, page 95 (lines 1 and 2), omit paragraph (1)(j).

(93) Clause 104-10, page 96 (after line 16), at the end of the clause, add:

(3) In deciding whether to make a determination under subsection (2), the Minister must have regard to the effect of the determination on students undertaking the course or courses.

(4) A determination of the Minister under subsection (2) must not be made later than 6 months before the day that students are able next to commence the specified course, or courses, with the provider.

(5) A determination under subsection (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(94) Clause 107-1, page 104 (line 10), omit “or 107-15”.

(95) Clause 107-10, page 104 (line 29), omit the note.

(96) Clause 107-10, page 105 (line 17), omit the note.

(97) Clause 107-15, page 105 (line 23) to page 106 (line 14), omit the clause.

(98) Clause 118-10, page 110 (lines 21 to 24), omit paragraph (b).
(99) Clause 118-10, page 110 (line 25), omit “under that arrangement.”.

(100) Clause 118-15, page 111 (lines 1 to 11), omit subclause (2).

(101) Clause 121-1, page 112 (lines 15 to 18), omit subclause (4).

(102) Clause 121-10, page 113 (lines 1 to 4), omit subclause (3).

(103) Clause 129-1, page 115 (lines 8 to 11), omit all the words from and including “either” to and including “relates”, substitute “the person’s accumulated HELP debt”.

(104) Clause 134-1, page 116 (lines 8 to 11), omit all the words from and including “HECS-HELP debts are” to and including “These accumulated debts form”. substitute “HELP debts are incorporated into the person’s accumulated HELP debt. This accumulated debt forms”.

(105) Clause 137-10, page 118 (line 9), omit subclause (2), substitute:

(2) The amount of the *FEE-HELP debt is:
   (a) if the loan relates to *FEE-HELP assistance for a unit of study that forms part of an undergraduate *course of study—an amount equal to 120% of the loan; or
   (b) if paragraph (a) does not apply—the amount of the loan.

(106) Clause 137-15, page 118 (line 23), after “debt is”, insert “an amount equal to 120% of”.

(107) Division 140, clauses 140-1 to 140-40, page 120 (line 2) to page 126 (line 28), omit the Division, substitute:

Division 140—How are accumulated HELP debts worked out?

Subdivision 140-A—Outline of this Division

140-1 Outline of this Division

(1) There are 2 stages to working out a person’s *accumulated HELP debt for a financial year.

Stage 1—Former accumulated HELP debt

(2) The *former accumulated HELP debt is worked out by adjusting the preceding financial year’s *accumulated HELP debt to take account of:
   (a) changes in the Consumer Price Index; and
   (b) the *HELP debts that he or she incurs during the last 6 months of the preceding financial year; and
   (c) *voluntary repayments of the debt;
   (d) *compulsory repayment amounts in respect of the debt.

(See Subdivision 140-B.)

Stage 2—Accumulated HELP debt

(3) The person’s *accumulated HELP debt is worked out from:
   (a) his or her *former accumulated HELP debt; and
   (b) the *HELP debts that he or she incurs during the first 6 months of the financial year; and
   (c) *voluntary repayments of those debts.

(See Subdivision 140-C.)

Note: Incurring that financial year’s accumulated HELP debt discharges the previous accumulated HELP debt and HELP debts under this Part: see section 140-35.

Subdivision 140-B—Former accumulated HELP debts

140-5 Working out a former accumulated HELP debt

(1) A person’s *former accumulated HELP debt, in relation to the person’s *accumulated HELP debt for a financial year, is worked out by multiplying:
(a) the amount worked out using the following method statement; by
(b) the HELP debt indexation factor for 1 June in that financial year.

Method statement

**Step 1.** Take the person’s accumulated HELP debt for the immediately preceding financial year. (This amount is taken to be zero if the person has no accumulated HELP debt for that financial year.)

**Step 2.** Add the sum of all of the HELP debts (if any) that the person incurred during the last 6 months of the immediately preceding financial year.

**Step 3.** Subtract the sum of the amounts by which the person’s debts referred to in steps 1 and 2 are reduced because of any voluntary repayments that have been made during the period:
(a) starting on 1 June in the immediately preceding financial year; and
(b) ending immediately before the next 1 June.

**Step 4.** Subtract the sum of all of the person’s compulsory repayment amounts that:
(a) were assessed during that period (excluding any assessed as a result of a return given before that period); or
(b) were assessed after the end of that period as a result of a return given before the end of that period.

**Step 5.** Subtract the sum of the amounts by which any compulsory repayment amount of the person is increased (whether as a result of an increase in the person’s taxable income of an income year or otherwise) by an amendment of an assessment made during that period.

**Step 6.** Add the sum of the amounts by which any compulsory repayment amount of the person is reduced (whether as a result of a reduction in the person’s taxable income of an income year or otherwise) by an amendment of an assessment made during that period.

Example: Lorraine is studying part-time for a Degree of Bachelor of Communications. On 1 June 2007 Lorraine had an accumulated HELP debt of $15,000. She incurred a HELP debt of $1,500 on 31 March 2007. She made a voluntary repayment of $550 (which includes a voluntary repayment bonus of $50) on 1 May 2008. Lorraine lodged her 2006-07 income tax return and a compulsory repayment amount of $3,000 was assessed and notified on her income tax notice of assessment on 3 September 2007.

To work out Lorraine’s former accumulated HELP debt before indexation on 1 June 2008:

**Step 1:** Take the previous accumulated HELP debt of $15,000 on 1 June 2007.

**Step 2:** Add the HELP debt of $1,500 incurred on 31 March 2007.
Step 3: Subtract the $550 voluntary repayment made on 1 May 2008.

Step 4: Subtract the $3,000 compulsory repayment assessed on 3 September 2007.

Steps 5 and 6: Do not apply because since 1 June 2007 Lorraine had no amendments to any assessment.

Lorraine's former accumulated HELP debt before indexation on 1 June 2008 is:

\[
(15,000 + 1,500) - (550 + 3,000) = 12,950
\]

If, for example, the indexation factor for 1 June 2008 were 1.050, then the former accumulated HELP debt would be:

\[
12,950 \times 1.050 = 13,597.50
\]

(2) For the purposes of this section, an assessment, or an amendment of an assessment, is taken to have been made on the day specified in the notice of assessment, or notice of amended assessment, as the date of issue of that notice.

140-10 HELP debt indexation factor

(1) The HELP debt indexation factor for 1 June in a financial year is the number (rounded to 3 decimal places) worked out as follows:

Method statement

Step 1. Add:

(a) the *index number for the *quarter ending on 31 March in that financial year; and

(b) the index numbers for the 3 quarters that immediately preceded that quarter.

Step 2. Add:

(a) the *index number for the *quarter ending on 31 March in the immediately preceding financial year; and

(b) the index numbers for the 3 quarters that immediately preceded that quarter.

Step 3. The HELP debt indexation factor for 1 June in the financial year is the amount under step 1 divided by the amount under step 2.

(2) For the purposes of rounding a *HELP debt indexation factor, the third decimal place is rounded up if, apart from the rounding:

(a) the factor would have 4 or more decimal places; and

(b) the fourth decimal place would be a number greater than 4.

140-15 Index numbers

(1) The index number for a *quarter is the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the *Australian Statistician in respect of that quarter.

(2) Subject to subsection (3), if, at any time before or after the commencement of this Act:

(a) the *Australian Statistician has published or publishes an *index number in respect of a *quarter; and

(b) that index number is in substitution for an index number previously published by the Australian Statistician in respect of that quarter,

disregard the publication of the later index for the purposes of this section.

(3) If, at any time before or after the commencement of this Act, the *Australian Statistician has changed or changes the reference base for the Consumer Price Index, then, in applying this section after the change...
took place or takes place, have regard only to 'index numbers published in terms of the new reference base.

140-20 Publishing HELP debt indexation factors

The 'Commissioner must cause to be published before 1 June in each financial year the 'HELP debt indexation factor for that 1 June.

Subdivision 140-C—Accumulated HELP debts

140-25 Working out an accumulated HELP debt

(1) A person’s accumulated HELP debt, for a financial year, is worked out as follows:

\[
\text{Former accumulated HELP debt} + \text{HELP debts incurred} - \text{HELP debt repayments}
\]

where:

- former accumulated HELP debt is the person’s former accumulated HELP debt in relation to that accumulated HELP debt.
- HELP debt repayments is the sum of all of the voluntary repayments (if any) paid, on or after 1 July in the financial year and before 1 June in that year, in reduction of the HELP debts incurred in that year.
- HELP debts incurred is the sum of the amounts of all of the HELP debts (if any) that the person incurred during the first 6 months of the financial year.

Example: Paula is studying part-time for a Degree of Bachelor of Science. On 1 June 2009, her former accumulated HELP debt was worked out using Subdivision 143-B to be $20,000. She incurred a HELP debt of $1,500 on 31 August 2008. No repayments have been made in the 12 months from 1 June 2008.

Paula’s accumulated HELP debt on 1 June 2009 is worked out by taking her former accumulated HELP debt of $20,000 and adding the $1,500 HELP debt incurred on 31 August 2008. That is:

\[
$20,000 + $1,500 = $21,500
\]

(2) The person incurs the accumulated HELP debt on 1 June in the financial year.

(3) The first financial year for which a person can have an accumulated HELP debt is the financial year starting on 1 July 2005.

140-30 Rounding of amounts

(1) If, apart from this section, a person’s accumulated HELP debt would be an amount consisting of a number of whole dollars and a number of cents, disregard the number of cents.

(2) If, apart from this section, a person’s accumulated HELP debt would be an amount of less than one dollar, the person’s accumulated HELP debt is taken to be zero.

140-35 Accumulated HELP debt discharged earlier debts

(1) The accumulated HELP debt that a person incurs on 1 June in a financial year discharges, or discharges the unpaid part of:

- any HELP debt that the person incurred during the calendar year immediately preceding that day; and
- any accumulated HELP debt that the person incurred on the immediately preceding 1 June.

(2) Nothing in subsection (1) affects the application of Division 137, Subdivision 140-B or section 140-25.

140-40 Accumulated HELP debt discharged by death

(1) Upon the death of a person who has an accumulated HELP debt, the
accumulated HELP debt is taken to be discharged.

(2) To avoid doubt, this section does not affect any compulsory repayment amounts required to be paid in respect of the accumulated HELP debt, whether or not those amounts were assessed before the person’s death.

Note: Accumulated HELP debts are not provable in bankruptcy: see subsection 82(3AB) of the Bankruptcy Act 1966.

(108) Division 143, clauses 143-1 to 143-30, page 127 (line 2) to page 134 (line 13), omit the Division.

(109) Heading to clause 151-5, page 136 (line 7), omit “HECS-HELP”, substitute “HELP”.

(110) Clause 151-5, page 136 (lines 8 to 18), omit subclause (1), substitute:
(1) The effect that a payment under section 151-1 has on a HELP debt or an accumulated HELP debt that a person (the debtor) owes to the Commonwealth under this Chapter is the effect specified in subsection (2) or (3) of this section if the amount of the payment is:
(a) $500 or more; or
(b) sufficient to be taken under subsection (2) to pay off the total debt.

(111) Clause 151-5, page 136 (lines 24 and 25), omit “HECS-HELP debts and accumulated HECS-HELP debt”, substitute “HELP debts and accumulated HELP debt”.

(112) Clause 151-5, page 137 (lines 6 and 7), omit “HECS-HELP debts and accumulated HECS-HELP debt”, substitute “HELP debts and accumulated HELP debt”.

(113) Clause 151-10, page 137 (line 19) to page 138 (line 2), omit subclause (2), substitute:
(2) If the person has not given any directions, or the directions given do not adequately deal with the matter, any money available is to be applied as follows:
(a) first, in discharge or reduction of any accumulated HELP debt of the person;
(b) secondly, in discharge or reduction of:
   (i) any HELP debt of the person; or
   (ii) if there is more than one such debt, those debts in the order in which they were incurred.

(114) Clause 154-1, page 139 (lines 11 and 12), omit “accumulated HECS-HELP debt, an accumulated FEE-HELP/OS-HELP debt, or both”; substitute “accumulated HELP debt”.

(115) Clause 154-10, page 140 (line 21), omit “30,000”, substitute “36,184”.

(116) Clause 154-15, page 140 (line 26) to page 141 (line 2), omit paragraph (1)(a), substitute:
(a) the person’s accumulated HELP debt referred to in paragraph 154-1(1)(b) in relation to that income year; or

(117) Clause 154-15, page 141 (line 4), omit “those debts”, substitute “that debt”.

(118) Clause 154-15, page 141 (line 6), omit “those debts”, substitute “that debt”.

(119) Clause 154-15, page 141 (lines 7 and 8), omit “the sum of those debts”, substitute “that debt”.

(120) Clause 154-20, pages 141 and 142 (table), omit the table, substitute:

<table>
<thead>
<tr>
<th>Applicable percentages</th>
<th>If the person’s repayment income is:</th>
<th>The Percentage applicable is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More than the minimum repayment income, but less than:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) for the 2005-06 “income year”—$40,307; or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>
### Applicable percentages

<table>
<thead>
<tr>
<th>Item</th>
<th>If the person’s repayment income is:</th>
<th>The Percentage applicable is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>More than the amount under item 1, but less than:</td>
<td>4.5%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$44,428; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>More than the amount under item 2, but less than:</td>
<td>5%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$46,763; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>More than the amount under item 3, but less than:</td>
<td>5.5%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$50,267; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>More than the amount under item 4, but less than:</td>
<td>6%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$54,440; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>More than the amount under item 5, but less than:</td>
<td>6.5%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$57,305; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>More than the amount under item 6, but less than:</td>
<td>7%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$63,063; or</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Applicable percentages

<table>
<thead>
<tr>
<th>Item</th>
<th>If the person’s repayment income is:</th>
<th>The Percentage applicable is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>More than the amount under item 7, but less than:</td>
<td>7.5%</td>
</tr>
<tr>
<td>(a) for the 2005-06 * income year—$67,200; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for a later income year—that amount indexed under section 154-25.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>More than the amount under item 8.</td>
<td>8%</td>
</tr>
</tbody>
</table>

(121) Clause 154-35, page 144 (lines 6 and 7), omit “the sum of the person’s accumulated HECS-HELP debt and the person’s accumulated FEE-HELP/OS-HELP debt”, substitute “the person’s accumulated HELP debt”.

(122) Clause 154-35, page 144 (line 9), omit “sum”, substitute “debt”.

(123) Clause 169-15, page 154 (line 29), after “require any”, insert “*domestic*”.

(124) Clause 169-15, page 155 (line 4), omit “if the student is a *domestic student—must not require the*, substitute “must not require any domestic”.

(125) Page 176 (after line 15), at the end of Part 5-6, add:

### 198-25 Review of indexation

(1) The Minister will initiate and undertake a review of the cost adjustment factor indexation mechanism for the Commonwealth funding of universities from 2007/08.

(2) The review must be completed by February 2005 and the Government must respond to the review by April 2005 and give effect to its response when introducing the annual Higher Education Support Amendment Bill in the 2005 May sittings of the Parliament.
(3) Without limiting the scope of the review, the reviewers must, among other things, consider the following:

(a) the alternative indices to use for wage costs—for example, the relative merits of average weekly earnings, the Commonwealth’s education wage cost index, baskets of domestic professional wage rates and purchasing power parity adjusted indices for academic labour;

(b) the alternative indices for non-wage costs, noting the high reliance of universities on advanced equipment, information technology, research infrastructure and international book and periodical stocks;

(c) the application of any agreed index or indices to the actual Commonwealth-funded staffing and financial profile of each university rather than the application of an assumed uniform profile.

(126) Page 195 (after line 21), after clause 238-5, insert:

238-7 Review of impact of Act
Before 31 December 2006, the Minister must cause a review to be commenced of the impact on the higher education sector of the higher education reforms enacted through this Act.

(127) Clause 238-10, page 196 (after table item 10), insert:

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(128) Schedule 1, page 197 (after line 12), after the definition of accredited course, insert:

accumulated HELP debt has the meaning given by section 140-25.

(129) Schedule 1, page 197 (lines 13 and 14), omit the definition of accumulated FEE-HELP/OS-HELP debt.

(130) Schedule 1, page 197 (lines 15 and 16), omit the definition of accumulated HECS-HELP debt.

(131) Schedule 1, page 199 (lines 12 to 14), omit “accumulated HECS-HELP debt, or an "accumulated FEE-HELP/OS-HELP debt,”, substitute “accumulated HELP debt”.

(132) Schedule 1, page 201 (after line 6), after the definition of financial viability requirements, insert:

former accumulated HELP debt has the meaning given by section 140-5.

(133) Schedule 1, page 201 (lines 7 and 8), omit the definition of former accumulated HECS-HELP debt.

(134) Schedule 1, page 201 (lines 9 and 10), omit the definition of former indexed FEE-HELP/OS-HELP debt.

(135) Schedule 1, page 201 (lines 11 and 12), omit the definition of former unindexed FEE-HELP/OS-HELP debt.

(136) Schedule 1, page 202 (after line 14), after the definition of information system, insert:

life long SLE, of a person, means the amount of Student Learning Entitlement that the person has under section 73-22, as reduced (if applicable) under Division 76.

(137) Schedule 1, page 208 (lines 8 and 9), omit “accumulated HECS-HELP debt, an "accumulated FEE-HELP/OS-HELP debt”, substitute “accumulated HELP debt”.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (2.24 p.m.)—I move:

That the amendments be agreed to.

Today is a historic day for higher education, and it is also an extremely important milestone in the economic and social development of our country. Education is understandably, and it should be, an emotional issue. It is something about which we feel a deep sense of commitment and understanding. As Thomas Jefferson said, education is the defence of the nation—it is what will
defend our children most from that which we fear as human beings, and that is ignorance, fear of change and fear of the people we do not always understand or want. Education, more than anything else, will give us cultural and social resilience, and it will also be the foundation upon which our economic prosperity will be built. The kind of Australia that Australians will be living in and young people today will be living in when they are parents and grandparents will be driven largely by what happens in higher education.

This bill and these amendments, which we strongly support, may not be popular in all quarters, but the government is not here to be popular. We are here to do what is right for our country. There are many things in these measures which are popular and there are some things that are not always well received by all people, but we are committed to doing what is right. The reforms to higher education embrace a far-ranging package of measures, which include changes to the regulation and management of universities, and the size, composition and functions of university governing councils. We are moving to change the fundamental funding formula for universities by providing funding to universities on the basis of what they deliver, through the Commonwealth Grants Scheme.

The first instalment of the $2.4 billion of extra public funding, available in the first five years, will be delivered to universities in increments of 2½ per cent, five per cent and 7½ per cent each year for the first three years. In addition to that, there are 34,000 fully funded HECS places coming into the system to provide more opportunities for thousands of Australians. In addition to that, $122 million will specifically be provided to regional and rural campuses—60 of them across Australia—which often operate from a poorer industrial and economic base.

The government is also changing the loans schemes which support students to the Higher Education Loan Program. Under the HECS arrangements, the repayment threshold—the level at which university graduates start to pay back their share of the contribution that they have made to their higher education—will increase to $35,000 and will commence next financial year, 2004-05. For the first time, Australian students who are full fee paying students in Australian public and private universities will have access to loans provided to them by the Australian taxpayer. They will pay a flat 20 per cent administration charge, which is less than a two per cent real interest rate, for those loans. Again, not a cent will be paid back until they are earning in excess of $35,000.

For the very first time, Australian students who want to spend up to one year studying in another country during the course of their undergraduate studies will also have access to a loan—OS-HELP, or overseas HELP. The government is also going to see that postgraduate students do not pay any interest rate or charge at all on the loans to support their studies. There are 34,000 scholarships in this package to support low-income students whilst they are actually at university, and there are 15,000 scholarships worth $16,000 each over four years and 17,500 scholarships worth $8,000 over four years to support students with their living and accommodation costs while they are at university. Neither of those scholarships will be affected by the income test under the Social Security Act. The government is also saying to Australian students, ‘Look, we obviously want you to have a university education, but you cannot go on doing endless undergraduate degrees,’ so a seven-year equivalent, full-time learning entitlement, with additions for financial and other forms of duress, will be available, along with opportunities for students who...
face extenuating circumstances. (Extension of time granted)

In addition to that, for the very first time in Australia—and in response to advocacy from the leaders of Australia’s universities—the universities themselves will be required to set the HECS charge. At the moment the most mediocre course delivered by the most uninterested people in the least desirable university in the country attracts exactly the same HECS charge as university courses that are considered to be of a higher quality. For the very first time, universities will set a HECS charge between zero and a level which is no more than 25 per cent above current HECS levels. That means that, for the first time, universities will be required to think about what they are offering to students and about what students, as graduates, get when they are paying back their HECS as their contribution to their education. It also means that universities will need to look at what is being levied by the other universities. For the first time, what students think of the quality of their education will be systematically publicised so that there will be a richer form of information available to students to help them choose the best university to attend.

We are also increasing the capacity of universities. At the same time as increasing HECS places in universities, we are allowing universities, having filled their expanded number of HECS places, to then, if they wish to, offer full fee paying places to Australian students. Once the HECS places have been filled, up to half as many full fee paying places again may be offered. This package also increases by 7.1 per cent the money available for the education of nurses and by 9.7 per cent the money available for the education of teachers.

There is a $138 million learning and teaching performance fund. Universities that meet certain requirements in providing quality teaching and learning to students will be able to access $138 million in support of quality teaching. For too long in this country there has been far too much emphasis on research in universities, to the exclusion of quality teaching. As parents we want many things for our children, and amongst those things we want our children to be educated in universities by people who are not only committed to teaching but also trained in teaching. It seems absurd that we have professionalism in school teaching but only a quarter of those who teach in universities have any kind of qualification or training for what is considered to be a fundamental task. The government will also be establishing, at a cost of $22 million, the National Institute for Quality Teaching and School Leadership. This will mean that academics themselves will be not only determining standards in quality teaching but also working with one another to maintain and improve those standards.

Much has been said about industrial relations and the workplace environment in universities throughout the last few weeks. This package means that, for the first time, no university will be able to refuse to offer an Australian workplace agreement to an academic. Importantly, there is a $55 million workplace performance funding pool in the package. That means that universities who meet strict criteria for workplace relations and performance will be able to access $55 million to provide additional resources to support salary supplementation to outstanding academics. There is also $36 million for a collaboration and structural reform fund. That means there is money available to co-locate TAFES and senior secondary colleges with universities.

More than $50 million will go into the fair go program, which is intended to provide support for low-income students in enabling
courses preparing them for university and to see that universities are required to reach out into—and will be financially rewarded for reaching out into—low-income communities to support young people who have never seen a university and perhaps might not previously have been able to. There is more than $30 million specifically to support Indigenous education. A business-higher education roundtable will be established, and there will be an increasing emphasis on graduate skills assessment.

This package contains a range of things, but fundamentally it is about reform. It contains almost $11 billion of additional public investment in higher education over the next 10 years. It contains, finally, flexibility on HECS charges levied on students. Loans will be provided to full fee paying Australian students in public and private universities. (Extension of time granted) It contains performance based funding pools not only for learning and teaching but also for workplace performance; governance reform; and an advancement in workplace relations reform. The next major frontier in university reform, of course, is to reform the way in which university research is funded. That is an issue to which the government will be seriously addressing itself next year.

In concluding my remarks, a number of people need to be thanked for bringing us this far. There have been many shrill and opportunistic things said in opposition to the package. Many of the things said by those who are opposed to it have been untrue, misleading and intended to strike fear into the hearts of everyday Australians. I say to the young people of Australia, who will benefit ultimately from the substantial improvement to the quality of education they will receive—through the employment of more staff, the construction of more buildings and the provision of more places—that it will do us no good at all as a country if all we do is fund more places such that they ultimately find that the institution from which they receive their degree has a mediocre, if not poor, reputation internationally.

It is most important that we understand that the quality of education is being judged not within Australia but against international benchmarks. The case for reform rests on a number of things, but we need to understand that our universities are competing with the very best in the world. Already a trickle—and it is at risk of becoming a flood—of the brightest young Australians are leaving this country to receive a university education in North America, Singapore or Europe. They do so on the basis that they are being courted to receive an education in a world-class university. We need to understand that, if we continue as we are, we will create a culture of mediocrity in universities.

It is fundamentally important that we realise it is not just about increasing investment in higher education; it is also about changing the way in which universities are regulated and administered. I did not see the Leader of the Opposition’s higher education policy, which was produced in 1998 and subsequently, I understand, effectively destroyed by the then Leader of the Opposition. I challenge the Leader of the Opposition. I say to him, ‘You know that this country needs much of what is in this package.’ The Leader of the Opposition said earlier this week that if the government does what is right for Australia he will support it. I challenge the Labor Party to support this—to put aside childish, undergraduate-like behaviour and shrill opportunism for its own sake and instead look towards the future of the country. This is extremely important.

I would especially like to thank the Australian Vice-Chancellors Committee for its outstanding leadership. Professor Deryk Schreuder, the Vice-Chancellor of the Uni-
versity of Western Australia, and the incoming President, Professor Di Yerbury from Macquarie University have shown outstanding leadership through this. It has been extremely difficult for them to lead 38 vice-chancellors, bring them to a common position and actively engage the political process and do so knowing that at times there are some people in the sector who do not agree with everything we are trying to do which we know is necessary for our future. To John Mullarvey, its chief executive officer, I say, ‘Thank you for what you have done.’

I would also like to thank the officers of the Department of Education, Science and Training. It is common in this country to criticise public servants as much as politicians, but I would very much like to pay tribute to Bill Burmester, Carol Nicoll, Maria Fernandez and a team of wonderful hard-working public servants who have worked 18-hour days to get us to where we are. I would like to thank my staff. I would particularly like to pay tribute to Peta Lane. I also take this opportunity to especially pay tribute to four senators who put Australia’s interests ahead of their own interests and ahead of political opportunism and who did not easily or enthusiastically embrace the reforms early. But when they scratched away the political rhetoric and the opportunism that have been put about by the Labor Party and looked at the facts, the problems that face Australia and our future and what will be required to deliver the future that we all want for our children they realised that this package is absolutely essential. *(Extension of time granted)*

I would like to especially pay tribute to those four senators: Senator Meg Lees for her leadership—she is a woman of substance; Senator Shayne Murphy—any bloke that likes trout fishing has got to be all right, in my view, and he is a bloke that looks you straight in the eye and deals with you straight; Senator Len Harris of One Nation—he said to me, ‘I am a man of my word’—who enthusiastically looked at the facts and consequently supported the package; and Senator Harradine, who is as ethical as he is focused on detail.

Finally, it is obvious that the Australian Labor Party has failed. It has been given the choice of changing or proving change is not necessary. It has sought to oppose things for its own sake. I say to the Labor Party that knowing what you are against is not the same as knowing what Australia needs. I strongly commend these amendments. I commend the bill to the House, and I thank all those people who had the courage to make this happen and especially my own colleagues for their support and enthusiasm.

Ms MACKLIN (Jagajaga) (2.41 p.m.)—Voters will have a very clear choice when it comes to education at the next election. On the one hand, they will have the choice between the Howard government’s 25 per cent price hike or Labor’s commitment to reversing these fee increases. They will have a choice between a third of Australian university students jumping the queue or paying full fees of up to $100,000 or Labor’s abolition of full fees and our commitment to entry on merit, not money.

The government, of course, wants a shrinking proportion of people going to university. Labor wants 20,000 extra people a year going to university and another 20,000 going to TAFE. Do we want to see this government sit back and do we want to see quality decline? Or will the public vote for Labor’s commitment to properly index university funding, to put an additional $312 million into universities to make sure that they are properly funded and that class sizes are reduced and the quality of education is improved? It is only Labor that will make sure that the University of Western Sydney and
Victoria University are properly funded. This government has let those two universities down so severely.

This is a very sad day indeed for Australian universities. I say to the Howard government: this is only the beginning of the fight. We will be taking this fight right up to the election and beyond. A Labor government will reverse the unfair changes in this bill and provide universities with the support they need to become world class without making Australian students shoulder more and more debt. I can tell you we will be campaigning on these issues right up to the election and right through the election. We will not be supporting any legislation that drives more and more Australians, especially young Australians, into deeper and deeper debt.

This is always what has been at the heart of this legislation. There has been one thing that the previous minister for education, Dr Kemp, and the current minister have always wanted: a huge price hike. That is what this legislation has been about—only a price hike. That is not reform; it is just a price hike. For Labor, the battle to keep our universities open to all qualified Australians is not over just because this legislation passes the parliament. We will reverse these changes and we will make sure that those young Australians and older Australians who are qualified to go to university will have the opportunity to do so.

This legislation is all about hiking up the cost of a university education. We want to make sure that there is a fairer way. We have put our policy on the table. It has been out there for six months for everybody to see. We will show that there is a different way from the Howard government way: a fairer way, a way that actually gives all talented Australians a chance to get a university education. It will not be based on their bank balance. That will not be Labor’s way. That is the Liberal way—the Liberal way is about how much money you have in your bank balance. But Labor’s way will be about how hard you have worked—that is the Labor way. If you have worked hard, if you have got the marks, you will get a university education. We believe in expanding opportunities, creating more publicly funded university places, not fewer. We do not believe that Australian students and their families should be driven further and further into debt. That is at the heart of this legislation. These students are going to be driven further and further into debt just because they want to expand their university education and contribute to the nation’s prosperity.

We will see the figures when the university offers come out next year, but we know that at the moment there are about 20,000 qualified Australians who miss out on a university place. The minister acknowledges this. Of course there are not 20,000 new places in this legislation. (Extension of time granted) As I said, there are 20,000 students already missing out on a university place—20,000 students who have studied hard. We know that many of them have just finished their exams. Many of them will be applying to go to university and at least 20,000 of them next year are going to be sorely disappointed because this legislation does not include 20,000 new places.

Can you actually believe—I must say that I find it extraordinary—that this legislation does not even create enough publicly funded places to keep pace with population growth? The proportion of people going to university as a result of this legislation will decline. How can that be good for Australia’s prosperity? What sort of government does that? This government’s answer is that 35 per cent of places at universities can go to those who pay full fees.
Mr Gavan O'Connor—If you've got the money.

Ms MACKLIN—If you have the money, you will get a university place. We know how much we are talking about. We are talking about $100,000 or more. So it will be the case that if you have the money you will be able to buy your way into university ahead of other students who have better marks than you. This is certainly not fair. It is not the Australian way of doing things. This government is determined to limit the number of publicly funded places and to basically say, 'If you've got the money you will be able to buy a place.'

I thought—and many of you would have heard this catchcry—that the government were against queuejumping. Many of us have heard the argument time and time again from this government that they are against queuejumping, but not when it comes to a university place. When it comes to a university place and making sure that the privileged and the wealthy can get into university without the marks, the government are all for queuejumping. That is exactly what they are on about. Labor, by contrast, will abolish all full fee paying places for Australian undergraduates, because we want to make sure that it is merit, not money, that determines how you get a university place.

Honourable members interjecting—

The SPEAKER—Let me point out to people on both sides of the House that while their body clocks may compel them to interject between 2.00 p.m. and 3.30 p.m. the chair makes no such provision.

Ms MACKLIN—In the policy that Labor announced in July, we showed that we aim to do what no Australian government has ever contemplated—and certainly this government does not contemplate it. Labor in government will give every Australian with the motivation and the marks the opportunity to get a tertiary education. That has never been done before. We on this side of the House do not believe in turning away qualified Australians who are committed to furthering their education. That is why we are determined to create 20,000—

Mr Tuckey—You're getting a message.

Ms MACKLIN—There would be no hope of you getting it, Wilson. We are determined to create 20,000 additional university places and another 20,000 TAFE places. While we are talking about places, last night it was the case that government senators voted against Labor's amendment to create an additional 20,000 places. They voted against it. They should be ashamed of themselves, because they do not want to provide the places that are necessary.

Let us look at what has happened to student fees. This is not the first time this government has put up fees. In 1996 a degree in a middle level course like economics or science cost $7,300—before Dr Kemp got his hands on it. Now it costs students $15,700. That is your legacy. (Extension of time granted) With today's changes, the HECS fees will go up by another 25 per cent. So those students doing a basic science degree who were paying $7,000 when this government came in will now have a debt of $20,000. That is what you are putting on the shoulders of these young people. And this from a minister who paid nothing for his degree—nothing! So the government has already increased fees for students by 115 per cent. Students are already overloaded with heavy debts at the same time they are about to start a family and buy a home. We are already near the top of the world scale when it comes to student contributions. We also know that Australian university graduates are already delaying starting a family and buying their homes—that is already happening without this further increase in debt. There
were 90 amendments that Labor moved in the Senate. Each and every one of them was voted down by the government and the Independents. I will not test your patience by going through each and every of the 90—

Mr Gavan O'Connor—Give us 50 of them.

Ms MACKLIN—No, I won’t do that. I just want to highlight a few, because people need to know where the government stand and what they voted against. Labor amendments would have stopped the 25 per cent fee hike. We would have stopped it in its tracks. We would have banned universities offering new Australian undergraduates full fee degrees that already cost $100,000. We would have created 20,000 places, but of course the government did not want to do that. We would have made sure that universities received proper indexation, but of course the government voted against that. We would have prevented the 20 per cent penalty on student loans; improved student financial assistance; scrapped the seven-year learning limit; and scrapped all the ideological industrial relations conditions. But, no, the government did not want to do that. And, most importantly, in some ways, when it comes to our democracy we would have safeguarded universities from ministerial interference in what they teach students. These amendments were critical to making this flawed, shoddy and, most of all, unfair bill acceptable. But the government and the Independents could not even sustain an argument. Senator Vanstone was not actually capable of answering any of our amendments or dealing with the question of whether or not they should be addressed.

I want to touch on a couple of final issues which have been very, very important in this debate. Time and again the minister has been told that by the Australian vice-chancellors in particular. Time and again he ignored this concern and continued to push ahead with his plan to make students pay more. Without proper indexation of university grants, it will be the case that universities will have to put up their fees by the full 25 per cent—just to tread water. The minister likes to talk about reform and flexibility. But forcing all universities to put up fees to pay for this bill is not reform. Anyone can put up a price, and that is what this bill is really all about. I must say I am extremely disappointed in the Australian Vice-Chancellors Committee not pressing the government to make sure that this package included full indexation. It was at the top of their list of concerns, but did they press the government to deliver this? No, they did not, otherwise we would have seen it in this bill.

By contrast, Labor’s policy does contain a fully funded commitment to indexation: $312 million to properly index university funding. You cannot tell me this government does not have $312 million to make sure that universities are properly funded and students do not have to pay any more. (Extension of time granted) The government’s university changes are also still a bureaucratic nightmare. They give this minister—and all future ministers until this legislation is changed—unprecedented power over what universities can teach and students can learn. That is an extraordinary attack on one of the institutions at the heart of our democracy. Any suggestion that the amendments made in the Senate as part of the deal—part of what I have to say was a backroom deal between the government and the Independents—are to reduce the minister’s intrusive powers over universities is completely wrong.

I will give you an example of why it is wrong. It is wrong because it is with these powers that this minister—and we all heard
him say this in question time, so we know it is true—has threatened to make the University of Melbourne cover the $5 million funding cut. This is true, isn’t it, Minister? The minister intends to make the University of Melbourne fund the cut that is facing the Victorian College of the Arts. That is what this bill is all about. The minister has the power to do it. That is why the Vice-Chancellor of the University of Melbourne has likened this minister’s proposals to those of ‘authoritarian regimes’. That is what this legislation is about. He went on to warn that giving that sort of power to a minister in perpetuity is a real disaster. That is what the University of Melbourne Vice-Chancellor had to say, and he used to be one of the minister’s chief supporters—not anymore. The amendments passed in the Senate to address these concerns do not reduce ministerial control. They in fact simply change the mechanism through which he can exercise it. The minister will still have the power to micro-manage the types of courses offered and the numbers of students enrolled in them. I can say this to the parliament and the universities: Labor will not dictate to universities what they teach or how they employ their staff.

At the eleventh hour last night we had the final attempt at a cave-in by the Independents. I understand the minister actually had to go, cap in hand, to a very late in the night emergency cabinet meeting to finalise his deal with the Independent senators over industrial relations. I gather there are a few in the cabinet who did not want this to happen. They have come up with a quick fix in the final hours of this two-year process that once again does not remove industrial relations conditions from all university funding.

Mr Barresi—Good!

Ms MACKLIN—We hear ‘good’ from the other side. They are clearly still committed to the government’s ideological conditions. We will make sure all the staff at Deakin University know exactly what the member thinks. Despite the ‘line in the sand’ claims from the Independent senators, every one of the extraordinary conditions—and they are extraordinary—that this minister and, of course, the previous minister for industrial relations want are going to remain. They are not gone; they have just been moved from one funding pool to another. They are still there; this government still wants to put its fingers into the way in which universities manage their industrial relations.

This of course has always been a threshold issue for us. The government should not be imposing industrial conditions on educational funding. This money is supposed to be for improving the quality of education in our universities and not coming through blackmailing the universities to implement this government’s industrial relations conditions. Funding for universities is far too important to be left to the ideological obsessions which we know the current minister for health certainly believes in. There are of course also a number of universities which continue to be worse off as a result of this package. I cannot actually see the member for Lindsay here at the moment, but we know what her advocacy has meant for the University of Western Sydney.

Mr Kelvin Thomson—Advocacy?

Ms MACKLIN—It is advocacy. I know you will be surprised, but she has in fact advocated that they not be given additional funding. (Extension of time granted) Universities like the University of Western Sydney and Victoria University in Melbourne serve some of our most disadvantaged communities. They will be millions of dollars worse off as a result of this package. The Victorian College of the Arts will be devastated by a funding cut of more than 30 per cent. The
Minister for Education, Science and Training shakes his head, but of course the only way in which they are not going to lose money is by him forcing the University of Melbourne to pay up, and not because he is actually giving the Victorian College of the Arts any more money.

There is nothing in the amendments that we are currently debating which will make sure that the University of Western Sydney, Victoria University or the Victorian College of the Arts have their positions improved. The member for Lindsay, the member for Macquarie and the member for Parramatta, who is sitting over there—and we know he has not done anything; in fact, he says that his constituents are just a bunch of whingers if they talk about Medicare or if they complain that the University of Western Sydney does not have the funding that it needs—have not made sure that the University of Western Sydney is properly funded. They have done nothing to protect the university that provides such outstanding services for the people of Western Sydney.

I say to the Australian people today: this provides us all with a very real choice at the next election. The Howard government will have increased—because we know this bill is going to go through—university fees first by 115 per cent and now, today, by another 25 per cent. That is the first thing—it is a substantial difference between the Labor Party’s policy and that of this government. Labor will not agree to any further increases in university fees. There is another major difference that the public have in front of them. This government says that you can jump the queue and buy your way into university if you have the money. Labor will abolish all full fee paying places, because we do not think it is fair. We think you should get into university based on your marks, not on how much money you or your parents have in the bank. Under Labor there will be no increase in fees. There will be no $100,000 degrees. I say to the Australian people: we will fight every way we can to make sure this does not happen.

Mr ORGAN (Cunningham) (3.05 p.m.)—There is no doubt that this is indeed a sad day in higher education in Australia. The students in Australia have been sold out—sold out by the government, sold out by the four Independent senators and sold out by the Australian Vice-Chancellors Committee, who claim to represent the universities. But in fact they do not represent the students; they do not represent their families; they do not represent the university staff and other groups in the sector.

The Greens cannot support the Higher Education Support Bill 2003 and amendments agreed to by the government and the Independent senators at approximately 1.15 p.m. today in the other place with a vote of 31 to 29. This bill was a turkey when it was first presented, and the turkey is still a turkey, no matter how much you dress it up or sex it up. Just as the US President was prepared to pose in front of a plastic turkey during his recent visit to the troops in Iraq, now we have the Minister for Education, Science and Training prepared to present us with a slightly more palatable, though still off, turkey of a bill.

Anyone who has listened to some of the impassioned speeches in the other place in the last few days by Greens, Democrats and opposition senators will know the import of this bill and why it is such a sad day for Australian students and their families. The government, and especially the minister, is in a state of denial. The minister comes into this place regularly talking all manner of figures but basically missing the target. The minister and the government are in a state of denial over the D-word—that is, debt. We are talking here about student debt. That goes to the
The core of the issue here. The government is really silent about debt. I do not think the minister used that word once during his speech a minute ago.

I heard the minister on the radio this morning talking about how any eligible Australian student can walk into any Australian university and not have to pay a cent in upfront fees. That is true; I did it back in 1975, and the minister did it as well. But the minister did not tell the Australian people this morning that those students—here and now—have to pay up front or go into debt. They have to pay more and more, and they have to pay some of the highest university fees in the world. The minister did not tell those listening to the ABC this morning that students and their families would be lumbered with debts ranging from $30,000 to over $100,000. He did not say that this debt burden is forcing more and more of them to drop out of university. He did not talk about the failure of the government to adequately support students via any substantial income support schemes. He did not say that the policies of this government are forcing more and more students, and their families, to decide that they just cannot afford to go to university. Why can’t they? Because they are going to be lumbered with a debt, and at the end of the day having a university degree is no real guarantee of a well-paid job. Many Australians, especially if they come from the poorer sections of the community, do not like debt. It is clear that, as a result of the government’s mistreatment of the university sector since it came to office in 1996, more and more young women, for example, are being forced to make a choice between university, a career and paying off a HECS debt, and opting out and having a family.

Mr Ciobo—What rubbish!

Mr ORGAN—It’s not rubbish at all.
in this instance, because it is not fair when we talk about it in the context of higher education. Debt does deter students from going to university, and the government and the minister refuse to admit this. The minister cannot fail to be aware of the debt burden facing Australian students. He merely has to talk to them, to go out and speak to them. If he truly listened to the students and their families, he would not be allowing the universities to increase fees by up to 25 per cent, he would not be putting a seven-year cap on their so-called study entitlement and he would not be starving the universities of real funds for infrastructure, staffing and course delivery. *(Extension of time granted)* The minister would not be forcing the universities down the privatisation path, down the path to elitism, and the government would be doing all it could to support equitable access to tertiary education in this country. This package is really about reducing the burden of debt on the government, not on students. It is about transferring more of the costs onto students and their families. It is also about further privatisation of the higher education sector. We cannot agree to that: the money should be going into the public sector, not being pocketed as the profits of private companies.

This is a very important issue. As Senator Stott Despoja pointed out in the other place, the industrial relations linkage is still there. There is a $50 million bribe that the government has put up to further its attacks on unions. In summary, we have increases in HECS, 39 universities are worse off, equity issues have been abandoned, the independence of our universities is further compromised, there is no improvement in student support and there are more up-front full-cost fees. In the interests of present and future generations of Australians, the Greens oppose this bill.

Question put:

That the amendments be agreed to.

The House divided. [3.16 p.m.]

(The Speaker—Mr Neil Andrew)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noes</td>
<td>36</td>
</tr>
<tr>
<td>Majority</td>
<td>31</td>
</tr>
</tbody>
</table>

**AYES**

Abbott, A.J.  Anderson, J.D.
Andren, P.J.  Andrews, K.J.
Anthony, L.J.  Bailey, F.E.
Baird, B.G.  Baldwin, R.C.
Barresi, P.A.  Bartlett, K.J.
Bishop, B.K.  Bishop, J.I.
Brough, M.T.  Cadman, A.G.
Cameron, R.A.  Caunsley, I.R.
Charles, R.E.  Ciobo, S.M.
Cobb, J.K.  Costello, P.H.
Draper, P.  Elson, K.S.
Farmer, P.F.  Gallus, C.A.
Gambiaro, T.  Georgiou, P.
Haase, B.W.  Hardgrave, G.D.
Hartsuyker, L.  Hockey, J.B.
Hull, K.E.  Hunt, G.A.
Johnson, M.A.  Jull, D.F.
Kelly, D.M.  Kemp, D.A.
King, P.E.  Ley, S.P.
Lindsay, P.J.  Lloyd, J.E.
Macfarlane, I.E.  McGauran, P.J.
Moylan, J. E.  Nairn, G. R.
Nelson, B.J.  Neville, P.C.
Panopoulos, S.  Prosser, G.D.
Pyne, C.  Randall, D.J.
Ruddock, P.M.  Scott, B.C.
Secker, P.D.  Slipper, P.N.
Somlyay, A.M.  Southcott, A.J.
Stone, S.N.  Thompson, C.P.
Ticehurst, K.V.  Tollner, D.W.
Tuckey, C.W.  Vale, D.S.
Wakelin, B.H.  Washer, M.J.
Williams, D.R.  Windsor, A.H.C.
Worth, P.M.  

**NOES**

Beazley, K.C.  Bevis, A.R.
Corcoran, A.K.  Cox, D.A.
Crosio, J.A.  Edwards, G.J.
Ellis, A.L.  Ferguson, M.J.
Gibbons, S.W.  Gillard, J.E.
Grierson, S.J.  Griffin, A.P.
Thursday, 4 December 2003

HIGHER EDUCATION SUPPORT (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2003

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered forthwith.

Senate's amendments—

(1) Clause 2, page 3 (table item 12), omit the table item, substitute:

<table>
<thead>
<tr>
<th>12. Schedule 2, item 112</th>
<th>The later of:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) 1 January 2004; and</td>
</tr>
<tr>
<td></td>
<td>(b) immediately after the commencement of sections 1-10 to 238-15 of the Higher Education Support Act 2003.</td>
</tr>
</tbody>
</table>

(2) Clause 2, (table item 14, column 1), omit “168”, substitute “169”.

(3) Schedule 1, item 1, page 5 (lines 17 to 19), omit paragraph (1)(e).

(4) Schedule 1, item 1, page 6 (line 1), after “applies”, insert “and the person is not an excepted student”.

(5) Schedule 1, item 1, page 6 (after line 14), at the end of the item, add:

(3) In this item: excepted student has the meaning given by subsection 41(3) of the Higher Education Funding Act 1988.

(6) Schedule 1, item 3, page 6 (line 34), omit “is:”, substitute “is the amount specified in the following table in relation to the funding cluster in which the unit is included.”.

(7) Schedule 1, item 3, page 6 (line 35) to page 7 (line 4), omit paragraphs (2)(a) and (b).

(8) Schedule 1, item 10, page 12 (lines 4 and 5), omit “accumulated HECS-HELP debts”, substitute “accumulated HELP debts”.

(9) Schedule 1, item 10, page 12 (line 7), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(10) Schedule 1, item 10, page 12 (line 11), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(11) Schedule 1, item 11, page 12 (line 25), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(12) Schedule 1, page 12 (after line 27), after item 11, insert:

11A Taking account of voluntary payments made under the Higher Education Support Act 2003 before 1 June 2005

(1) If:

(a) on or after 1 January 2005 and before 1 June 2005, a person makes a voluntary repayment to the Commissioner under Division 151 of the Higher Education Support Act 2003; and

(b) the payment is in respect of one or more HECS-HELP debts;
in working out, under section 140-25 of that Act, a person’s accumulated HECS-HELP debt for the financial year, add the amount to the amount of the sum referred to in step 3 of the method statement in section 140-5 of that Act.

(2) If:

(a) on or after 1 January 2005 and before 1 June 2005, a person makes a voluntary repayment to the Commissioner under Division 151 of the Higher Education Support Act 2003; and

(b) the payment is in respect of one or more HELP debts that are not HECS-HELP debts;

in working out, under section 143-15 of that Act, a person’s accumulated FEE-HELP/OS-HELP debt for the financial year, add the amount to the amount of the sum referred to in step 3 of the method statement in section 143-5 of that Act.

(13) Schedule 1, item 12, page 13 (line 8), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(14) Schedule 1, item 13, page 13 (line 22), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(15) Schedule 1, item 13, page 13 (line 35), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(16) Schedule 1, page 19 (after line 28), after item 22, insert:

22A Fee-waiver scholarships in the year 2004

(1) The amount or value of a scholarship in respect of the year 2004 is taken not to be income for the purposes of the Social Security Act 1991 if:

(a) the scholarship is provided by an institution (within the meaning of the old Act) or by an institution or body referred to in Schedule 1 to the old Act; and

(b) the scholarship is in the form of a waiver of all of the fees (within the meaning of the old Act) that the person would be liable to pay to the institution or body in connection with a course of study (within the meaning of the old Act); and

(c) the course of study is not a designated course of study (within the meaning of Chapter 4 of the old Act).

(2) Subitem (1) does not affect whether the amount or value of a scholarship in relation to which that subitem does not apply is income for the purposes of the Social Security Act 1991.

(17) Schedule 2, page 22 (after line 15), after Part 2, insert:

Part 2A—HEC repayment thresholds for the 2004-05 year of income

Higher Education Funding Act 1988

8A Subsection 106Q(1)

Omit “subsection (7)”, substitute “subsections (7) and (8)”.

8B Subparagraph 106Q(4)(a)(ii)

After “year of income”, insert “(other than the 2004-05 year of income)”.

8C After subparagraph 106Q(4)(a)(ii) Insert:

; or (iii) for the 2004-05 year of income—$35,000;

8D At the end of section 106Q Add:

(8) This section applies in relation to the 2004-05 year of income as if the table in subsection (1) were omitted and the following table were substituted:

<table>
<thead>
<tr>
<th>Item</th>
<th>Person’s HEC repayment income in respect of year of income</th>
<th>Percentage applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More than $35,000, but less than $38,988</td>
<td>4%</td>
</tr>
</tbody>
</table>

CHAMBER
HEC repayment thresholds for the 2004-05 year of income

<table>
<thead>
<tr>
<th>Item</th>
<th>Person’s HEC repayment income in respect of year of income</th>
<th>Percentage applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$38,988 or more, but less than $42,973</td>
<td>4.5%</td>
</tr>
<tr>
<td>3</td>
<td>$42,973 or more, but less than $45,233</td>
<td>5%</td>
</tr>
<tr>
<td>4</td>
<td>$45,233 or more, but less than $48,622</td>
<td>5.5%</td>
</tr>
<tr>
<td>5</td>
<td>$48,622 or more, but less than $52,658</td>
<td>6%</td>
</tr>
<tr>
<td>6</td>
<td>$52,658 or more, but less than $55,430</td>
<td>6.5%</td>
</tr>
<tr>
<td>7</td>
<td>$55,430 or more, but less than $60,972</td>
<td>7%</td>
</tr>
<tr>
<td>8</td>
<td>$60,972 or more, but less than $65,000</td>
<td>7.5%</td>
</tr>
<tr>
<td>9</td>
<td>$65,000 or more</td>
<td>8%</td>
</tr>
</tbody>
</table>

(18) Schedule 2, item 18, page 24 (line 15), omit “accumulated HECS-HELP debt”, substitute “accumulated HELP debt”.

(19) Schedule 2, items 113 and 114, page 47 (lines 10 to 13), omit the items, substitute:

113 Subsection 106PA(2)
Repeal the subsection.

114 Subsection 106PA(3)
Omit “If the amount of the debt is $500 or more, the”, substitute “The”.

(20) Schedule 2, page 47 (after line 25), after item 119, insert:

119A Subsection 106PA(5)
Omit “(2),”.

(21) Schedule 2, item 120, page 48 (lines 3 to 6), omit all the words from and including “accumulated HECS-HELP debt” to and including “or both”, substitute “accumulated HELP debt”.

(22) Schedule 2, item 122, page 48 (lines 9 to 18), omit the item, substitute:

122 At the end of subsection 106Y(2)
Add:
: (f) fourthly, in discharge or reduction of:
(i) any HELP debt of the person; or

(ii) if there is more than one such debt, those debts in the order in which they were incurred.

(23) Schedule 2, item 133, page 50 (lines 14 to 20), omit the item.

(24) Schedule 2, items 134 and 135, page 50 (lines 21 to 28), omit the items.

(25) Schedule 2, item 137, page 51 (lines 1 to 4), omit the item, substitute:

137 Section 12-5 (table item headed “Higher Education Contribution Scheme (HECS)”) Repeal the item, substitute:

higher education assistance

(26) Schedule 2, items 143 and 144, page 51 (line 25) to page 52 (line 4), omit the items, substitute:

143 Section 995-1 Insert:

accumulated HELP debt has the meaning given by section 140-25 of the Higher Education Support Act 2003.

(27) Schedule 2, item 157, page 54 (lines 7 and 8), omit “accumulated HECS-HELP debts or accumulated FEE-HELP/OS-HELP debts”, substitute “accumulated HELP debt”.

(28) Schedule 2, item 159, page 54 (lines 17 and 18), omit “accumulated HECS-HELP debt or accumulated FEE-HELP/OS-HELP debt”, substitute “accumulated HELP debt”.

(29) Schedule 2, item 160, page 54 (lines 22 and 23), omit “accumulated HECS-HELP debt or accumulated FEE-HELP/OS-HELP debt”, substitute “accumulated HELP debt”.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (3.25 p.m.)—I move:

That the amendments be agreed to.

University education will be free at the point of entry and fair at the point of repayment. This is significant reform, it is in Australia’s interests and I urge the House to support it.
Question put:
That the motion (Dr Nelson’s) be agreed to.
The House divided. [3.26 p.m.]
(The Speaker—Mr Neil Andrew)

| AYES | 67 |
| Noes | 36 |
| Majority | 31 |

AYES
Abbott, A.J.  Anderson, J.D.
Andren, P.J.  Andrews, K.J.
Anthony, L.J.  Bailey, J.E.
Baird, B.G.  Baldwin, R.C.
Barresi, P.A.  Bartlett, K.J.
Bishop, B.K.  Bishop, J.I.
Brough, M.T.  Cadman, A.G.
Cameron, R.A.  Causer, I.R.
Charles, R.E.  Ciobo, S.M.
Cobb, J.K.  Costello, P.H.
Draper, P.  Elson, K.S. *
Farmer, P.F.  Gallas, C.A.
Gambino, T.  Georgiou, P.
Haase, B.W.  Hardgrave, G.D.
Hartseyker, L. *  Hockey, J.B.
Hull, K.E.  Hunt, G.A.
Johnson, M.A.  Jull, D.F.
Kelly, D.M.  Kemp, D.A.
King, P.E.  Ley, S.P.
Lindsay, P.J.  Lloyd, J.E. *
Macfarlane, I.E.  McGauran, P.J.
Moylan, J.E.  Nairn, G.R.
Nelson, B.J.  Neville, P.C. *
Panopoulos, S.  Prosser, G.D.
Pyne, C.  Randall, D.J.
Riddoch, P.M.  Scott, B.C.
Secker, P.D.  Slaper, P.N.
Somlyay, A.M.  Southcott, A.J.
Stone, S.N.  Thompson, C.P.
Ticehurst, K.V.  Tollner, D.W.
Tuckey, C.W.  Vale, D.S.
Wakelin, B.H.  Washer, M.J.
Williams, D.R.  Windsor, A.H.C.
Worth, P.M.  

NOES
Beasley, K.C.  Bevis, A.R.
Corcoran, A.K.  Crosio, J.A. *
Edwards, G.J.  Ellis, A.L.
Ferguson, M.J.  Gibbons, S.W.
Gillard, J.E.  Grierson, S.J.
Griffin, A.P.  Hall, J.G.
Hattan, M.J.  Hoare, K.J.
Irwin, J.  Jackson, S.M.
Jenkins, H.A.  King, C.F.
Latham, M.W.  Macklin, J.L.
McClelland, R.B.  McFarlane, J.S. *
McLeay, L.B.  McMullan, R.F.
Melham, D.  Mossfield, F.W.
Murphy, J.P.  O’Connor, G.M.
Organ, M.  Price, L.R.S.
Sawford, R.W.  Sercombe, R.C.G.
Smith, S.F.  Thomson, K.J.
Vamvakoum, M. *  Wilkie, K. *

* denotes teller

Question agreed to.

BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (3.32 p.m.)—I have an update of what is happening this afternoon. Current advice from the Senate is that we will be required for a little longer. At the moment, I am told, they expect it will be for about an hour. I say sorry to all members that we are still here, but I want to thank everyone for their patience. Hopefully, it will be no longer than an hour this time.

The SPEAKER—I thank the Leader of the House. I am sure all members understand that these are matters largely beyond the control of the House.

PARLIAMENTARY ZONE

Approval of Proposal

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services and Parliamentary Secretary to the Minister for Trade) (3.33 p.m.)—by leave—I present a proposal, together with supporting documentation, for works in the parliamentary zone. I move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for works in the Parliamentary Zone: Artwork 7 at Reconciliation Place.

This motion proposes artwork 7 at Reconciliation Place. Artwork 7 will be made of
red oxide concrete. On the northern side of the artwork—that facing Lake Burley Griffin—there will be a number of irregularly shaped corten steel panels. Within each panel a grid of small holes will be drilled forming the shape of Australia. The holes will provide an opportunity for people to leave messages that record their experience of the separation of children from their families. Randomly etched across the steel panels will be quotations from children who have been separated from their families and those who have cared for them. Behind the steel panels there will be a movement activated speaker which will emit the song *T ook the Children Away*.

The southern side of the artwork features a tall, textured concrete cliff face, at the base of which will be a small water source that spills water each end and over the southern face of the artwork. The water will collect in a pool at the base of the artwork and flow across a small channel into the adjacent grassed area, where it will collect in a small pool adjacent to a contemplative bench. At the eastern end of the artwork there will be an interpretative plaque, providing a brief description of the history of the separation of children from their families. At the western end there will be a reproduction of a letter in which an Indigenous man requests that his children not be removed.

The artwork will be approximately 4.5 metres long and 2.8 metres high. The artwork has been designed to meet the Australian standard for visual access, AS1428.1, and its height will be consistent with the existing constant horizon visual line along Reconciliation Place. The National Capital Authority has advised that it is prepared to grant works approval to the proposal, pursuant to subsection 12(1)(b) of the Australian Capital Territory (Planning and Land Management) Act 1988. The Joint Standing Committee on the National Capital and External Territories was advised of the proposal on 5 December 2003. It is proposed that the works commence in early 2004 to be completed by 9 May 2004 for NAIDOC week. I commend the motion to the House.

**Mr McMULLAN (Fraser) (3.36 p.m.)**—I will be brief because I am supporting the motion. I want to welcome this change from the government. The original proposition was, in my view, clearly unacceptable. The process of consultation has been substantially better on this occasion. The National Sorry Day Committee have confirmed to me their indication to the government that they approve of the wording as proposed on this occasion. Given their approval and given that it is a matter for the stolen generation, it is not appropriate for me to second-guess, but I think in any event they are correct. It is appropriate that we are giving this recognition. It is a small part of the recognition that needs to be given to issues to do with the stolen generation, but it is a welcome move in the right direction and I support it.

Question agreed to.

**TRADE PRACTICES LEGISLATION AMENDMENT BILL 2003**

**Consideration of Senate Message**

Message received from the Senate returning the bill and acquainting the House that the Senate does not insist upon its amendments disagreed to by the House of Representatives and has made a further amendment to the bill. The Senate requests the concurrence of the House in the further amendment made by the Senate.

Ordered that the further amendment be considered forthwith.

*Senate’s further amendment—*

(1) Schedule 2, item 40, page 18 (after line 13), after subsection 95H(5), insert:

(5A) The Minister must, as soon as practicable after confirmation that the other body will hold the inquiry, table a
statement in each House of the Parliament:

(a) specifying that the body will hold the inquiry; and

(b) giving the Minister’s reasons for requesting the body, rather than the Commission, to hold the inquiry.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (3.38 p.m.)—I move:

That the amendment be agreed to.

This is a relatively minor amendment compared to the ground shaking education measure which had passage today. It revolves around a Productivity Commission review of the Prices Surveillance Act 1983 relating to the conduct of public inquiries into monopolistic pricing. In it the commission recommended that such inquiries be conducted in a transparent manner with input from—but not by—the regulator who, for present purposes, is the Australian Competition and Consumer Commission.

In making the recommendation, the Productivity Commission cited the concern that there may be a perceived conflict of interest if the same agency is, ‘responsible for assessing the costs and benefits of price regulation, responsible for the implementation of any price regulation, but not responsible for implementing the alternatives.’ The government did not accept this aspect of the Productivity Commission’s recommendations. It was our view that in most cases the ACCC would be best placed to undertake public inquiries into monopolistic pricing, for a couple of reasons. Firstly, in most circumstances the expertise of the regulator may help to expedite a price inquiry and, secondly, the regulator may also have access to data about and an understanding of the relevant industry that cannot be matched by another existing or ad hoc inquiry body.

However, the government recognises the Productivity Commission’s concern that there may be circumstances in which the conduct of a price inquiry by the body with regulatory responsibility may give rise to a real or perceived conflict of interest. In such circumstances it is appropriate that the act provide for an alternative to the ACCC as the body to undertake the pricing inquiry. That is why the government does not accept the amendment previously moved by the opposition which would preclude anybody other than the ACCC from undertaking an inquiry. However, given that it is expected that inquiries will predominantly be undertaken by the ACCC, it is appropriate that this be recognised in the act.

Acknowledging the concerns of the Australian Democrats, the government therefore proposes to move an amendment to this bill. The amendment provides that, where the minister wishes to have a body other than the ACCC undertake an inquiry, the minister must, having confirmed that the body will undertake the inquiry, table a statement in each chamber of the parliament, firstly specifying the body that will undertake the inquiry and secondly giving the minister’s reasons for requesting the external body rather than the commission to hold the inquiry. This amendment reflects the primacy of the ACCC in conducting inquiries, as no such statement to parliament will be required where the ACCC is the inquiry body. However, the amendment recognises that circumstances may arise where another body would be more appropriate than the ACCC to conduct the inquiry. In such a situation the minister should be able to select that other body to conduct the inquiry, having explained to the parliament his or her reasons for doing so. This amendment provides a sensible middle course between the Productivity Commission’s view that the ACCC is never suitable to undertake pricing inquiries and
the opposition’s view that the ACCC will always be the most suitable body to undertake pricing inquiries. I commend the amendment to all interested parties and particularly to my colleagues in the House.

Question agreed to.

**BILLS RETURNED FROM THE SENATE**

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

Workplace Relations Amendment (Improved Protection for Victorian Workers) Bill 2003

(Quorum formed)

**SUPERANNUATION LEGISLATION AMENDMENT (CHOICE OF SUPERANNUATION FUNDS) BILL 2002**

Second Reading

Debate resumed.

**Mr TOLLNER (Solomon) (3.45 p.m.)—**

Firstly, let me put on the record that I support the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002.

Secondly, let me put on the record that I am a member of an industry superannuation fund—or a union fund, as many people call it—and that I worked for an industry superannuation fund, namely the Australian Retirement Fund, for over nine years prior to coming to this place. For that reason I have views that may differ somewhat from those of some of my colleagues on this side of the chamber. Fifteen years ago, superannuation meant that you were a public servant or a well-paid executive, or that you were putting your savings into a retail entity with a high level of fees and charges and doubtful rates of return. The introduction of compulsory superannuation and the spawning of industry superannuation funds changed that. Industry funds introduced unionists to decision making that was once an exclusive employer or commercial preserve, investing funds in capital projects and capitalist projects, in property, in markets and in securities.

Super funds in Australia have grown from a modest proportion of the investment market in the late 1980s to around $550 billion today. The industry funds that were virtually non-existent in the mid-eighties are currently worth about $56 billion—roughly 10 per cent of all superannuation assets in Australian accounts. These funds have over seven million members, which is about 30 per cent of all superannuation accounts. These days, the superannuation industry is rich in people whose background is about the defence of workers’ rights but whose future is about maximising the return on investments for their fund members. I know some of them—they seem good people. They are in charge of funds that grow through contributions and investment returns by millions of dollars each week. In other words, the socialists have become capitalists. Early in the game, several employer groups worked furiously to persuade governments and private companies that employer superannuation fund investments would increase the power of union bosses to use the same standover tactics in investment as they once used on building sites. Perhaps there are arguments to support that theory but I do not know what they are.

The fund that I used to work for, the Australian Retirement Fund, was and still is a great industry fund. The fees are low and the returns have been very good. Simply put, it is a market leader. However, I have heard today from members opposite that the Australian Retirement Fund and other industry funds do not want this legislation and they do not want competition. Let me tell you that nothing could be further from the truth. Most industry funds will welcome choice. This legislation will allow them to branch out into new markets, access new members, grow their economies of scale and, as a result, offer better services to their members.
I must put on the record that I have some minor concerns with this legislation being passed now. Firstly, I am concerned about the level of disclosure that funds and financial advisers currently must provide. I know that some members opposite share this concern. In January this year the Australian Consumers Association’s Choice magazine ran the results of a review of the financial planning industry. The results were not good. They said:

We’ve assessed advice provided by financial planners three times in eight years and found serious problems each time. The industry’s ongoing failure to improve its standards is disgraceful.

However, I am aware that many financial planning associations are working feverishly to rectify these problems and restore public confidence in their members. I am aware also that currently being discussed in the other place is the Financial Services Reform Amendment Bill 2003. It aims to achieve a new level of legislated disclosure for financial advisers. I note also that ASIC have suggested a model or a framework for the disclosure of fees. I understand that the Australian Consumers Association support that legislation. It will take time but somewhere along the line we will have an open and accountable financial planning industry.

One thing that I find interesting is that one of the opposition’s proposals is to ban commissions for financial advisers. That is a crazy step. It should be handled by the industry. Many funds that some people see will be losers—that is, public sector funds, corporate funds who cannot attract members and other industry funds—have the financial power to put pressure on the organisations that employ financial advisers and require them to be much more open in the way that they collect their fees.

The other concern that I have with this legislation is the impact it will have on business, and in particular small business. Small business at the moment complains about the level of red tape and bureaucracy involved in their non-core activities. This legislation will, I think, add to that. However, I am aware that technology is catching up. There are things called electronic clearing houses, which make it easy for employers to pay money to several funds through one outlet. However, I am sure that there will be some small businesses in Australia that do not have access to this technology, do not use computers and will still be required to send several cheques over several months to several different funds.

To sum up—and I do not intend to talk for long on this bill; I merely want to put my points across—on balance I support this bill. The possible problems with the disclosure of fees and poor financial advice are being dealt with as we speak. A lot of work is going on behind the scenes by the industry and by regulators, like ASIC, to ensure that proper disclosure mechanisms are put in place. The red tape for business involved with this bill is far outweighed by individuals’ fundamental right to be able to choose a fund. As Australians, we should be encouraging choice. The other thing is that I think some of the best performers in the superannuation market are those funds to which Australians have limited access because of their current working conditions—namely, the industry superannuation funds, which I think are market leaders.

So, on balance, I have no problems at all in supporting this bill. I think it is a great step for Australia. The industry and the regulators will now have to work together to put in place some mechanisms—some checks and balances—to ensure that Australians get a fair deal, but the opportunities that those Australians will have, stemming from this legislation, are awesome.
Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (3.55 p.m.)—It is my pleasure to sum up and to thank everyone for their contributions to the debate on the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002. The legislation provides employees with a long overdue right to determine where their superannuation fund is invested. This is a government that believes in choice and believes in allowing people to take control of their retirement savings. The opposition parties have been denying Australians choice in superannuation for far too long. Choice of fund will benefit members through greater competition in the superannuation industry and increased community awareness of the importance of superannuation savings. Competition will have positive effects for members of superannuation funds. For example, in our experience in the telecommunications sector, lowered call costs dramatically followed the introduction of competition; whereas attempting to regulate prices had little impact at all. The government wants the benefits of competition to flow to members of superannuation funds.

The inability of employees to choose their superannuation funds has meant that individuals have been excluded from the process of saving for retirement. It is no coincidence that there is currently $7 billion and 4.6 million accounts on the Australian Taxation Office’s lost member register. The current arrangements particularly damage and disadvantage the interests of itinerant workers and those in multiple part-time jobs. It is important that everyone is involved in the decisions affecting their retirement income. Choice of fund not only empowers employees to make decisions but allows them to have a better connection with their superannuation savings. It helps us to avoid the psychology of ‘set and forget’ that many Australians have developed towards their own retirement. Being involved in decisions about where their superannuation contributions are paid will mean that employees will start to consider the adequacy of their retirement savings sooner rather than later.

As others have observed, the bill provides for choice right at the start of a person’s employment life and causes them to reflect on the level of provision they are making for the future. Too often, Australians only start thinking about whether they have made adequate provision for retirement when they reach retirement, and the tragedy is that by that stage it is too late. It is much like an aircraft carrier or an oil tanker that can be moved significantly over time but by relatively slow degrees. We do not want a situation where Australians are in effect all gathered together on the bridge or the bow of the Titanic, seeing the iceberg approaching but being unable to take corrective action at that late stage. We want them to take that corrective action early in their careers by making informed decisions about their own retirement, and that is what this bill aims to allow them to do.

A number of arguments against choice have been advanced. Seven have been put to us in the ALP motion, and I would like to address each one of them briefly. The first argument is that the bill makes no provision for clear disclosure of fees that will accumulate to fund managers. This bill should be read in conjunction with the bill which I hope and pray will pass in this chamber within the hour, the Financial Services Reform Amendment Bill 2003. That bill provides the most comprehensive regime of disclosure for people providing advice and products in financial services that has been witnessed anywhere in the world.

I recently had in my office one of the most senior members of the Thai banking and financial community, a senior adviser to the
government of Thailand, and he said frankly that he has not witnessed another regime anywhere in the world with the comprehensive quality of the national licensing regime that is about to be introduced through the Financial Services Reform Amendment Bill 2003 and that will commence operation on 11 March 2004. That regime is a harmonised licensing disclosure and conduct program across advisers and providers of all financial products, from managed funds to insurance and superannuation. Anyone providing financial services such as financial product advice must be licensed or authorised to provide those services. Licensees must have requisite experience, training and qualifications to provide a financial service. In delivering financial services, a licensee must adhere to conduct requirements that prohibit activities such as false and misleading behaviour.

The financial services reform also imposes comprehensive disclosure requirements on service providers such as financial advisers and superannuation funds. Disclosure under FSR occurs at different stages in the supply of financial products and services, including when a licensee provides a financial service, when an adviser then provides advice on a client’s specific needs, and before selling a financial product. The criticism most frequently directed at the regime is that the disclosure requirements are too onerous. For example, the product disclosure statement provides essential details about a financial product, including information about fees and charges. So I can assure all members of the opposition—and the member for Solomon, who has just spoken—who have had concerns on this question of disclosure that there is no financial system in the world which will have the levels of transparency and disclosure that Australia’s financial system will have after the passage of this bill.

There was concern from the opposition that the bill contained no regulation or banning of fees and charges. The whole point of choice is to foster a competitive superannuation industry that will maintain downward pressure on fees and charges. At the moment, because we are providing, in effect, statutory monopoly organisations dotted all over the financial services world to manage retirement income, there is simply no competitive pressure to force prices down. There is nothing to stop funds jacking up fees when members are not permitted to leave—that is, when there is no real portability. The only way to minimise fees and charges is to build a competitive and efficient superannuation sector. The answer is not the sort of ineffective, bureaucratic, red-tape solution proposed by Labor.

The opposition has proposed that there should be an exemption for small business. The bill carefully balances concerns about compliance costs with the need to provide universal coverage and benefits to all Australians. This government believes in superannuation choice for everyone. It considers choice in superannuation a basic right and will not seek to carve out large numbers of employees, as proposed by Labor. There are already financial institutions that disburse superannuation on behalf of employers to the different superannuation providers of each employee, significantly helping to reduce compliance costs. In fact, I am aware of financial institutions that provide this service free of charge, provided the employer selects a fund operated by that institution as their default fund. Small businesses, and employers more generally, will write only one cheque to the clearing house—which is exactly what they do now.

There were suggestions by the opposition that funds under this regime will cease to provide a life insurance option. This claim is also false. IFSA, a major industry group that
also represents insurance companies, testified at a recent Senate hearing that choice would not jeopardise group life insurance. It was also suggested that there is no provision for a comprehensive and effective consumer education program. It is my pleasure to disabuse the opposition of this concern and to confirm that the government has allocated $14 million to a member education program.

One of the key messages for employees will include which specific employees are affected by choice of fund. The education program will encourage employees to take an interest in what is being offered, as different options in superannuation suit different people. The education program will reassure Australians that they do not need to change funds—they are under no compulsion to do so—and that their best option may be to stay with their existing fund. In fact, research shows that a majority of employees, when offered choice, remain in their existing relationship, so concerns about a wholesale churn after passage of the bill are not well founded. Most people are happy in their current fund, and the point of the measure is to ensure that those who are not happy are not held hostage under some regulatorily sanctioned monopoly. Another key message of the education campaign, to be run by the ATO, will be that, while the task of employers is to provide information to their employees, they are not under an obligation to advise—and nor should they accept responsibility for advising—employees about which fund to accept.

This, of course, is a key point. While I am excited about the impact of the measure on introducing competitive pressure and driving down costs and fees, the great benefit of this measure, in my view, is the way in which it is going to provide an engine for financial literacy among the nine million Australians in the work force. It is going to provide them with a powerful incentive to understand the way in which saving for retirement works. It is going to cause them to think about the equities market, shares and other assets. They will be educating and informing themselves and, as a consequence, they will be much better equipped to make decisions about their own financial futures. The opposition called for a cap on fees. The enhanced disclosure under financial services reform will lead to increased transparency and comparability of fees and charges.

It was argued that a defect of the bill was that it makes no provision for same-sex couples. In fact, same-sex couples are not covered elsewhere in the superannuation legislation. Same-sex couples will have equal access to choice, just like every other employee in Australia will. Furthermore, the Minister for Revenue and Assistant Treasurer has expressed to the Senate that she is concerned about actual cases of discrimination in the payment of death benefits governed by those other provisions.

The seventh and final quibble or frustration with the measure expressed by the opposition is that there is no prohibition on financial service providers offering incentives to employers to belong to particular funds. This is exactly the kind of problem that choice of funds will remedy. At the moment, there is nothing to stop an employer from signing up their employees to a high-cost, low-service super fund, and if an employer does pay employee super entitlements to a high-cost, low-service fund there is nothing an employee can do short of leaving their employer.

In conclusion, the opposition will tell us on a measure like this, like on so many others, that they are not opposed to the principle of choice but opposed to the way in which it is being implemented here. In this case they will find seven reasons why, in spite of their support for us in principle, they cannot engage in the sort of bipartisan practical ges-
ture of support that the new broom—the Leader of the Opposition—would imply. This is a good measure. It is an important reform and I urge the opposition to follow through with their commitments to bipartisanship on matters in the national interest and support this important initiative.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The original question was that this bill be now read a second time. To this the honourable member for Kingston has moved as an amendment that all words after ‘that’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (4.11 p.m.)—by leave—I present a supplementary explanatory memorandum to the bill and move government amendments (1) to (39):

(1) Clause 2, page 1 (line 8), omit “2004”, substitute “2005”.

(2) Schedule 1, page 3 (before line 4), before the heading, insert:

Retirement Savings Accounts Act 1997

1A Division 3 of Part 5

Repeal the Division.

(3) Schedule 1, page 7 (after line 16), after item 15, insert:

15A After subsection 19(2)

Insert:

(2A) If an employer makes one or more contributions (the no choice contributions) to an RSA or a complying superannuation fund other than a defined benefit superannuation scheme, for the benefit of an employee during a quarter and the contributions are not made in compliance with the choice of fund requirements, the employer’s individual superannuation guarantee shortfall for the employee for the quarter is increased by the amount worked out in accordance with the formula:

$$25% \times \left[ \frac{\text{Notional quarterly \ shortfall}}{\text{Amount worked out under subsection (1)}} \right]$$

where:

*notional quarterly shortfall* is the amount that would have been worked out under subsection (1) if the no choice contributions had not been made.

Note 1: See also subsection (2E) and section 19A.

Note 2: Part 3A sets out the choice of fund requirements.

(2B) If:

(a) a reduction of the charge percentage for an employee for a quarter is made under subsection 22(2) in respect of a defined benefit superannuation scheme; and

(b) there is at least one relevant day in the quarter where, if contributions (the notional contributions) had been made to the scheme by the employer for the benefit of the employee on the day, the notional contributions would have been made not in compliance with the choice of fund requirements; and

(c) section 20 (which deals with certain cases where no contributions are required) does not apply to the employer in respect of the employee in respect of the scheme for the quarter;
the employer’s individual superannuation guarantee shortfall for the employee for the quarter is increased by the amount worked out in accordance with the formula:

\[
\frac{\text{Notional quarterly shortfall} \times \text{Notional quarterly Amount worked out under subsection (1)}}{\text{Number of breach of condition days} \times \text{Relevant days in quarter}}
\]

where:

- **notional quarterly shortfall** is the amount that would have been worked out under subsection (1) if no reduction were made under subsection 22(2) in respect of the scheme.
- **number of breach of condition days** is the number of relevant days in the quarter on which, if a contribution had been made to the scheme by the employer for the benefit of the employee, those contributions would have been made not in compliance with the choice of fund requirements.

Note 1: See also subsection (2E) and section 19A.

Note 2: Part 3A sets out the choice of fund requirements.

(2C) The following days in a quarter are **relevant days** for the purposes of subsection (2B):

(a) if the value of B in the formula in subsection 22(2) for the quarter is 1—every day in the quarter; or

(b) in any other case—every day in the quarter that is in the shorter of the scheme membership period or the certificate period referred to in subsection 22(2).

(2D) A reference in subsections (2A) and (2B) to an employer’s individual superannuation guarantee shortfall being increased includes a reference to the shortfall being increased from nil.

(2E) The Commissioner may reduce (including to nil) the amount of an increase in an employer’s individual superannuation guarantee shortfall for an employee for a quarter under subsection (2A) or (2B).

Note: The Commissioner must have regard to written guidelines when deciding whether or not to make a decision under this subsection: see section 21.

15B Subsection 19(4)

Omit “An employer’s individual superannuation guarantee shortfall”, substitute “Despite subsections (1), (2A) and (2B), an employer’s individual superannuation guarantee shortfall”.

(4) Schedule 1, page 7, after proposed item 15B, insert:

15C After section 19

Insert:

19A Limit on shortfall increases arising from failure to comply with choice of fund requirements

(1) Subject to subsections (2) and (3), if the total of the amounts worked out for an employee for a quarter under subsections 19(2A) and (2B) exceeds $500, the total is taken to be $500.

(2) If:

(a) the total (the previous amount) of the amounts worked out for an employee under subsections 19(2A) and (2B) for previous quarters within an employer’s notice period for an employee does not exceed $500; and

(b) the current quarter is within the same employer’s notice period for the employee; and

(c) the total of the amounts worked out under subsections 19(2A) and (2B) for the employee for the current quarter and the previous quarters within the employer’s notice period for the employee exceeds $500; then, the total of the amounts worked out under subsections 19(2A) and (2B) for the employee for the current
quarter is taken to be the amount by which $500 exceeds the previous amount.

(3) If a quarter (the later quarter) in an employer’s notice period for an employee follows a quarter within that notice period:

(a) to which subsection (1) applied; or
(b) to which paragraph (2)(c) applied;

in respect of the employee, the total of the amounts worked out for the employee under subsections 19(2A) and (2B) for the later quarter is taken to be nil.

(4) An employer’s notice period for an employee:

(a) begins on:

(i) in the case of the first employer’s notice period for the employee—the later of 1 July 2005 and the day on which the employee is first employed by the employer; or

(ii) in any other case—when the immediately preceding employer’s notice period for the employee ends; and

(b) ends on the day the Commissioner gives the employer written notice that the employer’s notice period for the employee has ended.

(5) Schedule 1, page 7, after proposed item 15C, insert:

15D After proposed section 19A

Insert:

20 Scheme in surplus or member has accrued maximum benefit

(1) This section applies to an employer in respect of an employee in respect of a defined benefit superannuation scheme for a quarter if the employee is a defined benefit member of the scheme and either subsection (2) or (3) is satisfied.

Scheme in surplus

(2) This subsection is satisfied if:

(a) the employee was a defined benefit member of the fund immediately before 1 July 2005 and has not ceased to be such a member since that time and before the start of the quarter; and

(b) an actuary has provided a certificate in accordance with regulations under the Superannuation Industry (Supervision) Act 1993 stating that the employer is not required to make contributions for the quarter and there has been such a certificate covering all times since 1 July 2005; and

(c) an actuary has provided a certificate stating that, in the actuary’s opinion, at all times from 1 July 2005 until the end of the quarter, the assets of the scheme are, and will be, equal to or greater than 110% of the greater of the scheme’s liabilities in respect of vested benefits and the scheme’s accrued actuarial liabilities.

The certificate under paragraph (c) must have been provided no earlier than 15 months before the end of the quarter.

Member has accrued maximum benefit

(3) This subsection is satisfied if, after the start of the quarter, the defined benefit that has accrued to the employee will not increase other than:

(a) as a result of increases in the employee’s salary or remuneration; or

(b) by reference to accruals of investment earnings; or

(c) by reference to indexation based on, or calculated by reference to, a relevant price index or wages index; or

(d) in any other way prescribed for the purposes of this paragraph.
Meaning of scheme’s accrued actuarial liabilities and scheme’s liabilities in respect of vested benefits

(4) In this section:

scheme’s accrued actuarial liabilities, at a particular time, means the total value, as certified by an actuary, of the future benefit entitlements of members of the scheme in respect of membership up to that time based on assumptions about future economic conditions and the future of matters affecting membership of the scheme, being assumptions made in accordance with applicable professional actuarial standards (if any).

scheme’s liabilities in respect of vested benefits, at a particular time, means the total value of the benefits payable from the scheme to which the members of the scheme would be entitled if they all voluntarily terminated their service with their employers at that time.

(6) Schedule 1, page 7, after proposed item 15D, insert:

15E Before section 22

Insert:

21 Guidelines for reducing an increase in an individual superannuation guarantee shortfall

(1) The Commissioner must develop written guidelines that he or she must have regard to when deciding whether or not to make a decision under subsection 19(2E).

Note: Subsection 19(2E) allows the Commissioner to reduce (including to nil) the amount of an increase in an individual superannuation guarantee shortfall under subsection 19(2A) or (2B).

(2) The guidelines are to be made available for inspection on the Internet.

(7) Schedule 1, item 22, page 8 (lines 15 to 17), omit “This is important because penalties apply to an employer where contributions do not comply.”, substitute “This is important because an employer’s individual superannuation guarantee shortfall for an employee for a quarter may be increased where contributions do not comply.”.

(8) Schedule 1, item 22, page 8 (table row relating to Division 5), omit the table row.

(9) Schedule 1, item 22, page 8 (table row relating to Division 6), omit “Formal choice process”, substitute “Standard choice forms”.

(10) Schedule 1, item 22, page 9 (table row relating to Division 7), omit the table row.

(11) Schedule 1, item 22, page 9 (lines 13 to 19), omit subsection (2), substitute:

Contributions to other funds

(2) A contribution to a fund by an employer for the benefit of an employee is made in compliance with the choice of fund requirements if, at the time the contribution is made:

(a) the fund is an eligible choice fund for the employer; and

(b) there is no chosen fund for the employee.

(2A) Subsection (2) does not apply if the employer is required under section 32N to give the employee a standard choice form and the employer does not do this by the time specified in the subsection concerned. However, this subsection ceases to apply from the time that the employer gives the standard choice form to the employee.

(12) Schedule 1, item 22, page 11 (lines 21 to 24), omit the note, substitute:

Note: This section is used in determining if an individual superannuation guarantee shortfall is increased under subsection 19(2A) or (2B). Where subsection 19(2B) is relevant, the contributions referred to in this section are the notional contributions referred to in paragraph 19(2B)(b).
(13) Schedule 1, item 22, page 12 (lines 6 to 10), omit subsection 32D(2).

(14) Schedule 1, item 22, page 12 (line 20), omit “—formal choice process”.

(15) Schedule 1, item 22, page 12 (lines 21 to 25), omit subsection 32F(1), substitute:

(1) If an employee wants a fund to be a chosen fund for the employee, the employee must give the employer written notice to that effect.

Note: A fund can only be a chosen fund if the employer is able to make contributions to the fund for the benefit of the employee (see subsection 32G(2)).

(16) Schedule 1, item 22, page 12 (line 27), omit “section 32Q”.

(17) Schedule 1, item 22, page 12 (after line 29), at the end of section 32F, add:

(3) A fund (the selected fund) cannot become a chosen fund for an employee under this section if:

(a) immediately before the employee gave the notice to the employer, the employee was a defined benefit member of a defined benefit superannuation scheme; and

(b) even if the selected fund were to become a chosen fund for the employee, the employee would be entitled, on the employee’s retirement, resignation or retrenchment, to the same amount of benefit from the defined benefit superannuation scheme as the employee would be entitled if the selected fund were not a chosen fund for the employee.

(18) Schedule 1, item 22, page 12 (before line 30), before section 32G, insert:

32FA Employer may refuse to accept certain chosen funds

(1) An employer may refuse to accept the fund chosen by an employee under section 32F if the employee does not provide, together with the notice under that section:

(a) a written statement setting out:

(i) contact details for the fund; and

(ii) any other prescribed information; and

(b) written evidence that the fund will accept contributions made by the employer for the benefit of the employee.

(2) An employer may refuse to accept the fund chosen by an employee under section 32F if the employee has chosen another fund within the previous 12 months.

(19) Schedule 1, item 22, page 12 (line 30) to page 13 (line 21), omit section 32G, substitute:

32G Limit on funds that may be chosen

(1) The fund chosen by the employee must be an eligible choice fund for the employer at the time that the choice is made.

(2) The fund chosen by the employee must be a fund to which the employer can make contributions for the benefit of the employee at the time that the choice is made.

(20) Schedule 1, item 22, page 14 (line 8) to page 17 (line 20), omit Division 5.

(21) Schedule 1, item 22, page 17 (line 21), omit “Formal choice process”, substitute “Standard choice forms”.

(22) Schedule 1, item 22, page 17 (lines 22 to 28), omit section 32M.

(23) Schedule 1, item 22, page 17 (line 30), omit “2004”, substitute “2005”.

(24) Schedule 1, item 22, page 17 (line 31), omit “2004”, substitute “2005”.

(25) Schedule 1, item 22, page 18 (lines 7 and 8), omit “; or has been given a notice under paragraph 32G(1)(b);”.

(26) Schedule 1, item 22, page 18 (lines 16 and 17), omit “(other than where the fund ceases to be an eligible choice fund because of subsection 32D(2))”.

(27) Schedule 1, item 22, page 18 (lines 18 to 22), omit subsection (5).
The DEPUTY SPEAKER (Hon. I.R. Causley)—The question is that the amendments be agreed to.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (4.12 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

FAMILY LAW AMENDMENT BILL 2003

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered forthwith.

Senate’s amendments—

(1) Clause 2, page 2 (after table item 14), insert:

<table>
<thead>
<tr>
<th>14A. Schedule 4A</th>
<th>The day on which this Act receives the Royal Assent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 4A</td>
<td>The day on which this Act receives the Royal Assent</td>
</tr>
</tbody>
</table>

(2) Clause 2, page 3 (cell at table item 18, column 2), omit the cell, substitute:

<table>
<thead>
<tr>
<th>On the day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent</td>
</tr>
</tbody>
</table>

(3) Clause 2, page 3 (table item 23, column 1), omit “29”, substitute “29A”.

(4) Page 33 (after line 6), after Schedule 4, insert:

| Schedule 4A—Setting aside financial agreements |

Part I—Amendments

Family Law Act 1975

1 Subsection 4(1) (after paragraph (eaa) of the definition of matrimonial cause)
Insert:
(eab) third party proceedings (as defined in section 4A) to set aside a financial agreement; or

2 After section 4
Insert:

4A Third party proceedings to set aside financial agreement

(1) For the purposes of paragraph (eab) of the definition of matrimonial cause in subsection 4(1), third party proceedings means proceedings between:
(a) either or both of the parties to a financial agreement; and
(b) a creditor or a government body acting in the interests of a creditor; being proceedings for the setting aside of the financial agreement on the ground specified in paragraph 90K(1)(aa).

(2) In this section:
creditor means:
(a) a creditor of either of the parties to the financial agreement; or
(b) a person who, at the commencement of the proceedings, could reasonably have been foreseen by the court as being reasonably likely to become a creditor of either of the parties to the financial agreement.
government body means:
(a) the Commonwealth, a State or a Territory; or
(b) an official or authority of the Commonwealth, a State or a Territory.

3 After paragraph 90K(1)(a)
Insert:
(aa) either party to the agreement entered into the agreement:
(i) for the purpose, or for purposes that included the purpose, of defrauding or defeating a creditor or creditors of the party; or
(ii) with reckless disregard of the interests of a creditor or creditors of the party; or

4 After subsection 90K(1)
Insert:
(1A) For the purposes of paragraph (1)(aa), creditor, in relation to a party to the agreement, includes a person who could reasonably have been foreseen by the party as being reasonably likely to become a creditor of the party.

5 At the end of section 90K
Add:
(3) A court may, on an application by a person who was a party to the financial agreement that has been set aside, or by any other interested person, make such order or orders (including an order for the transfer of property) as it considers just and equitable for the purpose of preserving or adjusting the rights of persons who were parties to that financial agreement and any other interested persons.

(4) An order under subsection (1) or (3) may, after the death of a party to the proceedings in which the order was made, be enforced on behalf of, or against, as the case may be, the estate of the deceased party.

(5) If a party to proceedings under this section dies before the proceedings are completed:
(a) the proceedings may be continued by or against, as the case may be, the legal personal representative of the deceased party and the applicable Rules of Court may make provision in relation to the substitution of the legal personal representative as a party to the proceedings; and
(b) if the court is of the opinion:
(i) that it would have exercised its powers under this section if the deceased party had not died; and
(ii) that it is still appropriate to exercise those powers;
the court may make any order that it could have made under sub-
section (1) or (3); and
(c) an order under paragraph (b) may be enforced on behalf of, or against, as the case may be, the estate of the deceased party.

(6) The court must not make an order under this section if the order would:
(a) result in the acquisition of property from a person otherwise than on just terms; and
(b) be invalid because of paragraph 51(xxxi) of the Constitution.

For this purpose, acquisition of property and just terms have the same meanings as in paragraph 51(xxxi) of the Constitution.

Part 2—Application of amendments

6 Application of amendments
The amendments made by this Schedule apply to financial agreements made at any time, whether before or after the commencement of this Schedule. However, the amendments do not apply to proceedings that were instituted before the commencement of this Schedule.

(5) Heading to Schedule 5, page 34 (line 2), omit “Financial agreements”, substitute “Other amendments relating to financial agreements”.

(6) Schedule 6, item 1, page 37 (after line 17), at the end of Division 1, add:

90ADA Other provisions of this Act not affected by this Part
This Part does not affect the operation of any other provision of this Act.
Example: Paragraph 90AE(3)(c) and subsection 90AE(4) do not limit the operation of any other provisions of this Act that require or permit the court to take matters into account in making an order in proceedings under section 79.

(7) Schedule 6, item 1, page 38 (line 18), omit “order.”, substitute “order; and”.

(8) Schedule 6, item 1, page 38 (after line 18), at the end of subsection 90AE(3), add:
(d) the court is satisfied that, in all the circumstances, it is just and equitable to make the order; and
(e) the court is satisfied that the order takes into account the matters mentioned in subsection (4).

(9) Schedule 6, item 1, page 38 (after line 18), at the end of section 90AE, add:

(4) The matters are as follows:
(a) the taxation effect (if any) of the order on the parties to the marriage;
(b) the taxation effect (if any) of the order on the third party;
(c) the social security effect (if any) of the order on the parties to the marriage;
(d) the third party’s administrative costs in relation to the order;
(e) if the order concerns a debt of a party to the marriage—the capacity of a party to the marriage to repay the debt after the order is made;

Note: See paragraph (3)(b) for requirements for making the order in these circumstances.
Example: The capacity of a party to the marriage to repay the debt would be affected by that party’s ability to repay the debt without undue hardship.

(f) the economic, legal or other capacity of the third party to comply with the order;
Example: The legal capacity of the third party to comply with the order could be affected by the terms of a trust deed. However, after taking the third party’s legal capacity into
account, the court may make the order despite the terms of the trust deed. If the court does so, the order will have effect despite those terms (see section 90AC).

(g) if, as a result of the third party being accorded procedural fairness in relation to the making of the order, the third party raises any other matters—those matters;

Note: See paragraph (3)(c) for the requirement to accord procedural fairness to the third party.

(h) any other matter that the court considers relevant.

(10) Schedule 6, item 1, page 39 (line 11), omit “order or injunction.”, substitute “order or injunction; and”.

(11) Schedule 6, item 1, page 39 (after line 11), at the end of subsection 90AF(3), add:

(d) for an injunction or order under subsection 114(1)—the court is satisfied that, in all the circumstances, it is proper to make the order or grant the injunction; and

(e) for an injunction under subsection 114(3)—the court is satisfied that, in all the circumstances, it is just or convenient to grant the injunction; and

(f) the court is satisfied that the order or injunction takes into account the matters mentioned in subsection (4).

(12) Schedule 6, item 1, page 39 (after line 11), at the end of section 90AF, add:

(4) The matters are as follows:

(a) the taxation effect (if any) of the order or injunction on the parties to the marriage;

(b) the taxation effect (if any) of the order or injunction on the third party;

(c) the social security effect (if any) of the order or injunction on the parties to the marriage;

(d) the third party’s administrative costs in relation to the order or injunction;

(e) if the order or injunction concerns a debt of a party to the marriage—the capacity of a party to the marriage to repay the debt after the order is made or the injunction is granted;

Note: See paragraph (3)(b) for requirements for making the order or granting the injunction in these circumstances.

Example: The capacity of a party to the marriage to repay the debt would be affected by that party’s ability to repay the debt without undue hardship.

(f) the economic, legal or other capacity of the third party to comply with the order or injunction;

Example: The legal capacity of the third party to comply with the order or injunction could be affected by the terms of a trust deed. However, after taking the third party’s legal capacity into account, the court may make the order or grant the injunction despite the terms of the trust deed. If the court does so, the order or injunction will have effect despite those terms (see section 90AC).

(g) if, as a result of the third party being accorded procedural fairness in relation to the making of the order or the granting of the injunction, the third party raises any other matters—those matters;

Note: See paragraph (3)(c) for the requirement to accord procedural fairness to the third party.

(h) any other matter that the court considers relevant.
(13) Schedule 6, item 1, page 39 (after line 29), at the end of Division 4, add:

**90AJ Expenses of third party**

(1) Subsection (2) applies if:

(a) the court has made an order or granted an injunction in accordance with this Part in relation to a marriage; and

(b) a third party in relation to the marriage has incurred expense as a necessary result of the order or injunction.

(2) The court may make such order as it considers just for the payment of the reasonable expenses of the third party incurred as a necessary result of the order or injunction.

(3) In deciding whether to make an order under subsection (2), subject to what the court considers just, the court must take into account the principle that the parties to the marriage should bear the reasonable expenses of the third party equally.

(4) The regulations may provide, in situations where the court has not made an order under subsection (2):

(a) for the charging by the third party of reasonable fees to cover the reasonable expenses of the third party incurred as a necessary result of the order or injunction; and

(b) if such fees are charged—that each of the parties to the marriage is separately liable to pay the third party an amount equal to half of those fees; and

(c) for conferring jurisdiction on a particular court or courts in relation to the collection or recovery of such fees.

(14) Schedule 6, item 1, page 39 (after line 29), at the end of Division 4, add:

**90AK Acquisition of property**

(1) The court must not make an order or grant an injunction in accordance with this Part if the order or injunction would:

(a) result in the acquisition of property from a person otherwise than on just terms; and

(b) be invalid because of paragraph 51(xxxi) of the Constitution.

(2) In this section:

- **acquisition of property** has the same meaning as in paragraph 51(xxxi) of the Constitution.

- **just terms** has the same meaning as in paragraph 51(xxxi) of the Constitution.

(15) Schedule 7, item 29, page 46 (lines 6 to 23), omit the item, substitute:

**29 Subsection 117(2)**

Omit “subsection (2A)”, substitute “subsections (2A), (4) and (5)”.

**29A At the end of section 117**

Add:

(3) To avoid doubt, in proceedings in which a child representative has been appointed, the court may make an order under subsection (2) as to costs or security for costs, whether by way of interlocutory order or otherwise, to the effect that each party to the proceedings bears, in such proportion as the court considers just, the costs of the child representative in respect of the proceedings.

(4) However, in proceedings in which a child representative has been appointed, if:

(a) a party to the proceedings has received legal aid in respect of the proceedings; or

(b) the court considers that a party to the proceedings would suffer financial hardship if the party had to bear a proportion of the costs of the child representative;

the court must not make an order under subsection (2) against that party in relation to the costs of the child representative.
(5) In considering what order (if any) should be made under subsection (2) in proceedings in which a child representative has been appointed, the court must disregard the fact that the child representative is funded under a legal aid scheme or service established under a Commonwealth, State or Territory law or approved by the Attorney-General.

(16) Schedule 7, item 35, page 48 (line 7), omit “Item 29 applies”, substitute “Items 29 and 29A apply”.

Mr RUDDOCK (Berowra—Attorney-General) (4.13 p.m.)—I move:

That the amendments be agreed to.

The government has agreed to 16 Senate amendments made to the bill. A number of these amendments form the government’s responses to recommendations Nos 1 and 2 of the Senate Legal and Constitutional Legislation Committee’s report on the provisions of the bill tabled on 13 August this year. Ten amendments relate to amendments to the binding third party provisions in schedule 6 of the bill. Three amendments relate to changes to the child representative cost provision in schedule 7 of the bill. These amendments are also the result of further consultations with relevant stakeholders.

Mr Deputy Speaker Causley, you may have observed that in this House, and even on the Notice Paper, there is a considerable degree of interest in the matters that are the subject of the remaining amendments. They have been introduced by the government to amend the binding financial agreement provisions in the Family Law Act. The purpose of the review is to ascertain whether the original intention of the provisions is being fulfilled. But the particular problems identified in this legislation which members have been interested in are matters raised in the Rich and ASIC case. These provisions will now enable the courts to address issues raised by third parties whose interests might have been prejudiced as a result of family law financial agreements. The measures are very important and have been implemented in a timely and effective way.

Mr McCLELLAND (Barton) (4.15 p.m.)—The opposition support these amendments. We give our support to the Attorney-General’s statement that he intends to set in place an inquiry into the issue of financial agreements in the family law area and their interrelationship with bankruptcy and insolvency. He will have the full support of the opposition in that measure.

Question agreed to.

HEALTH LEGISLATION AMENDMENT (PRIVATE HEALTH INSURANCE REFORM) BILL 2003

Debate resumed from 15 September.

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (4.16 p.m.)—I move:

That this bill be now read a second time.

This bill amends two acts—the National Health Act 1953, and the Private Health Insurance Incentives Act 1997.

Over the past few years, this government has delivered a series of reforms, such as the 30 per cent rebate, Lifetime Health Cover and no-gap schemes. These reforms have made private health insurance a more attractive and affordable option for all Australians.

This bill builds on these very successful initiatives, and will drive increased value for
money in private health insurance products by allowing funds to be more efficient and responsive to members’ needs.

Specifically, the bill does three things.

Firstly, it decreases the regulatory burden surrounding health fund product design. Currently, health funds are required to seek approval from the Department of Health and Ageing for changes to rules and products. There is an overwhelming view that these arrangements are overly burdensome for both industry and government, and that they restrict competition. This bill cuts red tape for health funds by removing the existing regulatory regime, and replacing it with strategic monitoring and enforcement arrangements.

Funds will now be free to respond to members’ needs, and implement changes to products without detailed assessment. However, the government will closely monitor the performance of health funds against a series of performance indicators that are designed to ensure changes are consistent with government policy objectives and maintain the principle of community rating. Where a fund fails to meet these performance indicators, or is discriminating against higher risk members, it will be required to explain its actions, and may face serious administrative sanctions.

Secondly, this bill enhances and strengthens consumer confidence in private health insurance. There is agreement from all parties that consumer protection and confidence in the private health insurance industry is essential if the industry is to survive and prosper.

The bill contains measures to ensure consumers are provided with more meaningful and transparent information about health fund products and rules. It increases the powers of the Private Health Insurance Ombudsman (PHIO) to investigate complaints and resolve disputes in a timely and efficient manner. It also establishes an annual ‘state of the health funds’ report. This report will provide consumers with much needed information on the performance of health funds.

Thirdly, the bill improves on some minor aspects of Lifetime Health Cover legislation to sustain high levels of membership in private health insurance.

A single Lifetime Health Cover birthday will be established. This will increase the effectiveness of health fund promotional activities, and make it easier for consumers to remember to take out private hospital cover before incurring a Lifetime Health Cover loading.

Amendments contained within this bill will also ensure that Australians living overseas for periods of greater than one year and those veterans who lose entitlement to a Department of Veterans’ Affairs gold card do not unfairly incur a Lifetime Health Cover penalty.

Similarly, Australians living overseas on their 31st birthday and those migrants who entered Australia after the introduction of Lifetime Health Cover will be allowed a 12-month period of grace to take out private health insurance without penalty.

I am glad to have the opportunity to acknowledge on behalf of the Parliamentary Secretary to the Minister for Health the range of stakeholders including health funds, private hospitals and industry peak bodies, that have contributed to the development of a range of reforms to private health insurance, and that give rise to this bill.

With almost half of all Australians having private health insurance, there is no doubt that the private health insurance industry is operating effectively alongside the public system. The bill delivers a balanced package of reforms that will drive competition, empower consumers to make more informed decisions, and improve consumer confidence in the industry.
decisions and encourage the industry to be more accountable for its performance. In short, the bill will help to make sure private health insurance remains affordable, and within reach of all Australians. I commend the bill to the House and I present the explanatory memorandum.

Ms GILLARD (Lalor) (4.21 p.m.)—As indicated in the Senate debate earlier this year, Labor does support the Health Legislation Amendment (Private Health Insurance Reform) Bill 2003 in the interests of good management of the private health insurance sector by government, fair treatment of consumers and better mechanisms for investigating and acting on any problems in the private health insurance industry. This bill amends the National Health Act 1953 and the Private Health Insurance Incentives Act 1998. On 11 September 2002 the then Minister for Health and Ageing, Senator Patterson, announced a package of reforms designed to streamline the regulation of the private health insurance industry and provide consumers with better value for money for their private health insurance. This bill gives effect to some of those measures.

At present, registered health benefits organisations are required to submit all rule changes, no matter how insignificant, to the government for approval. This places a considerable administrative burden on the health benefits industry. Part 1 of schedule 1 of this bill amends the National Health Act 1953 and the Private Health Insurance Incentives Act 1998. On 11 September 2002 the then Minister for Health and Ageing, Senator Patterson, announced a package of reforms designed to streamline the regulation of the private health insurance industry and provide consumers with better value for money for their private health insurance. This bill gives effect to some of those measures.

Part 2 of schedule 1 of the bill will amend the National Health Act to increase consumer protection within the private health industry. In particular, increased powers to investigate and resolve disputes and complaints are given to the Private Health Insurance Ombudsman. Part 3 of schedule 1 of this bill provides for the production of an annual ‘state of the health funds’ style report. This report will be produced by the Private Health Insurance Ombudsman. The report will contain information that is vital for assessing how organisations in the private health insurance industry are serving their members. It is obviously hoped that this information will be used by consumers to make better choices.

As the Parliamentary Secretary to the Treasurer has indicated, part 4 of schedule 1 of this bill amends the National Health Act to remove the inefficiencies associated with the existing rule change assessment process and replacing it with a system of monitoring and compliance. This will remove the inefficiencies associated with the existing rule change process and allow registered health benefits organisations to be more responsive to the needs of their members.

To make sure that the government can effectively monitor the performance of registered health benefits organisations, part 1 of schedule 1 of the bill also establishes a set of indicators for monitoring the performance of registered health benefits organisations. These indicators will be used to identify registered health benefits organisations that breach the National Health Act and alert the Minister for Health and Ageing to practices that may be contrary to health policy. They will be particularly important for monitoring whether registered health benefits organisations continue to fulfil their community rating obligations, which are designed to ensure that private health insurance is affordable for all Australians.

Part 2 of schedule 1 of the bill will amend the National Health Act to increase consumer protection within the private health industry. In particular, increased powers to investigate and resolve disputes and complaints are given to the Private Health Insurance Ombudsman. Part 3 of schedule 1 of this bill provides for the production of an annual ‘state of the health funds’ style report. This report will be produced by the Private Health Insurance Ombudsman. The report will contain information that is vital for assessing how organisations in the private health insurance industry are serving their members. It is obviously hoped that this information will be used by consumers to make better choices.

As the Parliamentary Secretary to the Treasurer has indicated, part 4 of schedule 1 of this bill amends the National Health Act to make a number of minor changes to the lifetime health cover regulations. As the parliamentary secretary has indicated, there is the establishment of a notional annual birth date of 1 July for the purposes of administering the Lifetime Health Cover system. People between the ages of 30 and 65 who join a health fund before the next notional birth date will not incur a Lifetime Health Cover loading. It is a bit like the system for racehorses: everybody turns a year older on the
same day, according to the lifetime health benefits system. They should really have picked the same day as racehorses, then we could all have had joint birthdays, but presumably there is some convenience in it being the start of the financial year on 1 July.

The changes to the Lifetime Health Cover regulations also ensure that there is recognition of coverage provided by the Veterans’ Affairs gold card arrangements. That period of coverage by gold card would count towards calculation of the Lifetime Health Cover loading. There are some new arrangements in relation to new migrants who come to this country over the age of 30. They now have 12 months to make their private health insurance arrangements without being subject to a Lifetime Health Cover loading.

The changes ensure that every Australian citizen who has been overseas on their notional 31st birthday gets a similar 12-month period of grace to rearrange their affairs when they return to Australia. They ensure that Australians who have hospital cover and go overseas for periods in excess of 12 months will not have that time overseas counted towards any potential Lifetime Health Cover loading, because obviously it is inappropriate to require people to carry Australian based private health insurance for a year in which they will be overseas for the complete duration.

As I have indicated, Labor support this bill and are prepared to allow its passage through the parliament without any opposition from us. However, I want to take this opportunity to indicate that there are a number of unaddressed issues with private health insurance that might be beyond the ambit of the bill before us but need to be noted whilst this House is giving consideration to regulation of the private health insurance industry and to matters like Lifetime Health Cover. If we go back to the election which originally delivered the Howard government to office in Australia—the 1996 election—it is probably important to recall that during that election the Prime Minister said:

What I can give is an absolute guarantee that any change—
in private health insurance premiums—
in future will be as a result of a decision taken at a political level in a way and in circumstances where we are satisfied that the rise is completely justified.

Whilst it would not be like me normally to end a contribution using the words of the Prime Minister, I understand it might suit the convenience of the House if I seek leave to continue my remarks on another occasion.

Leave granted; debate adjourned.

FINANCIAL SERVICES REFORM AMENDMENT BILL 2003
Consideration of Senate Message
Bill returned from the Senate with amendments.
Ordered that the amendments be considered forthwith.

Senate’s amendments—

(1) Clause 2, page 2 (table item 3, column 1), omit “items 1 to 87”, substitute “items 1 to 46C”.

(2) Clause 2, page 2 (after table item 4), insert:

<table>
<thead>
<tr>
<th>Schedule 2, item 88A</th>
<th>1 July 2004</th>
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<tr>
<th>Schedule 2, items 46D, 46E and 46F</th>
<th>1 July 2004</th>
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<tr>
<th>Schedule 2, items 47 to 72</th>
<th>The day after this Act receives the Royal Assent</th>
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<tr>
<th>Schedule 2, item 72A</th>
<th>1 July 2004</th>
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<tr>
<th>Schedule 2, items 73 to 87</th>
<th>The day after this Act receives the Royal Assent</th>
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</table>

(3) Clause 2, page 2 (after table item 4), insert:

<table>
<thead>
<tr>
<th>Schedule 2, item 88A</th>
<th>1 July 2004</th>
</tr>
</thead>
</table>
(4) Schedule 2, item 7, page 19 (lines 8 to 10), omit the item, substitute:

7 Section 761A (paragraph (d) of the definition of basic deposit product)
Before “funds”, insert “unless subparagraph (c)(ii) applies and the period referred to in that subparagraph expires on or before the end of the period of 2 years starting on the day on which funds were first deposited in the facility—”.

(5) Schedule 2, item 42, page 26 (lines 3 and 4), omit subsection 926A(4), substitute:

(4) An exemption or declaration is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901 if the exemption or declaration is expressed to apply in relation to a class of persons or a class of financial products (whether or not it is also expressed to apply in relation to one or more persons or products identified otherwise than by reference to membership of a class).

(4A) If subsection (4) does not apply to an exemption or declaration, the exemption or declaration must be in writing and ASIC must publish notice of it in the Gazette.

(6) Schedule 2, item 42, page 26 (lines 9 and 10), omit “with the gazettal requirement of subsection (4)”, substitute “with the requirements of subsection 48(1) of the Acts Interpretation Act 1901 as applying because of section 46A of that Act, or with the gazettal requirement of subsection (4A), as the case may be”.

(7) Schedule 2, item 46A, page 29 (before line 4), before subparagraph (1)(d)(i), insert:

(ia) the providing entity has, either immediately before the further market-related advice is given, or within the preceding 12 months, checked with the client whether the client’s objectives, financial situation and needs have changed since the last time the providing entity checked with the client about those matters; and

(8) Schedule 2, item 46A, page 29 (line 5), after “advice”, insert “(determined having regard to the client’s objectives, financial situation and needs as currently known to the providing entity)”.

(9) Schedule 2, page 30 (after line 30), after item 46C, insert:

46D At the end of subsection 947B(2)
Add:

; and (h) unless in accordance with the regulations, for information to be disclosed in accordance with paragraph (d) and subparagraph (e)(i), any amounts are to be stated in dollars.

(10) Schedule 2, page 30 (after line 30), after item 46C, insert:

46E At the end of subsection 947C(2)
Add:

; and (i) unless in accordance with the regulations, for information to be disclosed in accordance with paragraph (e) and subparagraph (f)(i), any amounts are to be stated in dollars.

(11) Schedule 2, page 30 (after line 30), after item 46C, insert:

46F At the end of subsection 947D(2)
Add:

; (d) unless in accordance with the regulations, for information to be disclosed in accordance with paragraph (a), any amounts are to be stated in dollars.

(12) Schedule 2, page 36 (after line 28), after item 72, insert:

72A At the end of subsection 1013D(1)
Add:

; and (m) unless in accordance with the regulations, for information to be disclosed in accordance with paragraphs (b), (d) and (e), any amounts are to be stated in dollars.
(13) Schedule 2, page 47 (after line 28), after item 88, insert:

88A After subsection 1017D(5)

Insert:

(5A) Unless in accordance with the regulations:

(a) for information to be disclosed in accordance with paragraphs (5)(a),
(b), (c), (d) and (e), any amounts are to be stated in dollars; and

(b) for any other information in relation to amounts paid by the holder of the financial product during the period, any amounts are to be stated in dollars.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer)
(4.29 p.m.)—I move:

That the amendments be agreed to.

This is a great moment for financial services in Australia. The government, the Australian Securities and Investments Commission, the minor parties, the opposition and industry have been working in a largely collaborative way to ensure that the transition to the Financial Services Reform Act is as smooth as possible and the benefits of the regime are realised. The government and ASIC have been working very closely with industry members to clarify any uncertainty about the operation of the FSR Act that has arisen during this transition. We believe that the initiatives in this Financial Services Reform Amendment Bill 2003, along with other steps taken to date, will provide greater comfort and certainty for industry participants to transition into the FSR regime by the licensing date of 11 March 2004.

I want to take this opportunity to encourage all of those yet to transition to lodge their applications as soon as possible, as ASIC have stated that applications received after 10 December cannot be guaranteed. I would like to reinforce that the government will not be extending the transition deadline. Finally, I would like to acknowledge the contribution of my predecessor, the former Parliamentary Secretary to the Treasurer who is now Minister for Local Government, Territories and Roads in the other place, as the principal architect of this excellent initiative lifting the quality of governance in financial services and the transparency and disclosure of products and services to Australian consumers.

Question agreed to.

Mr ABBOTT (Warringah—Leader of the House) (4.32 p.m.)—I would like to thank the opposition for their cooperation and I would like to thank all members for their patience.

House adjourned at 4.32 p.m. until Tuesday, 10 February 2004 at 2 p.m. in accordance with the resolution agreed to this day.
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATMENTS BY MEMBERS

Calwell Electorate: Broadmeadows

Ms VAMVAKINOU (Calwell) (9.40 a.m.)—I want to speak today about the strong sense of pride that is steadily building around the working class suburb of Broadmeadows—or ‘Broady’, as it is affectionately known locally—a suburb at the centre of the city of Hume in my electorate of Calwell. You can compare Broadmeadows to suburbs such as Bankstown in Sydney or Inala in Brisbane. Like these suburbs, it has evolved over time and has changed from a strong Anglo-Celtic community to one that now represents a microcosm of multicultural Australia. Broadmeadows has a history of struggle, honourable labour and now, more importantly, a strong sense of community pride. It has been a gateway for new Australians and has welcomed and settled over the years Greeks, Italians, Maltese, British and, more recently, Vietnamese, Turkish, Lebanese and Iraqis. Some 40 per cent of Broadmeadows residents speak a language other than English at home, with over 130 different languages represented in the area.

The fierce pride which locals hold for Broady was evident during a recent controversy instigated by some who suggested it was time to change the name of Broadmeadows in order to alter what they believed was a negative preconceived image. Adding to the outrage felt by the locals is an advertising campaign currently run by Tattersalls which seeks to trade on those preconceived images in order to sell its lottery products. People—in this case, Tattersalls—who run expensive campaigns that trade on old stereotypes for their self-interest are doing a great disservice to the pride felt by the people living in the Broadmeadows community.

The community of Broadmeadows has evolved over the years. Although it has retained much of its traditional demographic, it now boasts an exciting and dynamic nature. Broadmeadows is known as a place that takes care of its own. The community works closely together, collectively meeting life’s challenges. Whether it is the corporate sector or the volunteer networks, all work hand in hand to build a better community. Broadmeadows has had its difficulties. It has also had its successes and success stories. As Age reporter Michelle Griffin noted recently in an article entitled ‘A history of social stigma and success stories’, Broadmeadows still has poverty and inequity but the community deals with it together as friends and neighbours.

That is something that we are all very proud of. People born and bred in Broady have never felt anything but pride in coming from Broadmeadows. From Eddie and Frank McGuire, John Ilhan of Crazy John’s mobiles fame, champion veteran power lifter and former Victorian Senior of the Year Sonja Rutherford, ABC broadcaster Francis Leach and former Age editor Bruce Guthrie to Judge Irene Lawson of the Victorian County Court and Australian Rules footy icon Bruce Doull, Broady has and will continue to have its share of success stories, whether they be lawyers, doctors or entrepreneurs. But it will always treasure the generations of honourable working people who have built successful families and futures for their children.
Health: Disability Services

Ms GAMBARO (Petrie) (9.43 a.m.)—I draw the attention of the Main Committee to the barbaric decline in disability care in Queensland, which was highlighted in yesterday’s edition of two leading publications. Yesterday’s Bulletin magazine featured a double-page spread, on pages 10 and 11, about the inaction of the Queensland authorities leading to yet another abuse scandal threatening to flare up in the face of Premier Peter Beattie. The article says:

Police are expected to lay charges in both Queensland and NSW in a case involving the sexual and physical abuse of mentally and physically disabled children and adults in five residential lodges ... one hour’s drive north of Brisbane.

The article claims that one of the sacked managers has been found to have served a jail sentence in South Australia, raising questions about how she received a clearance, or a so-called blue card, to work with children. It continues:

After complaints were made, the cage was dismantled and it was business as usual – with Disability Services Queensland continuing to pay subsidies to the association and Queensland Family Services continuing to send them disabled children.

The complaint was just one of a series by staff, ex-staff, social workers and relatives. After a psychologist went directly to Premier Beattie on 15 August 2002, Premier Beattie wrote back on 7 October 2002 giving an assurance that the facility was being looked at and disclosing his knowledge of other matters being followed up and referred, in this case, to the police minister and the family and disability services minister. It continued but nothing happened. It was only intervention at federal level that forced action in June this year.

Submissions that were lodged with separate House of Representatives and Senate committees in recent weeks have ensured that the full ramifications of this scandal are looked at beyond Queensland. Even the Crime and Misconduct Commission has declined requests to include it in its current child abuse inquiry. But page 3 of yesterday’s Courier-Mail portrays yet again a state government in denial. Disability services minister, Ms Spence, said that her department became aware of the concerns in early 2001 but the newspaper points out that investigations were launched only after a federal disability agency became involved in June.

The Queensland government appears to be turning disabled care into a nightmare that is much worse than Solzhenitsyn’s gulag. On 27 November the Courier-Mail described a Brisbane family whose disabled adult daughter—one of more than 11,000 such people—had waited since 1998 for funding for disabled care. It described ageing parents with severe health problems reluctantly having to shoulder the burden of care of their children rather than leave them to the mercy of unfunded, unsafe and, in their words, life-threatening neglect in state licensed facilities operating with the blessing of Disability Services Queensland. It told of families that were removing their disabled relatives from state licensed facilities after they had discovered untreated broken bones, extreme medical neglect and physical and sexual abuse cases that were revealed in the Bulletin article. It is a disgraceful state of affairs. (Time expired)

Aviation: Air Safety

Mr SIDEBOTTOM (Braddon) (9.46 a.m.)—Merry Christmas to everyone here and to your families. I hope that it is a safe Christmas, but hearing news of that near air collision in Melbourne makes me very concerned for air safety over this Christmas period. The immediate
impact of Australia’s new airspace regulations has been to increase the workload of regional air traffic controllers and force airline pilots to take extreme precautions to avoid midair collisions. Safety has always been by far the most important element in the development of the aviation industry, so it could be assumed that to jeopardise even slightly Australia’s enviable air safety record there must be huge benefits from the new rules. Yet many in the industry are at a loss to find any benefits of significance and only the slightest saving in costs.

There is a concern that the new system has been brought in to benefit private pilots by reducing the restrictions on when and where they might fly and their need to tell anybody about their plans. I highlighted that in a speech earlier this week. It is a romantic, freedom-in-the-sky approach that will please the recreational flyer. But neither Airservices Australia, which administers the rules, nor the federal government has succeeded in selling the idea to those who fly for their living. In a system that requires much greater visual checking for light aircraft, commercial pilots are now employing extraordinary measures such as insisting that seatbelts are fastened at 3,000 metres on airport approach in case emergency action needs to be taken. They have also adopted a regime of calling on all light aircraft in the vicinity for position checks. It is a procedure that is usually adopted only in developing countries. Launceston and Hobart, as I pointed out in my speech earlier in the week, are without radar and are at greater risk than airports in major cities. The public are confused, many light aircraft operators are still trying to come to grips with new plans and procedures, and airline pilots are warning of a disaster. The federal government must urgently rethink the whole issue—either fix it or forget it.

Those words are similar to those that I used in my speech earlier this week when I outlined the unique circumstances that exist in Tasmania, particularly the problems associated with moving into category E airspace. I offered some constructive solutions which have also been offered to the current Minister for Transport and Regional Services by the Tasmanian minister for transport, who is responsible for air safety in Tasmania. As on most issues dealing with the transport minister, particularly related to airport security and aviation, we have heard no word from the minister. Those words largely came from the Examiner newspaper of 2 December, not from me, and they reflect the views of the Tasmanian community, just as my colleagues and I do. (Time expired)

Rainbow Club

Mr BAIRD (Cook) (9.49 a.m.)—Last Saturday the Rainbow Club in Cronulla and I celebrated the special event of Christmas. It was a wonderful affair and we had an outrigger canoe that brought Santa Claus to the beach. I am very proud to be patron of that organisation. The senior patron is Murray Rose. It was founded 34 years ago by Ron Siddons, a self-described ‘ordinary guy’ and former beach inspector. He has done a wonderful job. The club provides swimming lessons to children with disabilities ranging from visual and aural impairment to cerebral palsy, autism and down syndrome.

Children who have diminished physical and mental capacity also suffer from reduced opportunity. This organisation enthusiastically helps children under the age of 18 with any disability. At the Christmas event last Saturday we also bussed in a whole group from Campbelltown with similar disabilities. One of the club’s original members has represented Australia at the Special Olympics. Another is married with a family. Most clubs are in New South Wales but one is open in Geelong, and 94 children are being taught to swim there each Saturday.
Currently the club is trying to establish a centre at Albany Creek in Brisbane. I mentioned this to Peter Dutton, who is the member for that area, and we hope to get that centre established soon. The aim of the club is to have enough money in the bank account to aim for a facility at Albany Creek ready to go on the first day of the school term in 2004. Discussions have also been held in South Australia about establishing the Rainbow Club there.

The Rainbow Club is an organisation which the community has supported extensively. Some of the senior players of the Cronulla Sharks were at the Christmas party on the beach last Saturday, handing out presents to the children. We also had members of the Bulldogs handing out gifts and playing their part. Leading sporting figures in the Sutherland shire are actively involved. Qantas is supporting the club in a significant way by providing items for auctions to assist in the fundraising. It is a community activity that everyone is behind. Not only does the club provide recreation for the children; it also provides a break for the parents. It is often very difficult for parents of children with severe intellectual disabilities or autism just to have a break and some recreation. It is a wonderful organisation that does much for the disadvantaged in the community. I am proud to be involved with it. It does a wonderful job. We certainly hope that the club in Queensland is successful in being established. To my parliamentary colleagues, I wish all the best for Christmas and the new year.

Telstra: Services

Ms JACKSON (Hasluck) (9.52 a.m.)—There is no question that an affordable and reliable telecommunications service is essential for all Australians. In its most basic form, a functioning telephone service ensures that everyone has the opportunity to communicate and to participate in our society. But the reality for an increasing number of Telstra customers is that services are getting poorer while the costs are rising. Staff cutbacks by Telstra and decreasing investment in the telecommunications infrastructure are taking their toll on a frustrated community. I want to take a recent example from one of my constituents—Les Murray, from Kalamunda—which was reported in our local paper under the headline ‘Telstra smokescreen’. The article says:

Recently, Les Murray, manager of the Kalamunda Club, reported that the club’s telephone lines were out to Telstra. He was told that they would have a technician there by close of business that day. Fair enough. But no-one from Telstra turned up.

The article goes on to explain that when Mr Murray rang Telstra to find out what was going on he was informed that, if he was unhappy with Telstra’s service, there were plenty of other telecommunications operators he could try. Again he attempted to make a time for Telstra to come out and repair his lines. He attempted to contact the Telecommunications Industry Ombudsman to try and ensure that the club’s telephone services were restored. Unfortunately the staff of the ombudsman were busy and he had to leave a message on the line.

A division having been called in the House of Representatives—

Sitting suspended from 9.54 a.m. to 10.38 a.m.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order! In accordance with standing order 275A, the time for members’ statements has concluded.

BUSINESS

Rearrangement

Mr NEVILLE (Hinkler) (10.38 a.m.)—by leave—I move:

MAIN COMMITTEE
That order of the day No. 1, committee and delegation reports, be postponed until a later hour this day.

Question agreed to.

**NATIONAL RESIDUE SURVEY CUSTOMS LEVY RATE CORRECTION (LAMB EXPORTS) BILL 2003**

Cognate bill:

**NATIONAL RESIDUE SURVEY EXCISE LEVY RATE CORRECTION (LAMB TRANSACTIONS) BILL 2003**

Second Reading

Debate resumed from 26 November, on motion by Mr Truss:

That this bill be now read a second time.

**Mr FITZGIBBON** (Hunter) (10.39 a.m.)—I rise to speak in this cognate debate on the National Residue Survey Excise Levy Rate Correction (Lamb Transactions) Bill 2003 and the National Residue Survey Customs Levy Rate Correction (Lamb Exports) Bill 2003. I will commence my contribution with some comments on the National Residue Survey Excise Levy Rate Correction (Lamb Transactions) Bill 2003. As the minister indicated in his second reading speech, the purpose of the first bill is to correct the rate of National Residue Survey levy applicable on certain exports of lambs. The amendments to the National Residue Survey (Excise) Levy Act 1998 validate the levy already collected at an agreed rate of 8c per head first set in June 1998 in respect of lamb exports with a value of more than $75 under the Primary Industries Levies and Charges (National Residue Survey Levies) Amendment Regulations 1998. It is surprising, to say the least, that this drafting error has been in place for some years without correction—in fact, since 1 July 2000. I would appreciate an explanation from the minister as to why this problem has remained uncorrected for so long. I note that the Sheep Meat Council of Australia and its member organisations are committed to an NRS transaction levy rate of 8c per head for lamb exports with a value of more than $75. I note that the Sheep Meat Council of Australia has formally requested that this drafting fault be corrected. I would also like to know when the request was made. The levy recovers the cost of the lamb industry’s residue monitoring program, which is required for market access. Labor supports the bill.

The second bill is the National Residue Survey Customs Levy Rate Correction (Lamb Exports) Bill 2003. The purpose of this bill is to amend the National Residue Survey (Customs) Levy Act 1998 so as to validate the levy already collected in respect of lambs with a sale price of more than $75 per head. The bill is complementary to the National Residue Survey (Excise) Levy Rate Correction (Lamb Transactions) Bill 2003, and once again Labor is happy to support the bill.

**Mr TRUSS** (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.41 a.m.)—in reply—As the opposition spokesman has said, the National Residue Survey Excise Levy Rate Correction (Lamb Transactions) Bill 2003 and the National Residue Survey Customs Levy Rate Correction (Lamb Exports) Bill 2003 are relatively non-controversial. The legislation corrects an error that has occurred since July 2000 when a levy of 4.7c per head was applied through a drafting fault in the regulations rather than the intended rate of 8c per head. The peak industry body, the Sheep Meat Council of Australia, and its member organisations are
committed to an NRS transaction levy of 8c per head in respect of lambs with a sale price of more than $75 or lamb exports with a value of more than $75. The Sheep Meat Council has formally requested that this drafting fault be amended and that there be validation of the levy already collected at the agreed rate of 8c set in June 1998. The levy recovers the cost of the lamb industry’s residue monitoring program, which is required for market access. I commend the bill 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 RATE CORRECTION (LAMB TRANSACTIONS) BILL 2003

Second Reading

Debate resumed from 26 November, 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.

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT (WINE GRAPES) BILL 2003

Second Reading

Debate resumed from 26 November, on motion by Mr Truss:

Mr FITZGIBBON (Hunter) (10.45 a.m.)—The Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003 proposes an amendment to the Primary Industries (Excise) Levies Act 1999 and affects only the maximum rate of levy that may be applied to the research and development component of the wine grapes levy. The maximum rate currently is $3 per tonne of wine grapes and the present operative rate set under the Primary Industries (Excise) Levies Regulation 1999 is also $3 per tonne. This amendment will allow future changes to the operative rate to occur within the proposed $10 maximum rate. Any attempt to increase the actual levy must meet the 12 levy principles introduced by the government in January 1997.

One of the principles relates to the need for demonstrated support from the industry—in this case, the wine industry—for any change to the levy rate. That will require proper consultation with the industry and evidence of support for any increase. Labor will ensure that all 12 tests are met before any levy is endorsed by the parliament, and we will be ensuring that we widely consult with the industry. The Australian wine industry first sought the imposition of a levy in 1979 to assist research and development through the Grape and Wine Research Development Corporation. Since then, the operative rate of the levy has been increased to $3 per tonne, with the last levy increase occurring in February 1999.

This industry has expanded enormously in recent years, with exports now valued at around $2.4 billion. Some of my colleagues from South Australia, Victoria, Tasmania, Western Aus-
tralia and perhaps Queensland may disagree, but the Hunter is Australia’s premier wine region. In their own right, winemakers in the Hunter make an outstanding contribution to the industry, the local economy and the national economy and play an increasingly important role in Australia’s tourism sector, which, Mr Deputy Speaker Adams, you know I have a deep interest in.

As the minister said in his second reading speech, the Australian industry is globally recognised as a technological leader. Australian growers and winemakers have always been open to new ideas and keen to adopt new technology. That is clearly the key to our success in the international marketplace. Support for this amendment from the Winemakers Federation of Australia confirms the industry’s commitment to research and development as a platform for the future. The Winemakers Federation is the declared winemakers organisation for the purposes of the legislation and represents some 95 per cent of wine production in Australia. As with other rural R&D arrangements, the government matches the expenditure of these levy funds on eligible R&D projects up to 0.5 per cent of the determined gross value of production of the industry concerned. The amendment will provide the industry with the capacity to seek an increase in the operative rate of future vintages from 1 July 2004. On that basis, the opposition supports the bill and the changes wholeheartedly.

I will just go for one moment to the amendment’s impact on my own local region. The Hunter is emerging as an export engine room of the Australian economy. This has had enormous implications for the region’s economy. My own home town of Cessnock was founded on coalmining and has, therefore, experienced a massive economic adjustment over the last decade or more, with coalmining moving further up the valley. Only one coalmine now remains in Cessnock. Also, the textile and clothing industry has effectively moved on, and there have been reductions in other areas such as aluminium production. So wine tourism has been my local home town’s great saviour. More people now work in wine related tourism than in the coal industry, which is a significant change indeed. As small as this amendment might seem, it is important for the industry in its quest to further strengthen its position in a competitive global market.

On that basis, I want to make one quick reference to a little bit of a disagreement my local winemakers are having with the Geographical Indications Committee—a body under the auspices of the Australian Wine and Brandy Corporation. They are seeking to have some subregions identified for marketing purposes in international markets. This is always a difficult debate within the industry, and one we have dealt with since the French in particular decided, under the WTO arrangements, to push their right to claim the names of certain wine regions. We accept that, but we must go forward collectively to ensure we have the balance right. In my own area, for example, winemakers are still very keen to export under the Rothbury subregion label, something they have been doing for some time. It is a label that people in our overseas market identify with. It is very important that the Australian Wine and Brandy Corporation listen to my local people and what they are saying about these issues. This is no half-smart trick to secure some regional advantage over other winemakers in the nation; this is an issue which they see as being very important in their ongoing efforts to grow their market share in the international marketplace.

So I appeal to the Geographical Indications Committee to have another look at what the Hunter Valley’s winemakers are putting forward as a sensible means of protecting the integ-
rity of the branding of our Australian wines but, at the same time, ensuring that the Hunter winemakers continue to make inroads in those international markets. Once again, Labor supports the amendments.

Mr HUNT (Flinders) (10.52 a.m.)—In rising to speak on the Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003 I want to do three things. Firstly, I want to pay tribute to my local grape growers and winemakers, who have had the foresight to create—and I respectfully disagree here with the member for Hunter—perhaps the premium wine growing area within Australia. Secondly, I want to address the issue of the wine equalisation tax and, thirdly, I would like to address the provisions within the bill and specifically make a pitch for an adequate share of research and development grants which will flow from the amendment to small winemakers and boutique wineries.

The growth of winemakers and grape growers within the Mornington Peninsula and Western Port region, which comprise my electorate of Flinders, is a great story. It is a story of pioneers and people who have taken on those who have said it could not be done—people such as Nat and Rosalie White, Ballieu Myer, Brian Stonier, Sir Peter Derham, Andrew and Terryn Hickinbotham, Gary Crittenden and a host of others such as Lindsay McCall and many other people with great courage, foresight and determination and incredible winemaking skills. Together, over 120 wine grape growers and over 50 winemakers have created an industry on the peninsula which has tremendous impact in terms of the quality and branding of our area and directly in terms of the agricultural success and income for the Mornington Peninsula and Western Port regions. Theirs is a story to be proud of; it is a story that they should be absolutely proud of, because this industry did not exist on the Mornington Peninsula 30 years ago. The pioneers and those who have come along as the industry has progressed, who have invested their time, money and capital and, above all else, their energy, deserve success and congratulations.

Within that context, one of the issues which the Mornington Peninsula Vignerons Association has raised with me, about which I am passionate and which I have raised at all levels of government, is the notion that the wine equalisation tax might perhaps be adjusted in some small way to take into account the needs and concerns of small winemakers throughout Australia and, in particular, within my electorate of Flinders. This tax, which was established in 1999 as part of the new taxation provisions, does have an impact on small wineries. In particular, the National Small Wineries Association has argued that a WET can have detrimental effects on some small wineries as it is based on the sales price, not volume. In that context, I have made representations to the Treasurer and to the Minister for Small Business and Tourism, and to the Assistant Treasurer in person only this week, in relation to the fact that what we are looking for is an exemption on the first 600,000 litres of domestic sales under the WET. That is a position I have put publicly and privately, and it is one which I will maintain and work towards.

Mrs Moylan—And supported by the member for Pearce.

Mr Quick—And supported by the member for Franklin.

Mr Bruce Scott—And Maranoa.

Mr HUNT—And I am happy to say it is supported by the members for Pearce, Maranoa and Franklin. We have bipartisan support—that is the value of the Main Committee. I now
want to move on to the third part of my presentation. I want to talk about the provisions of the
Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003. This levy for re-
search and development was introduced in 1979 to help the Australian wine industry. Since
that time, the Australian wine industry has undergone a significant transformation. Traditionally,
the industry had been focused on the domestic market. Since 1979, there has been sig-
nificant growth and expansion in the export market. Australia now ranks as the fifth largest
exporting country in the world in relation to wines and, within the panoply of Australian ex-
ports, wine is playing an increasingly significant role. Research and development has been
part of that growth and in particular there is more that can be done.

Looking at the background to this bill, we see that the government is proposing an amend-
ment to the Primary Industries (Excise) Levies Act 1999 in response to the recommendations
of the Winemakers Federation of Association. So it is the winemakers who are driving this
change. Effectively, the amendment will increase the levy on grape production so as to allow
for a larger pool of funds to be available for research and development. The pitch that I want
to make to this House and to all of those involved in administering the research and develop-
ment plans approved by the Grape and Wine Research and Development Corporation is sim-
ple: there needs to be a balance between the interests of the larger growers and the smaller
growers, or the boutique winemakers, so as to ensure that an adequate proportion of funds are
dedicated to the smaller growers—those with the high-value product which in particular are
leading our capacity to export. Their work, their brands and their names open the markets for
Australia overseas.

Unashamedly, not just for the Mornington Peninsula but for small winemakers throughout
Australia, I make the representation to the parliament that an adequate proportion of research
and development should be focused on the high-value products because they crack open the
doors and open the market for all Australian products. Producers such as Stoniers, Red Hill
Estate, Dromana Estate or Paringa Estate, or any such vigneron, have a key role in develop-
ing and branding the Australian industry. In that context, what this bill will do is threefold;
firstly, it will increase the technical ability to respond to world consumer preferences and de-
liver products that are price and quality competitive; secondly, it will remove some of the bar-
riers to viticulture research and allow for monitoring the impact of viticulture on the environ-
ment; and, thirdly, above all else, it will enhance our reputation for delivering on flavour and
value across the range of all price categories.

I particularly want to ensure that there is adequate provision in the research and develop-
ment for some of the more complex varietals grown in areas such as the Mornington Penin-
sula and Western Port, where they have small wineries which make premium wines, so that
these products can be enhanced. In that context, I am delighted to support the Primary Indus-
tries (Excise) Levies Amendment (Wine Grapes) Bill 2003, but I emphasise my position both
on the wine equalisation tax for small vigneron and winemakers and on the need to ensure
that there is an adequate distribution of research and development funds, again, for the small
and boutique wineries.

Mr BRUCE SCOTT (Maranoa) (10.59 a.m.)—I rise in the Main Committee today to talk
about the Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003. The pro-
posed change to the Primary Industries (Excise) Levies Act dealing with wine grapes relates
to the maximum rate of levy that may be applied to the research and development component
of the wine industry grapes levy. The current maximum rate is $3 per tonne of wine grapes, and this amendment will allow for possible future increases in this operative rate to occur within the proposed $10 maximum rate. As outlined by the minister in his second reading speech, the Australian wine industry first sought to impose a levy in 1979, with the funds going towards research and development. That levy is now set at $3 per tonne.

The federal electorate of Maranoa is a very important emerging wine growing industry in Australia. My interest goes way back in history because it was my great-grandfather who first travelled in a bullock wagon carrying vines from the Hunter Valley region of Australia to my home town of Roma, where he first settled in 1863. In fact, I well recall my early holidays working in the cellars packing grapes; I might have been eating more than packing. So I have a very long association, through my family, dating back to 1863 in my region. Whilst mine is a very diverse agricultural electorate and I am very proud of the strengths of our wine industry and also of the producing areas within the electorate, the places that would stand to benefit from the boost in research, which is what this bill is about, and to develop under the maximum allowable rate of $10 per tonne are in the Stanthorpe region—the Granite Belt: Dalby, St George and Roma. There are also a number of table grape growing communities in Maranoa, including Emerald, Cunnamulla and St George. St George aside, they have the potential over time, with good research in the wine industry, to develop and diversify their products, producing not only table grapes but also wine grapes and moving into the related industry. St George is already growing wine grapes as well as table grapes.

The wine industry are always looking to strengthen their exports, and I believe this bill will provide for the development of new research and technology. We in this House are all proud of the way the wine industry have grown their exports and the way they are going about developing new markets and also enabling themselves to take on what were considered to be some of the premium wine growing areas of the world. I think our wine growers have demonstrated that they can match it with the best in the world. Their reputation now, which is of course supported by the strength of our growing exports from Australia, is vindication of the wine industry’s strength and its place in our national economy.

Parts of my electorate are already seeking to expand their knowledge, their know-how, of wine and wine tourism. For instance, Stanthorpe State High School, which is in the Granite Belt, in conjunction with the Queensland Wine Tourism Training Centre Steering Committee, currently has a funding application before the federal government and the Australian National Training Authority for assistance towards a college of wine tourism to be based in Stanthorpe. The federal government has already given Stanthorpe high school money for a science laboratory, which I opened last year.

What impresses me about taking these facilities to high school campuses is that it introduces the high school students, whilst they are still studying, to an industry that is in their district. In other words, it links them to job opportunities and potential careers in their own community. So often we have talked in this place—and I know that in my own electorate we often talk about this—about the greatest export from our rural areas being our young people. This is a great initiative of the Queensland Wine Tourism Training Centre Steering Centre. I am certainly supporting it, and I look forward to a positive result on the funding application.

The study that Stanthorpe State High School has done, which has been developed within the wine and tourism industry, demonstrates that wine is associated with tourism, and tourism
and hospitality are job creators for all our electorates. Of course, as I outlined, if the application before the federal government at the moment to establish the training centre in Stanthorpe is successful, that too will lead to a focus for the Queensland wine industry for training in winemaking and tourism, because the two are very much linked. The Stanthorpe State High School is undertaking the lead agency role in the establishment of this college of wine and tourism. The school has a very well-established, productive relationship with the wine industry and is regarded as a leader in the provision of vocational education in Queensland. For instance, Stanthorpe State High School today has some 25 students who have been oriented to employment in the wine industry, including 10 school based trainees, which reinforces the earlier comments I made. The school currently supports 36 school based trainees, and it is now anticipated that with the construction of a college of wine and tourism there will be a significant increase in student numbers both from the Granite Belt as well as from northern New South Wales and the south Burnett regions of Queensland.

I know that our time is limited this morning but I would like to support the member for Flinders. We heard the member for Franklin refer to the WET tax. I certainly support the exemption for our small wine producers. Our small wine producers are a vital part of regional development. They are a vital part of creating jobs in their regions. I believe that we have to look again at the WET tax, because I know that small wineries do struggle to meet this commitment. I certainly hope that the minister will be able to shed some further light on whether we are making progress in this regard. The wine industry and small wine producers are looking for some relief. The measure certainly has my support, as was outlined by the member for Flinders in his earlier presentation.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (11.07 a.m.)—in reply—I thank honourable members who contributed to this debate for their support for the Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003. All of them come from wine producing areas, as do I. Therefore, we have a particularly keen interest in this legislation. As a very progressive industry, the wine industry has always been conscious of the importance of research and development to make sure that it maintains its cutting edge. In fact, tomorrow night I will have the privilege of presenting the Wine of the Year Award in Adelaide, which again will underpin the excellence of the Australian wine industry and its capacity to compete effectively around the world. Indeed, in spite of difficult trading barriers, the wine industry has done exceptionally well in that regard. But it is a fact that there is a large number of comparatively small wineries in Australia that compete for just three or four per cent of the market. In that regard they face particular economic difficulties. I have spoken about those difficulties in the past. The government has responded through the wine skills program to help provide assistance to small winemakers in developing business plans and understanding more about the business that they are in.

Many people have entered the wine industry because of its glamour and because of the perception that it is an industry in which profitability is almost assured. There is no such thing as a business in which profitability is assured. Even in an industry that has been as successful as the wine industry, if you want to succeed you have to have some plans for your business and an understanding of how you are going to sell your product. It is just not good enough to have a passion for producing good wine—though that is often the motivating influence among people entering the profession—you also need to have some idea about where that wine is going
going to be sold and how it is going to be placed on the market. It has been in marketing and in providing suitable outlets for the production from small wineries, particularly those with less than 1,000 tonnes of production, where there have been particular difficulties. The wine skills program is a very successful response to those difficulties. We have also had a major review of the issues associated with small wineries to try to better position them for the future so that they can also be partners in the great success that this industry has been over recent times.

I know the industry talks a lot about the so-called wine equalisation tax—the WET tax—and I, as well as other members who have spoken, have been subjected to the view expressed by small winemakers that they should receive further concessions. It is important to note that small winemakers who make sales through the cellar door already receive significant concessions from the federal government and there is also a range of concessions provided by the states. I think there would be merit in simplifying those concessions but that would require agreement from the states, and that does not seem to be forthcoming at the present time. The industry does receive concessional taxation, when wine is compared with other alcoholic beverages, but I am aware that the industry would always like to receive further concessions. That is essentially a matter for the Treasurer in dealing with tax policy, and I know that the industry has been active in lobbying the Treasurer in that regard.

Of course, this particular bill is not about the WET tax. It is about the Primary Industries (Excise) Levies Act and increasing the maximum allowable rate of the research and development component of the wine grapes levy. The proposed higher maximum allowable rate will take effect from 1 July 2004, which is the identified levy year for this particular levy and is therefore the most appropriate date from which to commence the new maximum rate. This amendment to the maximum rate will have no direct financial impact on the Australian government or, for that matter, on producers themselves. Any future increase to the operative rate is actioned through a regulatory process that will need to meet Australian government requirements, including adhering to the levy principles. Of course, any future change through this process comes under the appropriate scrutiny of the parliament. This amendment has the full support of the Winemakers Federation of Australia, which is the peak winemaking body representing the Australian wine industry. I thank honourable members who have indicated their support for this legislation.

Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

COMMITTEES

Procedure Committee
Report

Debate resumed from 3 December, on motion by Mrs May:
That the House take note of the paper.

Mr PRICE (Chifley) (11.13 a.m.)—I made a few remarks on this report earlier, and I wish to continue from where I left off. Mr Deputy Speaker Adams, I must say I am most pleased to see you in the chair, because I know of your deep interest in these matters as a distinguished member of the panel. I will refer back a little in time and talk about the conferencing we were
having with the Manager of Opposition Business, the whips and the Speaker. If we want to get reform in this parliament we really do need to have a commitment from the government. If we do not have that commitment from the government, which obviously has a majority in the House, we will not get reform. I am not reflecting on the honourable member for Wentworth, because I acknowledge his fine contribution to the Procedure Committee as someone who has just come into this parliament. It has been very valuable. But we have to involve the key players.

It is for this reason that the Australian Labor Party have adopted as policy that we should change the name of the Procedure Committee to the Procedure and Modernisation of Parliament Committee and have as members of that committee the Speaker, the Leader of the House and the Manager of Opposition Business. With such a committee bringing down reports, I think you would see that a government would be, in the main, totally committed to it. Notwithstanding the good work of the Procedure Committee over the years, I think too many reports have languished and gathered dust in the bowels of the parliament.

I congratulate the chair of the committee, because I understand that at her party room meeting she spoke to coalition members about the report. You would understand, Mr Deputy Speaker Adams, that there was a tad of excitement at our party meeting on Tuesday. I have to say, as much as it pains me, that arrangements for second reading speeches were not very high on the agenda.

Mr King—I seek to ask a question under standing order 84A.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—The member for Wentworth would like to ask a question. Is the honourable member willing to take the question?

Mr PRICE—I will take the question.

Mr King—Is the member seriously suggesting to this chamber that questions of procedure of this important parliament are even less important than the issues that were referred to at the meeting he just mentioned?

Mr PRICE—I must reply truthfully to the honourable member for Wentworth and say that, as much as I get very entangled in the procedures of this place and in wanting to improve them, it is a passion not always shared by my colleagues. I regret to say I must answer in the negative. I thank him for his question.

I did not have the same opportunity as the chair of the committee, but I think it is the case that members of parliament should not be concerned about these proposals. There is this opting out procedure. As I said before, I am not in favour of it continuing indefinitely, but I think it has been a good transitional arrangement. Clearly, newer members of parliament coming in after the next parliament will want to use this chamber much more than the House so that they become familiar with interventions. If members can handle interventions, they are certainly going to be able to handle a question at the end of a second reading speech.

I commend these proposals. I think it is fair to indicate that the former Manager of Opposition Business, now the Leader of the Opposition, has indicated his strong support for this. I believe he is committed to reforming the parliament. He is certainly committed to seeing more extemporaneous contributions in both this chamber and the other. I think that would be a good thing.
Although we had in the standing orders since the beginning of Federation—and it was removed only in 1965—the standing order that said that you could not read a speech, I can well remember points of order being taken about a member reading a speech. Erskine May is still the authority, to the extent that it says that a member may only refer to copious notes. I commend the report to all honourable members. I particularly commend the work of the members of the committee—particularly the member for Wentworth—for their contribution to six reports in this parliament.

Mr KING (Wentworth) (11.18 a.m.)—Mr Deputy Speaker Adams, I could not help but notice as I was sitting here listening to this important debate—before the speech from the honourable member for Chifley, I should add—that you were rubbing your eyes and staring at the ceiling. Indeed, it was even observed that you were actually propping open one of your eyelids.

Mr Neville—You’re not reflecting on the chair, are you?

Mr KING—Not at all. I suspect this was because you were listening intently to what was being said, Mr Deputy Speaker, but finding the topic and the speeches rather soporific.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—I ask the honourable member for Wentworth to come back to the question before the chair.

Mr KING—Some people say that the reason we often have an empty chamber is that soporific or boring speeches are given by members of this House: they are set pieces; they are not speeches which are given off the cuff but speeches which are read. I think it is fair to say in your defence, Mr Deputy Speaker, that the reason that you were propping open your eyelids and looking at the ceiling is because one of those occasions was occurring in this very place. That is a reason why we ought to think about the sorts of reforms that are being proposed in the Main Committee by the Procedure Committee.

It is also important to note that there are other possible explanations for the emptiness of the chamber, which is part of the problem being addressed by the Procedure Committee. One explanation, unfortunately, is the incredible amount of committee work that many of us have to undertake. I sit on four committees of the parliament and I sit on several other committees of the backbench of my party. I find that I am continually going from one meeting to another. I do not have the opportunities that I would like to sit in the House and listen to some of the second reading speeches, which I think are of great importance.

The other problem is television. We have TVs in our rooms. Why would we come down to the chamber if we can sit in our rooms, put our feet up and listen to the speech as it is being given without having to go all the way down to the chamber? Another problem is that we have constituents and lobbyists continually knocking on our doors wanting to have a bit of our time, wanting us to hear their arguments and wanting to advance their cases in relation to particular aspects of either their work or their constituency concerns. So there are a lot of calls on the time of ordinary members of parliament.

I have mentioned a few of the reasons we sometimes have an empty chamber for second reading speeches, which is the concern of the Procedure Committee and the matter that is before the parliament at the moment. I agree warmly with the comments of the member for Chifley regarding the need for this reform, but I am not sure that the mere fact that we are going to shorten the second reading speech by five minutes is necessarily going to lead to
greater participation in the parliament and more members coming in to listen to what is being said.

There is also a caveat. We ought to recall that the second reading speech is a formal occasion as far as the government and opposition spokespeople are concerned. It is important from the point of view of the courts of the land and tribunals that they observe, hear and are able to read precisely what the government has to say about any piece of legislation, so that when it comes to interpretation, as is provided for under the Acts Interpretation Act of the parliament, they can take into account those comments. However, courts do not take into account the observations of ordinary members of parliament in their debates on a particular measure; therefore, there is an opportunity for greater flexibility in our procedures in that regard. This is where it seems to me that we can make an advance that might solve this problem of sterile debate and an empty chamber.

That advance is in the proposal put forward by the Procedure Committee to permit questions. It is suggested in the proposal that, at the commencement of his or her address, the speaker could opt in or opt out of accepting questions. I would prefer to be a little more dictatorial on that and suggest that the trial is not going to be effective unless we require every second reading speaker, other than the formal set piece debates that I have mentioned, to submit himself or herself to that interrogation or to the possibility of interrogation.

At the end of the day, it seems to me that the real reason this measure will enliven debate is not because we will not be listening to any more soporific speeches or we will be dragging people out of their rooms because they are not taking meetings with constituents or listening to lobbyists or watching the TV. The real reason is because they will be able to take points on their opponents—and that is what this chamber is really about, at the end of the day. As Disraeli said, the duty of the opposition is to oppose. Members of the opposition will be able to come in and take points on government speakers. Indeed, it will also work the other way around: members of the government will be able to take points on the opposition and expose the emptiness of their concerns and their opposition to government legislation.

I can see benefits and merits in this proposal from the Procedure Committee from both points of view. But at the end of the day I think it will really achieve some improvement in relation to the problem that it is designed to address. I commend the chair, the deputy chair—the member for Chifley—and the other members of the committee for this proposal. There should be some improvement in the amount of interaction in the debate in the parliament so as to improve our presentation and the level of debate and to solve the issues of the sterile debate and the empty chamber. I support the proposal.

Debate (on motion by Mr Danby) adjourned.

National Capital and External Territories Committee
Report

Debate resumed from 3 December, on motion by Mr Neville:

That the House take note of the report.

Mr NEVILLE (Hinkler) (11.26 a.m.)—by leave—The reason I have sought leave to continue my remarks without closing the debate is that we were not given the opportunity to speak to this report in the main chamber. Norfolk Island’s history is filled with colourful characters and even more colourful events. I predict that this report produced by the Joint Stand-
Committee on the National Capital and External Territories will add another dimension to the island’s chronicles. I hope, with goodwill, it will not be a bumpy ride.

The report’s title—Quis custodiet ipsos custodes?—translates literally to ‘Who guards the guards themselves?’ or, if you like, ‘Who guards the guardians?’ In a small independent community, the quality and integrity of leadership must not only be present but must be seen to be present. I expect that there will be some soul-searching after the release of this report, which calls for wide-ranging changes to the conduct of governance on Norfolk Island.

Let me make one thing clear from the outset: the committee have an overriding interest in preserving the principle of self-government for Norfolk Island. We do not want to change the system simply to change its operational nature. Those who oversee the governance of Norfolk Island on a day-to-day basis must realise that, while they have a large degree of autonomy, the island remains under the umbrella of Australian law, and for its future wellbeing its governance must be consistent with that law. While I never enjoy using heavy-handed tactics, it has to be acknowledged that the standards and practices of governance on Norfolk Island must be made more transparent and effective. It is disturbing when so many witnesses giving evidence at a public inquiry ask to be heard in camera. Fear of this sort—real or perceived—can have no part in the Australian experience, whether that be in the most remote inland community of Australia or the most distant island territory.

While Fletcher Christian was in one sense the founder of the Pitcairn community, which later became the Norfolk Island community, it has to be said that John Adams, with his sense of decency, ethics and fear of God, established a new platform for decency, cohesion and community progress. In a parallel sense, I hope that this report may be a new platform for a second stable period of great advancement for Norfolk Island. Let me make it perfectly clear: I am a passionate supporter of Norfolk Island and its right to self-government. But that carries with it responsibilities. In fact, I believe Norfolk Island has the potential to be a model for other Pacific independent units and nations, and I genuinely think it is well on the way to achieving that goal.

Norfolk Island is unique. It has a unique culture, environment and heritage, and truly unique people. I for one will have no part in harming those most charming attributes of the island and its people. However, the fact remains that it badly needs a range of accountability mechanisms to be put in place to ensure that all residents enjoy fair governance and there are processes that protect the rights of the individual. We are not asking for the impossible. We are simply saying that Norfolk Island should bring its laws and regulations, to the extent possible—and I understand that, with 3,000 people, you cannot make everything fit into a Queensland, New South Wales or Tasmanian mould—into line with all other levels of Australian governance.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order! The honourable member for Chifley would like to address the chair?

Mr Price—No, I am withdrawing.

Mr NEVILLE—Please do! This is the first of two reports on the governance and financial sustainability of Norfolk Island. The second report, covering financial sustainability measures, will be issued by the committee next year. We expect the federal government to bear a fair share of the financial and administrative burden which will come with implementing many of
these recommendations. As I said, the issue will be investigated in more detail by the committee next year. I assure the residents and government of Norfolk Island that the committee members will do a thorough job. There are other issues that will be investigated by the committee next year. It is my belief that the committee should play a more supportive role in matters of transport, health and aged care.

Australia has always fulfilled its obligations to its offshore islands and territories. Indeed, we have an almost pastoral affection for our friends who live off the mainland. But our overriding interest in good and fair governance throughout the Pacific means that these recommendations must be heard and put into practice. The report recommends that the continuation of self-government for Norfolk Island be conditional upon the timely implementation of specific external mechanisms of accountability and reforms to the political system recommended by the committee. These external accountability mechanisms include oversight of government conduct by the Commonwealth Ombudsman, financial and performance audits by the Commonwealth Auditor-General, oversight of elections by the Australian Electoral Commission, extension of the jurisdiction of the New South Wales Independent Commission Against Corruption to Norfolk Island and application of freedom of information and whistleblower legislation.

These measures are essential to the long-term future of Norfolk Island and, in the committee’s opinion, they are not negotiable. They are necessary to bring Norfolk Island’s system of administration into line with the rest of Australia in the interests of cohesion, good governance and building a stronger foundation for the years ahead. Wide-ranging reforms to Norfolk Island’s political system are vital to the reforms of its governance. Those reforms include that all meetings of the Legislative Assembly be publicised in advance and held in public, except for matters relating to employment conditions of public offices; that a code of conduct be adopted for members of the assembly—

Mr Danby—I have a question for the member.

The DEPUTY SPEAKER  (Ms Corcoran)—Is the member prepared to take a question?

Mr NEVILLE—I will answer the question.

Mr Danby—are there circumstances under which the member would favour the excision of Norfolk Island from Australia’s migration zone?

The DEPUTY SPEAKER—Member for Hinkler, you do not have to answer the question.

Mr NEVILLE—I do not think that is really relevant to the report in question. It is a self-governing territory and I would find it difficult to envisage that circumstance. I will go on in this speech to talk about the internal migration matters of that island. As to whether government intends to add something of that nature, I am not aware.

The list of political matters includes the establishment of a register of pecuniary and non-pecuniary interests for members of the assembly; the Chief Minister being elected from members of the assembly, with the right to appoint three ministers from the remaining members of the assembly; the appointment of an independent speaker and deputy speaker by the island administrator on the advice of the federal minister for territories; the establishment of the Norfolk Island assembly standing committee to review government expenditure; and four-year terms with the possibility of the assembly being dissolved in the fourth year if two-thirds of
the assembly agree. Without a doubt these are the most basic fundamentals in running a modern-day government.

Other key recommendations of the report include that the federal government remove Norfolk Island’s power in respect of immigration. I find that interesting and perhaps one of the more visible recommendations of the committee’s report. As it stands, Norfolk Island upholds its own Immigration Act 1980, which is overseen by an immigration committee and the minister, with decisions reviewable by the federal minister.

The issue of immigration was investigated by the Human Rights and Equal Opportunity Commission in 1999. The commission recommended that, on balance, the island’s immigration regime be repealed and that the Commonwealth’s Migration Act 1958 be extended to Norfolk Island, thus bringing it into line with the other Australian offshore territories. That raises a matter that was implicit in the question raised earlier. We realise that retaining the Pitcairn culture and the feel of Norfolk Island is paramount. Committee members are sympathetic to the challenges which will come from trying to achieve the right balance between tradition and development. However, the immigration policies are not the best way to achieve balance. There are factors such as housing availability and employment opportunities and the practical aspects of holding a passport for travel to the mainland, and these are thought to be deterrents enough to unsustainable population growth on the island.

I personally believe that other measures may need to be taken. The island is small and fragile. It has a number of itinerant workers, and that needs to be regulated in some way. However, I think that the six-month residency rule for the right to vote is consistent with the longest period of qualification amongst the Australian states, namely Tasmania, but as I said I would support measures to ensure that this rule is complemented by regulations concerning temporary workers, permanent residence and environmental sustainability.

Other key recommendations include the extension of the Model Criminal Code with respect to corruption on Norfolk Island, and that the federal government review and assess the level of income support and health and medical assistance required by Norfolk Island to ensure parity with entitlements paid to mainland residents. In particular, the committee recommends that the federal government consider resuming responsibility for social security and extend Medicare and the PBS to Norfolk Island, and that Norfolk Island be included in the federal electorate of Canberra for the purposes of voting in federal elections and referenda and that this be made compulsory for all eligible Norfolk Island residents. However, I might add that for the local roll the government are allowing people who are currently on the roll—largely New Zealand or British citizens—to be grandfathered and they will be allowed to remain on the roll. The only people joining the roll in future will be Australian citizens.

Norfolk Islanders are currently excluded from most Commonwealth programs and services because they pay no Commonwealth tax. I think at times that government departments have hidden behind that shield and have not delivered services that might be expected by people in other remote parts of Australia. I believe that Norfolk Island is entitled to special taxation measures and I respect the duty-free status as part of its unique tourist profile.

I have no doubt that the vast majority of the Norfolk Island community are hardworking, conscientious people who want to see their home territory prosper and flourish. I am quite confident that Norfolk Island can and will take its place as a leading Pacific island community. This report is the first step in the way forward, and I urge all residents, community lead-
ers and businesses to get behind these recommendations, put them into practice and build a brighter and better future for Norfolk Island as their antecedent Adams desired for them.

Mr CAMERON THOMPSON (Blair) (11.40 a.m.)—I rise to commend the Joint Standing Committee on the National Capital and External Territories, of which I am a member, for its work on this very important report, entitled Quis custodiet ipsos custodes? I am pleased to have the document here in my hand and for it to be distributed across Norfolk Island and throughout Australia. I understand that one of the important distribution processes of this report is that it is to be put into the post office box of every resident of Norfolk Island. I think that is an important step because the people on Norfolk Island need to see the actual words of this report—not just the rumour and the innuendo about what we may or may not have done but the actuality of it, and what is actually proposed. I like the title, which means ‘Who guards the guardians?’, but I would prefer that it had been put in English and not in this other language—what is it, Latin?—because this is really a down-to-earth, sensible series of recommendations for the people on Norfolk Island, who I think have waited too long for the kinds of recommendations that are contained in this report.

I think the core issue on Norfolk Island is the electoral system, which at the moment is bizarre. I think that a system in which residents on the island can vote up to four times for one candidate shows just how crook things are on Norfolk Island. A system in which people can vote up to four times for one candidate is open to misinterpretation at best and abuse at worst. I think the problem it highlights is that, while there is not necessarily corruption and abuse of the system on the island, it is open to abuse and corruption. That creates fertile ground for rumour and innuendo and an assumption that there is corruption.

I do not think that in Australia today any Australian should be in a community, in an environment, in which those sorts of doubts exist. We have a free and open society in Australia, and all Australians are entitled to that. They are entitled to be able to express their views without fear or favour. They are entitled to pursue and represent their political views without fear or favour. On Norfolk Island, for some reason or other, there remains this doubt. There is confusion, and people misinterpret the system. For instance, some people on Norfolk Island maintain the view that they are somehow divorced from Australia, that they are not part of Australia. This kind of confusion should not exist. People’s rights and obligations as part of Australia should never be in doubt.

This committee has done a good job in seeking out where there is confusion and doubt in the minds of people and in trying to put it straight. I believe there are many people on the island who are inordinately powerful, or there is a perception that they have an inordinate amount of power. On the other hand, there are people that, I feel, are quite powerless. I think there is an underclass on Norfolk Island. I think the committee has done a good job in seeking to balance the interests of those two groups. It is important that we require more accountability of those that are powerful and that we provide more opportunity for those that are powerless. I think we have done that quite effectively.

It is absolutely vital that the government respond to this report by the committee. The problem in the past has been that there have been many reports produced and no action has been taken. People have got the idea that there is no connection between the recommendations made and the reality that then follows. That is the problem that I think Norfolk Island has today. We have ended up with the situation where there are inferences rather than realities. I
think it is important that the guardians on Norfolk Island should not be in a position where they are allowed to let important issues slip. I think that has been happening at this end: governments get reports and do not act on them. And the same thing happens over on the island: the guardians that are discussed in the committee’s report get reports and proposals and they say they are going to act on them—that is what happens here and it happens on the island—but no action is ever forthcoming.

People on the island, whether they are the privileged few or the underclass, think, ‘The situation will never change and we’ll continue to grind on as we have in the past.’ But in this report we are talking about the introduction of ICAC and having it review the activities of governments. That is a reality anywhere in Australia today; it should be the reality on Norfolk Island. There should be a body that is prepared without fear or favour to look into the activities of government and say whether there might be corruption or whether there might be something that is being done in a way that is not proper and suggest ways in which such activities should be corrected. That should apply on Norfolk Island just as it applies anywhere else. The Auditor-General should review the activities on the island of the government and the public service, which of course is the norm everywhere else in Australia. It applies to all other bureaucracies; it should apply on Norfolk Island too.

On the other side of things—talking not just about accountability but about the rights, responsibilities and entitlements of people—the extension of Medicare and the Pharmaceutical Benefits Scheme is something that is a welcome norm for people on Norfolk Island, just as it is the norm for the rest of Australia. The disclosure of people’s pecuniary interests when they seek to speak in the legislative assembly on a particular issue is important too. Of course it is important that their pecuniary interests be noted and open for all people to see when they are discussing legislation and the future of the island and what it is that they want done. The implementation of the new electoral system that is in the report will replace the quirky Illinois system with something which is first past the post. I am not a big fan of first past the post necessarily or this block-vote system, but it is a hell of a lot better than this bizarre Illinois voting system, where everyone gets four votes and they can give them to whomever the hell they like—I mean, really! I think the combination of that Illinois voting system and the very long period in which people are required to wait before they can vote on the island—900 days—is what has cemented the privileged group and the underclass in place. If you are in the underclass, firstly, you are probably waiting to get your vote, and, secondly, the four votes that can be distributed are certainly not going to be distributed in a way that is going to assist those people in the underclass group who are so disenfranchised.

The inclusion of Norfolk Island in the electorate of Canberra is something I feel very strongly about. The people on Norfolk Island need to have a voice in Canberra. It is no good that every time they want to have a say on something that affects them they have to put their Chief Minister or some other minister on a plane and fly him to Canberra. Then he has to wander around Canberra, like some kind of alien in his own hometown, and speak up about what should happen on Norfolk Island. There should be a representative of Norfolk Island in the parliament in Canberra. Of course, this is how we do it: we make Norfolk Island part of the electorate of Canberra and that, at last, would give them a voice here in Canberra. The AEC overseeing elections is something that happens all across Australia. It ensures that the
electoral system is being properly attended to. It is the standard and the ruler that is run over every other electorate in Australia; it should also apply to voting on Norfolk Island.

Freedom of information is a two-edged sword, because it is not always entirely effective, but it certainly is something that we all have to aspire to. Giving the public more information about the business of government is a very good thing, something we need to pursue, and of course it should apply on Norfolk Island just as it does here. This report says we should move away from this quirky 900-day registration thing down to a six-month thing, and I note that the government and the minister are currently producing legislation with a view to doing that. Well, isn’t that great? We have the minister and the government in agreement with the findings of this committee. In a great epiphany, perhaps we can move towards that more quickly than we otherwise would. That is a good outcome.

I think the idea that the people on Norfolk Island should be Australian citizens is fantastic. I think they should acknowledge the fact that this is where they have their link. It is no good to have this weird collection of people who maintain that because they are British subjects they can somehow exercise a position on Norfolk Island that they do not anywhere else in Australia. This idea is merely providing the sort of standardisation that applies everywhere else.

The idea that legislation can slip behind in the way that it does on Norfolk Island currently is something we have to address. This report identifies the long list of legislation. This reflects the fact that, like the reports that have been allowed to sit there on the shelves gathering dust, the same thing has happened over there with legislation. How can you have a situation where child welfare laws are allowed to remain in dispute? This legislation picks that up and says that they should comply with the Convention on the Rights of the Child, the same as everywhere else.

I really have a question in my mind when I see events currently on Pitcairn Island and what is going on there. I do not think that we should have another group of Pitcairn Islanders, which is what the heritage of many on Norfolk Island today is. We should not allow that to be in dispute. The fact is that child welfare laws are important, and so is the reformation of the criminal justice laws on Norfolk Island. They cannot be allowed to simply lie there any longer. Along with the regulation of companies, it is necessary that all these things on Norfolk Island are kept up to date, making sure that there are no loopholes. These are things that have to happen on Norfolk Island, just as they happen in Australia, New Zealand and all other First World countries. It is important that we extend to Norfolk Island, the right for that to occur on that island in the same way as it occurs in every other part of Australia.

In closing, I implore the government to read very closely this report and to act on it. Because Norfolk Island has only 2,500 people and is so far out in the ocean, it does not mean that it should be divorced from all the rights and obligations of the rest of Australia. It is important that we move forward. We cannot just sit here and say, ‘Well, isn’t it quirky out there on Norfolk Island? Isn’t it lovely? It’s beautiful scenery, lovely weather and great for the tourists, so let’s just let it slip by.’ That is not the case anymore. We have to move on into the 21st century on Norfolk Island, just as we do in every other part of the world.

As the tourists come and go, it is great for them to be able to look and marvel at the wonderful convict heritage. It is great for them to look at that beautiful island and the environment over there, but when they go there they should not be subject to 18th century environmental laws or 18th century electoral laws. You are not going into a time warp. You are going there to
look at history, not to experience it. You should not be flogged with a cat-o’-nine-tails just because you are on Norfolk Island. This is not the total experience that we are seeking.

What we want are 21st century laws to enable the experience of people who live on Norfolk Island to be just as good as that of every other Australian, for them to enjoy their heritage and their place in the world without having doubts about exactly what their entitlements and protections under Australian law are. That has been the situation for far too long. By proceeding as suggested in this report, we will definitely overcome any of the hesitancies that may have applied in the past and proceed definitely into the 21st century.

Debate (on motion by Mr Wakelin) adjourned.

ADJOURNMENT

Mr WAKELIN (Grey) (11.55 a.m.)—I move:
That the Main Committee do now adjourn.

Veterans’ Affairs: Australia Remembers

Mr SCIACCA (Bowman) (11.55 a.m.)—I rise in this adjournment debate today to talk about a wonderful program that many years ago as Minister for Veterans’ Affairs I had the pleasure of conducting on behalf of the Keating government. It was known as Australia Remembers. I say this because only a couple of weeks ago in Brisbane the Greenslopes Private Hospital, which used to be known as the Greenslopes Repatriation Hospital, had a special function to which they most graciously invited me, along with my wife, as the special guest. They billed it as the Australia Remembers dinner. It was a wonderful occasion. They invited people who were involved in the commemorations back in 1995.

Madam Deputy Speaker Corcoran, you may remember that in 1995 we celebrated—or commemorated, rather; it was not so much a celebration—the 50th anniversary of the end of World War II. We took the opportunity of thanking all those generations of people—such as the generations of the 1930s that were brought up after the Great Depression—who were asked to go and fight for their country at a time when this country’s sovereignty was at risk, when we actually did have Japanese submarines in our waters, when Darwin was bombed and Broome was strafed, if I remember correctly, and there were Catalinas in the bay there. As part of the celebrations I went up there and we held special commemorations. It was a wonderful time. Ex-service men and women were remembered.

Some people say that it was that remembrance program that reignited interest in Anzac Day and, in many respects, that is why we are getting so many thousands of people coming along to Anzac Day ceremonies. At Cleveland in my own electorate, I remember that before Australia Remembers you would get 300; now we are getting 3,000. I think that is replicated right around the country. That is a marvellous thing. The reason is that at the time we made sure that the program was on a completely bipartisan basis and that the young people—in fact, the member for Moncrieff might remember it as he might have been at school then, although probably not; but in any event he would remember it—the children, the youth of this country were being told about how much they owed to the generation of that time.

Mr Alan Kinkade is the General Manager of Greenslopes Private Hospital, which is a hospital owned by the Ramsay Health group, owned by Paul Ramsay. They organised it at their expense. They invited people who were involved at the time. I had the great pleasure of seeing once again a person who is so well known in this country and not understood much—
particularly by people from my side. I talk about the one and only Bruce Ruxton. Bruce Ruxton was there. He is a friend of mine. I have no hesitation in saying that. He is the sort of person who will carry you on his shoulders a thousand miles. He is that sort of person. If he is your friend, he is your friend. He did a marvellous job during his time as the president of the RSL in Victoria.

Others turned up as well. Mr Paul Ramsay himself, who it is very difficult to get to come to these sorts of things, came along because he himself has a great emotional attachment to that generation of Australians. I was very honoured to see him there. There was Mr Cyril Gilbert, who was a prisoner of war in Changi and with whom I had the pleasure of visiting the Changi prison in Singapore. Then there was Josie Jones, a wonderful lady and a close personal friend of mine from Mildura, who went all the way up there to be part of this remembrance dinner. I want to say that I cannot believe how well the Ramsay Health group did this.

Alan Kinkade used to be the manager of the Concord Repatriation Hospital in Sydney some time ago, and his new job is at Greenslopes. At Greenslopes, they concentrate on veterans. It used to be a public hospital but it was sold by the Commonwealth government at the time, just before I became minister, to the Ramsay Health Group. I want to place on record the marvellous job that they do for the veterans of Queensland. I want to place on record that in all the time I have been a member of parliament not once have I received a complaint about the service that that hospital gives to the veteran community. All in the veteran community love to go to Greenslopes Private Hospital if they have to go to a hospital—that is the one they want to go to.

I want to thank Alan Kinkade, the people in charge of the Greenslopes hospital, Paul Ramsay and those wonderful veterans who fought so hard for us during those dark years. I want to place on record in this parliament that I truly appreciated what they did with the Australia Remembers dinner. (Time expired)

**Australian Labor Party: Policies**

**Mr KING (Wentworth) (12.00 p.m.)**—I wish to raise for general discussion in the debate today an issue about politics as a craft. It is said by some that politics is the art of the possible. I have to say that it seems to me that there is a certain measure of truth in that statement, which I would prefer to translate this way: politics is really about people and not so much about power games, big names or even big ideas. At the end of the day, politics is about people and about how one represents the concerns of people in this place. It seems to me that it is appropriate to reconsider that proposition and the nature of the craft that those who work in this place use and how we apply it to our work and the issues that are currently before the parliament. I say that because it seems to me that the opposition has forgotten that fundamental precept. We have an opposition that is disunited not only in its leadership but also in relation to the policies that it is attempting to put forward in this parliament. It is difficult to see any clear direction in relation to economic issues.

A good example of that concerns the flying of the kite about negative gearing by the new Leader of the Opposition. The suggestion that negative gearing should be abolished would, in my electorate, create tremendous concern. A lot of aspirational voters in my electorate—and there are many—would be extremely concerned about that proposal. I do not propose to allow the opposition or the people in my electorate to forget that that proposal has been seriously
advanced by the opposition in this parliament and that if they become elected that will be a proposal that would be seriously considered by the new leadership of the opposition.

But it is not just that issue which I would point to in this regard. Another concerns defence issues. As a serving officer in the reserves of this country and as a parliamentarian I see issues regarding the defence of this nation and our security as being of the utmost importance. Therefore, I have listened with great concern over the last few months to the proposal that the defence of this country should be supplemented and to some extent taken over by a coastguard that would in some way replace or substitute our naval forces.

It seems to me that that proposal is a half-baked one that forsakes the traditional concerns of this parliament and the Commonwealth for a proper and serious defence policy profile for the Commonwealth and that it is one that should be exposed for what it really is. It is said that this is a measure that would help to address the problems of border security and be an alternative to the government’s refugee programs in that regard by stopping illegal entrance into this country. But, with the greatest respect, I believe the opposite may well be the case, because the effect of a coastguard would be to bring people to Australia, not keep illegals out.

Recently I had an example of another issue, this one concerning veterans’ affairs. I spoke in my electorate, as a representative of our Prime Minister, on several issues relating to veterans’ affairs. Bruce Ruxton and others were there. I became concerned that the tenor of the opposition’s views was completely opposed to some of the basic issues that the veterans were proposing. I do not propose to say much more about that, other than to simply say this: politics is about people; it is not about power or big names or power games. The government of this day remembers that, and that is why it will remain in office.

(Time expired)

Newcastle Electorate: Rugby World Cup 2003

Ms GRIERSON (Newcastle) (12.06 p.m.)—Today I would like to draw the House’s attention to an ongoing problem in Newcastle, but first I would like to say that in Parliament House we had the great pleasure of greeting and congratulating the Australian Rugby World Cup team. I certainly want to send my best wishes to Ben Darwin for a speedy recovery. We look forward to his returning to Newcastle to take up his studies. Although the Australian team came second and was not the final winner, the Australian economy certainly was. The Australian Trade Commission estimated the national economic impact of the event at between $800 million and $1 billion.

International sport is big business, and we know that. But we in Newcastle do not have an international standard football stadium, so we could not host and thus benefit from the world cup. That was not the case for other cities and towns around the country. Using research by Citigroup and the London Financial Times, I put forward the following estimates of how much each city and town in Australia gained from hosting the world cup: Sydney, 12 matches, $171 million; Gosford, an hour’s drive from Newcastle, hosted three matches to the tune of a $43 million spin-off for that city; and the town of Launceston in Tasmania hosted one match, worth $16 million, and that is a conservative estimate. The sixth largest city in Australia, Newcastle, does not have an international standard football stadium and could not host even one match, yet one match at Launceston was worth $16 million. The economic spin-offs do come, and they are important. The city of Newcastle still has an unemployment rate, according to the latest Australian Bureau of Statistics figures, of 10 per cent. Our unemployment is not diminishing. Unemployment has diminished in the Upper Hunter, where mining has con-
tinued to flourish, but certainly young people’s unemployment in Newcastle, where the rate is 27 per cent, remains critical.

We have been saying for too long that a stadium is not just about football; it is also about economic and employment benefits to the city of Newcastle, but for too long we have been ignored. I point to a speech made by Mr Baldwin, the member for Paterson, on 4 June 2002. He understood very well that sport related tourism was essential for the Newcastle and Hunter areas. He said in that speech that he was ‘disappointed’ that the New South Wales Labor Party had walked away from the Energy Australia Stadium. I would point out that, three weeks after that speech, the state’s Premier made a contribution of $23.6 million to the stadium. Newcastle and Hunter citizens have done their bit—18,000 to 20,000 of them attend Newcastle Knights football matches—and have certainly paid their dues towards a new stadium. Mr Baldwin suggested that the lack of funding for Energy Australia Stadium was one of his biggest disappointments. He said that because he knew that without adequate stadia we would not be able to host a world cup, and that would be a dreadful thing. It was a dreadful thing. Apparently he has no influence over the Prime Minister, otherwise the government would have contributed its share of money to the redevelopment of our stadium.

I have before me 10,000 signatures collected by the state members in the Hunter. I would mention John Bartlett, Bryce Gaudry, Kerry Hickey, Jeff Hunter, John Mills, Matthew Morris, Milton Orkopoulos and John Price and I thank them for their hard work in collecting those signatures. I am delighted to put those signatures forward on behalf of the other three Hunter members who are in the House—the member for Shortland, Jill Hall; the member for Charlton, Kelly Hoare; and the member for Hunter, Joel Fitzgibbon. The four of us have worked very hard and we demand to see some money soon, particularly as we know that the Prime Minister received an estimated boost of around two per cent in GDP for the December quarter to the economy, just from the World Cup. That is almost $1 billion spent in Australia that was not anticipated. It is a lovely boost to the economy. We would now like to see a lovely boost to Newcastle and the Hunter, and we would like to see the remaining cost of our stadium redevelopment funded.

Right now we are actually reconstructing that stadium with the money put forward by the New South Wales state government. We all look forward to and anticipate enjoying some cover that we have not had. I am a long-term football supporter and attendee, and I always take my plastic poncho with me. But we would love to have some cover and proper seating at our stadium. More importantly, we would love the opportunity to host international events and see our economy and employment flourish. It is time Mr Baldwin and his colleagues down here pressured the Prime Minister and made sure he put up his $20 million. Labor promised it at the last election and they stand by their commitment. We need that money ASAP. Bob Baldwin, member for Paterson, it is your turn now—get us that money so that we can enjoy the benefits of international sporting events and economic growth from sports related tourism.

(Time expired)

Moncrieff Electorate: Carrara Stadium

Mr CIOBO (Moncrieff) (12.11 p.m.)—How fortuitous that I should follow the member for Newcastle, who represents Australia’s seventh largest city.

Ms Grierson—Sixth largest city!
Mr CIOBO—I know that the member for Newcastle would contend that it is Australia’s sixth largest city, but I cannot help but think that they are fudging their numbers a bit. When you take into account the actual population numbers for the cities of the Gold Coast and Newcastle, you recognise that, in fact, the Gold Coast is Australia’s sixth largest city.

The reason that I say it is fortuitous is because I too rise today to speak about the need for a new sports stadium on the Gold Coast. Rather than the need for a new one from scratch, I rise to speak about the fact that the Queensland Labor government, unlike the New South Wales Labor government, is yet to put any real money whatsoever into the stadium at Carrara on Queensland’s Gold Coast. It was with great interest that I listened to the member for Newcastle speak of how the New South Wales Premier put $23.6 million into the stadium at Newcastle. I wonder why it is that the Beattie Labor government refuses to fund in any real sense a new stadium at Carrara.

Over the past decade or so we have seen the Carrara stadium being labelled a white elephant and called a hole in the ground into which money is continually poured by the Gold Coast City Council. But the reason is that the Gold Coast City Council is not in a position to make the kind of substantial funding allocation required to ensure that Carrara stadium—that is, Gold Coast stadium—reaches a level that will be appropriate to ensure that we attract and have regular sporting events on both the national and international scale.

I also listened with great interest as I heard the member for Newcastle speak about the economic spin-offs that flow as a consequence of having a sports facility. I heard the member for Newcastle speak about Gosford’s $43 million boost and Launceston’s $16 million boost as a result of the Rugby World Cup. Yet the Gold Coast, Australia’s premier tourism playground and with Australia’s sixth largest city, failed to have any capture whatsoever of any events to do with the Rugby World Cup, despite the fact that the English team indeed trained for part of the time on the Gold Coast and very many of those tourists that visited Australia no doubt would have come to our city for part of their holidays.

Gold Coast city is working closely to try to obtain a national rugby league team. My colleague the member for McPherson is part of the bid team to secure an NRL team for the Gold Coast. But a crucial first step is some investment by the Beattie Labor government. The Beattie Labor government in Queensland knows full well that it has primary responsibility for infrastructure spending on events like this.

I heard the member for Newcastle and I take note of her comments, but they are further along the process than we are in Queensland. At least in New South Wales, the Labor Premier has been willing to put his hand into his pocket. It stands in stark contrast to the Brisbane-centric Beattie, who put $320 million into a new stadium in Brisbane yet continues to refuse to put any dollars into a stadium on the Gold Coast. It is, as I said, quite fortuitous that I should have the chance to raise this today immediately following the member for Newcastle.

It is high time that we had a stadium on the Gold Coast. I know I speak for all Gold Coasters when I say that we want a quality stadium on the Gold Coast. We want one that is funded, in conjunction with private operators, by the Queensland state government, who need to stop investing literally billions of dollars into Brisbane, a city that is 80 kilometres up the road, at the expense of what I am sure Premier Beattie sees as its poor second cousins which live on the Gold Coast.
On the theme of sports, I am pleased to touch upon something that I had a great deal of pleasure to do last Friday: honour some of my local sporting stars at the inaugural Moncrieff Sport Achievement Awards. Fittingly, I presented certificates to teams and individuals at the Gold Coast Sporting Hall of Fame in Southport. The Moncrieff Sport Achievement Awards recognise the great achievements of our local sports people, sports teams and supporters at both a community and an elite level. Young and old athletes were among those who received a certificate and it was pleasing to see so many family members, coaches and supporters there to congratulate each award winner.

We have a proud sporting history. I am particularly proud that the Gold Coast is breeding a wealth of sporting greats and future superstars. The Gold Coast is fortunate to have a wonderful climate, good facilities and many great sporting role models in our own backyard, some of whom I met last Friday. I would particularly like to thank Les Jones from Gold FM, who was master of ceremonies for the event, and also Daphne Pirie and her colleagues from the Gold Coast Sporting Hall of Fame, who helped make the event a great success. (Time expired)

Cunningham Electorate: Employment

Mr ORGAN (Cunningham) (12.16 p.m.)—I rise to speak on the progress of getting sustainable jobs for the people in my electorate of Cunningham, despite the government’s indifference to this issue, as evidenced by the region having some of the highest rates of unemployment in this country and basically the government doing little about that. And despite having a budget surplus in the billions of dollars that would enable public works on repairing and creating the social capital of our railways, hospitals and schools the length and breadth of the Illawarra for decades—improving the quality of life in the entire Illawarra region—we still have problems. Despite this government’s inaction, though, I have been consistently championing further development of Port Kembla as part of a strategy to increase employment opportunities for sustainable jobs in the Illawarra since I was elected in October 2002.

Yesterday I welcomed news that Patrick Stevedores and P&O have indicated a preference to relocate their existing New South Wales general cargo stevedoring trade from Sydney Harbour to Port Kembla by 2006. That is good news for my electorate and good news for the Illawarra generally. The New South Wales government has also come on board by responding to my call last week and releasing its plan for the relocation of shipping business away from the Port of Sydney and towards Newcastle and Port Kembla. Whilst the plan is very light in detail, particularly in terms of the government’s financial contributions, it does reveal that the operators of the general cargo terminals at White Bay and Darling Harbour want to relocate to Port Kembla because mixed cargoes of containers and break-bulk cargo cannot be cost effectively stevedored at the major Port Botany container berths due to a combination of irregular shipping timetables and specific equipment and storage requirements. Nonetheless, I am also concerned that the state government’s priorities are skewed, as Macquarie Street sees the expansion of Port Botany as being the best way to respond to increased demand for port services, despite the longstanding opposition to any expansion of the port by residents and the broader community of the Botany area and despite the Illawarra and Newcastle needing much more to be done to reduce unemployment rates.

In a predictable move aimed at taking the heat out of the protests of the residents of Port Botany, the New South Wales government has announced a commission of inquiry into Port Botany’s expansion. According to reports, this expansion will require the reclaiming of 57
acres of land on Port Botany or, to look at it another way, 57 hectares of marine ecosystem will be destroyed. So here you have, on the one hand, the destruction of an ecosystem, in combination with vocal opposition from the community of Port Botany against any expansion of the port. On the other hand, you have the people of the Illawarra with a port raring to go but neglected and forgotten by this government, receiving not much more than the scraps of Sydney Harbour.

Accordingly, I call on the New South Wales minister for the Illawarra—whose performance so far at best can be described as flaccid in his support for the region that he purports to represent—to pull his finger out and do more for the Illawarra so that all members of the Illawarra community can have as much access to work as they want and deserve. That is right: the responsibility for job creation rests squarely on his shoulders. He is in the government and he is a minister. He must go into bat for the people of the Illawarra and get them a bigger slice of the state’s port action. The people of the Illawarra and its surrounds deserve no less. If he cannot do this, he must reconsider his future.

On a similar theme, I take this opportunity to remind the Deputy Prime Minister and Minister for Transport and Regional Services of my invitation to join me on an inspection of facilities at the port as part of my call for specific federal funding for expanding Port Kembla’s share of Australia’s transport infrastructure under the AusLink green paper. I wrote to the minister over two weeks ago—on 18 November—inviting him to the Illawarra for this purpose but I am yet to receive a reply. It is my sincere hope that an acceptance of my invitation is in the mail. AusLink could create jobs where the state government does not. I therefore look forward to a truly Commonwealth approach where the state and federal governments both work together to provide long-term sustainable jobs in and around Port Kembla and in the Illawarra region.

**Fisher Electorate: Passeggi Family**

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.20 p.m.)—I am particularly pleased to be able to speak in this adjournment debate and to welcome back to Australia and to the Sunshine Coast a family from Uruguay who have made their home at Buderim in my electorate for the past seven years. The Passeggi family had applied to come to Australia on a business visa but through no fault of their own their business, and another they attempted to get off the ground, failed. During the time they were here they became an integral part of the community and received the support of the Stella Maris Catholic parish at Maroochydore. In fact, more than 2,500 parishioners signed petitions and regularly held events to raise funds to assist the Passeggi family in their fight to remain in Australia. Father Joe Duffy, the parish priest, Musgrave lawyers, and Alan Musgrave and Mick Bull from that firm, and indeed the whole community worked very hard with me as the federal member to attain a situation where they were able to return to Australia with Australian residency visas on a permanent basis. The Passeggi family travelled to New Zealand just a short time ago and were able to return with permanent Australian residency visas. We were able to facilitate the quick processing of their applications, and their return home was a Christmas present not only for them but also for the entire Sunshine Coast community.

I became aware of the family’s predicament earlier this year when it became clear that they needed assistance with their efforts to remain legally in Australia. I want to place on record my praise for both the former immigration minister, Philip Ruddock, and the current immigra-
tion minister, Amanda Vanstone, for the way in which they were able to assist in working through the problems to make sure that these people were able to legitimately become part of our Sunshine Coast family. In my 10 years as a representative of the Sunshine Cost, I have never seen anything like the overwhelming support that this family has received, including front-page stories in the local paper, editorials, fundraising functions, letters to the editor, deputations to me, and letters from the children’s school mates. This family’s humility has touched so many people and everyone was prepared to work with them to make sure that they were able to come to Australia permanently.

I want to place on record also my belief that the situation with the Passeggi family is a fine example of an immigration system that works. It shows that in individual circumstances the government is able to look at the plight of individuals who are worthy applicants for permanent residence. Our immigration system is fair. It recognises patience and hard work and it stresses the importance of families. It also recognises that when people do the right thing the law ought as much as possible to be compassionate in their situation.

The Passeggi’s case, while unique and complex, is proof positive that the government’s immigration laws do allow eligible migrants who go through the proper channels to remain in Australia while balancing the need to protect our borders and way of life from those who queue-jump and attempt to enter the country illegally. Australia is a country which has freedom, stability and a way of life that is the envy of people throughout the world and it is no surprise that more than one million people knock on Australia’s door each year seeking to become permanent residents of our nation. As far as the Passeggi family is concerned, the local community saw the decision as one that indicated that the government and the Department of Immigration and Multicultural and Indigenous Affairs were prepared to listen to the case and plight of individual people in individual circumstances. The local community also recognised that the Passeggi family had a particularly worthy case and appreciated the efforts that the ministers and I had made on behalf of the family.

The Passeggi family are now looking forward to a very bright and permanent future on the Sunshine Coast, with some of their children making plans to study at university and travel around Australia. Horatio Passeggi said he and his wife Stella chose to move to Australia to give their children the best opportunities they could. He said that since then the children have thrived, and he and his wife look forward to the children creating their own futures in what they see as truly a land of opportunity.

The Sunshine Coast offers the Passeggis a myriad of opportunities and, as part of the visa, Horatio has been sponsored by Peter Shadforth of Shadforth Civil Engineering Contractors, a successful coast company, and he will be working with the company using his expertise to assist with the import and export of machinery from Japan and South America. I want to take the opportunity to salute this family. I greatly admire them and I am pleased to be able to welcome them into Australia.

Roads: Ipswich Motorway

Mr RIPOLL (Oxley) (12.25 p.m.)—It is with great honour that I present and table in the House 4,792 signatures—

The DEPUTY SPEAKER (Ms Corcoran)—I think you may be able to refer to the petition; I do not think you can table it.
Mr RIPOLL—That is okay, I will just talk about the petition. The 4,792 people have registered their strong opinion in relation to the Ipswich Motorway. This is indicative of the level of support that exists in south-east Queensland—not just in my electorate of Oxley but also in the electorate of Blair and in the surrounding region. These people have without doubt made a strong statement to the parliament that there are some things that are more important than politics—things like infrastructure. Infrastructure development in our communities is right at the centre of things that people need not only to grow and develop the economy but also to deliver jobs. People want and need jobs in our community, and the only way that those jobs can be brought to them is through infrastructure development.

I want to put a couple of things on the record. The Ipswich Motorway has been an issue that we have debated for years. For me, the time for debate is over. It has been over for some time. We have an excellent report that was partly funded by the federal government—thank you to the federal government for doing that—and partly funded by the state government. There was an excellent outcome from that report. Everybody that was involved in an exhaustive consultation process agreed on one thing: the Ipswich Motorway needs a major upgrade. It needs a major upgrade because there is really is no other place for the traffic on the motorway and the people who live along it to go. I have made my views very clear not only in the House but also through the media and publicly at meetings. We can always talk about other roads, but at the end of the day you have to fix the central problem. I am happy to have as many roads as we possibly can, but the reality is that we need to get on with the job.

In conclusion, by bringing these 4,792 names to the parliament I think I am making a clear statement as to the strong view of the people of the Oxley electorate—

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! A division has been called in the House of Representatives. I put the question.
Question agreed to.
Main Committee adjourned at 12.29 p.m. until Wednesday, 11 February 2004 at 9.40 a.m. in accordance with the resolution agreed to this day.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Taxation: Bankruptcy Laws
(Question No. 1415)

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

(1) Has his attention been drawn to an article by Paul Barry titled “Bankrupt in Paddo: barrister’s $3m unpaid taxes” which appeared in The Sydney Morning Herald on 26 February 2001, detailing the bankruptcy history of Mr Stephen Archer and attempts by creditors, including the Australian Taxation Office (ATO), to recover debts.

(2) Is he aware that Mr Archer again comes up for a full public examination at the Federal Court Sydney Registry on 19-20 February 2003.

(3) Is he also aware that this will be the third time Mr Archer has come before a court of law in a bid to use serial bankruptcy to avoid paying his creditors, principally the ATO, millions of dollars.

(4) What action is the Government taking to deal with serial bankrupts like Mr Archer.

(5) What action is the Government taking so that it will be able to alert the Law Society of New South Wales and the Bar Association of New South Wales of individuals like Mr Archer who use serial bankruptcy and family law and other legislative provisions to avoid paying tax.

Mr Costello—The answer to the honourable member’s question is as follows:
Refer to answer to question no. 1433.

Taxation: Bankruptcy Laws
(Question No. 1545)

Mr Murphy asked the Treasurer, upon notice, on 3 March 2003:

How many (a) barristers and (b) solicitors paid the top marginal rate of income tax during the financial year ended 30 June 2001.

Mr Costello—The answer to the honourable member’s question is as follows:
See answer to Question on Notice number 43 tabled on 11 February 2003.

Taxation: Bankruptcy Laws
(Question No. 1884)

Mr Murphy asked the Treasurer, upon notice, on 15 May 2003:

(1) Has the Commissioner of Taxation received a letter from the President of the New South Wales Bar Association referenced 01/120 and dated 9 February 2001.

(2) Did that letter express concern regarding the divulging of information by certain officers of the Australian Taxation Office (ATO) regarding certain Bar Association members’ taxation obligations.

(3) Was information divulged to the media; if so, under what authority.

(4) Does the letter say, in part, “I (the then NSW Bar Association President) made it clear… the Association was prepared to work with the ATO to inform barristers of potential tax problems” and later “Regrettably they have never come back to the Association…”.

(5) Is it a fact that (a) in 1997 the NSW Bar Association unsuccessfully petitioned the Legal Services Commissioner about Mr Thomas Harrison, and (b) in 1999 the NSW Bar Association successfully
petitioned the Supreme Court to strike out Mr Stirling Hamman; if so, did the ATO notify any breaches of tax laws by either of these two former barristers to the NSW Bar Association.

(6) Is there an existing protocol or procedure for the ATO to notify the Bar Associations in each jurisdiction upon the discovery of a barrister’s breach of taxation laws so that the Bar Association may commence action under the Legal Profession Act (NSW), or its equivalent in the other jurisdictions; if not, why not.

(7) Is there an existing protocol or procedure for a Bar Association to notify the ATO upon the discovery of a barrister’s breach of taxation laws so that the ATO may consider prosecution; if not, why not.

(8) Is it the case that the ATO gave information on the taxation affairs of Mr Thomas Harrison and Mr Stirling Hamman to the media and that this information was not provided to the Bar Association despite its repeated requests for this information; if so, why did the ATO give this information to the Media (namely Mr Paul Barry of The Sydney Morning Herald), rather than to the NSW Bar Association.

(9) Can he confirm whether the Association’s letter to the Commissioner of Taxation dated 9 February 2001 contained the statement “This Association views with grave concern the fact that the ATO is apparently more prepared to deal with the media than this association”.

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

(1) to (5) It would be inappropriate to comment on the private communications of the Taxation Commissioner.

(6) No. Section 16 of the Income Tax Assessment Act 1936 prevents the Commissioner of Taxation from discussing the affairs of individual taxpayers with others except when expressly empowered to do so under the Act. The Bar Association of New South Wales is not an entity to which the Commissioner can provide such information.

(7) No. A formal protocol has not been established with the New South Wales Bar Association.

(8) No.

(9) It would be inappropriate to comment on the private communications of the Taxation Commissioner.

Barton Electorate: Programs and Grants

(Question No. 2161)

Mr McClelland asked the Minister for Employment and Workplace Relations, upon notice, on 11 August, 2003:

(1) What programs have been introduced, continued or renewed by the Minister’s Department in the electoral division of Barton since March 1996.

(2) What grants and or benefits have been provided to individuals, businesses and organisations by the Minister’s Department in the electoral division of Barton since 1996.

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

(1) The following programmes have been introduced, continued or renewed in Barton: Community Support Programme; Indigenous Employment Programme; Employee Entitlements Support Scheme; General Employee Entitlements and Redundancy Scheme; Special Employee Entitlements Scheme for Ansett Group Employees; Job Network; Return to Work and Transition to Work and Work for the Dole.

(2) Please refer to Attachment A, which details funding, and Attachment B which explains the methodology used to calculate funding. Please note that funding is not administered by electorate.
## Attachment A

<table>
<thead>
<tr>
<th>Programme</th>
<th>Recipient Organisation/no of individual recipients</th>
<th>Project</th>
<th>Financial Year</th>
<th>Amount</th>
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<tr>
<td>Community Support Programme</td>
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### QUESTIONS ON NOTICE
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* Employee Entitlements Support Scheme
**  General Employee Entitlements and Redundancy Scheme
Attachment B
Explanatory Notes
The following statements should be read in conjunction with the figures in this document.

1. Funding and expenditure are normally linked to administrative areas which are used for a number of purposes related to the operation of a program, for example, Labour Market Regional (LMR), Employment Service Area (ESA) or Area Consultative Committee (ACC) location. The borders associated with these administrative areas do not necessarily coincide with electorate boundaries.

2. Where additional information is held such as the location of a program, this has provided a basis to link expenditure to an electorate. The information provided in the attached spreadsheet is therefore an approximation based on information available.

3. Figures in the attached spreadsheet generally indicate monies allocated, not monies spent. However, it should be noted that all Indigenous Employment Programme figures reflect actual expenditure.

4. An asterisk (*) assigned to a programme indicates that allocated funding is GST inclusive.

5. Only those DEWR programmes administered in the examined electorate are detailed in this document.

Programmes detailed in the attached electorate expenditure report include:

**Community Support Programme (CSP) **
Year and participant numbers: 1998(3,352); 1999(5,772); 2000 (13,810); 2001 (17,579); 2002 (5,286).
In the 2001-02 Budget the Commonwealth Government announced the Personal Support Programme (PSP) as part of Australians Working Together. The PSP, managed by the Department of Family and Community Services (DFaCS), replaced the CSP and improves on the CSP by expanding the eligibility criteria and tailoring the programme to better meet the needs of its participants. The above figures are allocated to electorate based on the postal address of the recipients. Funding figures are based on actual expenditure.

**Employee Entitlements Support Scheme (EESS), General Employee Entitlements and Redundancy Scheme (GEERS) **
Recipient electorates are determined by claimants’ postcode where available. Some postcodes cover more than one electorate and the information contained shows all relevant data for each electorate. Due to postcodes covering multiple electorates, some payments to recipients will be assigned alphabetically to an electorate. This may result in a minor statistical anomaly. Funding figures are based on actual expenditure.

**Indigenous Employment Programmes (IEPs): Wage Assistance (WA) and Direct Assistance **
Offered under the umbrella of the Indigenous Employment Policy, the Indigenous Employment Programmes were implemented progressively from 1 July 1999 and include: Structured Training and Employment Projects (which replaced the former Training for Aboriginal and Torres Strait Islander Programme), Wage Assistance, Direct Assistance, the Community Development Employment Project Placement Incentive, the Corporate Leaders for Indigenous Employment Project, the National Indigenous Cadetship Programme and Indigenous Community Volunteers (previously the ‘Voluntary Service to Indigenous Communities Foundation’). Services are also offered to Indigenous job seekers through the Indigenous Small Business Fund, Job Network services and Indigenous Employment Centres.
The expenditure figures for the Wage Assistance and Direct Assistance programmes relates to claims for payment by contracted employers. Data is presented on the grounds that the address of the contracted employer that received funding was in the specified electorate. In many cases this will be the postal address of the contracted employer and does not necessarily reflect the location of actual employment.
Figures provided reflect actual expenditure exclusive of GST. These figures are subject to change due to lags in data entry and ongoing systems reconciliations.

**Job Network Programmes**

Data on Job Network cover the following programmes:

- 2003-2004: Job Network Services, Job Placement Services, New Enterprise Incentive Scheme, Harvest Labour Services, National Harvest Labour Information Service, and the Employment Innovation Fund (there has been no expenditure for the last two programmes as at end September 2003).

Job Network is administered on the basis of 19 Labour Market Regions and 137 Employment Service Areas, the boundaries of which do not align with those of federal electorates. Expenditure has been allocated to electorates on the basis of the location of Job Network sites. Small or zero expenditure against electorates does not mean that job seekers living in those electorates are not receiving Job Network services. The distribution of sites by electorate is entirely coincidental; sites are generally located near shopping centres and centres of employment. Job seekers choose Job Network members for a variety of reasons including location, proximity to transport routes/Centrelink office, satisfaction of friends and others. Figures are based on actual expenditure.

**Return to Work (RtW)* and Transition To Work (TtW)**

Return to Work (RtW) programme places were allocated by Labour Market regions (LMRs) and expenditure has been attributed to the electorates relevant to the region, giving regard to area of the electorate and the size and distribution of population within it. Year and participant numbers of RtW were as follows: 1999/2000 (596) 2000/2001 (3,851); 2001/2002 (7,455). RtW became Transition To Work (TTW) as part of the Australians Working Together (AWT) initiatives. TtW is now one part of the AWT transitional pathway, whereas RTW was formerly a discrete programme. RtW was primarily aimed at carers who had been out of the workforce for two years or longer. Figures are based on projected expenditures.

Return to Work was superseded by Transition to Work (TtW) in July 2002. To date there have been approximately 12,000 commencements in TtW. Due to a high demand for places, 2,500 additional places were approved and distributed in the first year. Transition to Work Services is a key component of the Transitional Support pathway in the Australians Working Together initiatives. The service aims to assist parents and careers, mature age people 50 and over, those who are starting work for the first time, are not currently in full-time education or training, or are returning to work after at least two or more consecutive year’s absence. Participants do not need to be in receipt of any type of income support from Centrelink to access these services. Job seekers participating in or eligible for other services such as Job Search Training, Intensive Assistance or Work for the Dole are not eligible for participation in Transition to Work.

**Work for the Dole Programme (WfD)***

All figures derived in this spreadsheet are based on funding approved. Funding to deliver activities has been linked to electorate by the geographic location or locations where the activity occurs (as advised by the activity sponsor). Where, as a result of this process, the locations associated with an activity fall into more than one electorate, the funds and approved places associated with the activity have been divided equally among the electorates involved. Funding figures are GST inclusive. The number of approved places for which funding is available because the number of recipients by electorate is not available. Funding and expenditure are normally linked to administrative areas which are used for a number of purposes related to the operation of a program, for example, Labour Market Regional (LMR), Employment Service Area (ESA) or Area Consultative Committee (ACC) location. The borders associated with these administrative areas do not necessarily coincide with electorate
boundaries. Figures are based on approved funding, not actual expenditure. Information applies to projects approved to 30 August 2003. Wfd activities are approved on a rolling monthly basis and August is the latest month’s data available when these reports were coordinated.

**Special Employee Entitlement Scheme for Ansett (SEESA)**
Recipient electorates are determined by claimants’ postcode where available. Some postcodes cover more than one electorate and in this situation some payments to recipients will be assigned arbitrarily to an electorate. This may result in a minor statistical anomaly. Funding figures are based on actual expenditure In addition:

1. Currently 105 employees with a gross total SEESA entitlement of $2,831,915.98 have postcodes that can not be identified with a specific electorate.
2. 28 employees receiving gross total entitlements of $590,964 do not have postcodes recorded in their files and therefore cannot be allocated to a specific electorate.
3. $2,928,225.84 has not been allocated to specific employees.
4. Any prior adjustments requested by the administrators during the 2003 financial year in relation to employees originally paid in the 2002 financial year have been reflected in the 2003 financial year. Additionally, any prior adjustments requested by the administrators during the 2004 financial year in relation to employees originally paid in the 2002 or 2003 financial year have been reflected in the 2004 financial year.

**Taxation: Bankruptcy Laws**

(Question No. 2450)

Mr Murphy asked the Treasurer, upon notice, on 18 September 2003:
Further to the answer to question No. 1596 (*Hansard*, 12 August 2003, page 18167), has the Australian Taxation Office received any feedback from any of the attendees at the seminars conducted to promote compliance with taxation law by members of the legal profession; if so, what are the details of that feedback and was there any negative feedback.

Mr Costello—The answer to the honourable member’s question is as follows:
No. Some feedback letters have been provided by the external co-ordinators of the presentations. There has been no negative feedback.

**Taxation: Information Sharing**

(Question No. 2454)

Mr Murphy asked the Treasurer, upon notice, on 18 September 2003:
Further to the answer to question No. 1882 (*Hansard*, 12 August 2003, page 18176), what is the nature of the information shared between the Australian Taxation Office, the Australian Securities and Investment Commission and the Insolvency and Trustee Service of Australia.

Mr Costello—The answer to the honourable member’s question is as follows:
The Insolvency and Trustee Service Australia (ITSA) notifies the Australian Taxation Office (ATO) of new bankruptcies where the Commissioner of Taxation is a creditor. The ATO will refer information it uncovers (to both the Australian Securities and Investment Commission (ASIC) and ITSA) that appears to relate to an offence against provisions for which one of the other agencies is responsible.
The ATO is bound by secrecy provisions prohibiting the disclosure of taxation information, under section 16 of the Income Tax Assessment Act 1936 and section 3C of the Taxation Administration Act 1953. There are however a number of specific exceptions which authorise the disclosure of taxation information. These include:
• Forwarding relevant information to liquidators or trustees, provided the information is incidental to maximising the return to unsecured creditors in liquidation or bankruptcies where the Commissioner is a creditor. Caution will be exercised where it is unlikely the provision of information will enhance the prospect of a dividend, or lead to an increased dividend, to unsecured creditors.

• Disclosure of taxation information to ASIC is authorised in accordance with paragraph 16(4)(hca) of the Income Tax Assessment Act 1936 for purposes of administration of the Superannuation Industry (Supervision) Act 1993.

• Information is also provided to ASIC via section 3E of the Taxation Administration Act 1953. This provides for the disclosure of taxation information to authorised law enforcement agency officers (this includes ASIC) provided the Commissioner is satisfied that the information is relevant to:
  (a) establishing whether a serious offence has been, or is being, committed, or
  (b) the making or proposed or possible making, of a proceeds of crime order.

A ‘serious offence’ is defined in subsection 3E(11) as “an offence against a law of the Commonwealth, of a State or of a Territory that may be dealt with as an indictable offence”.

Health: Cochlear Implants
(Question No. 2532)

Mr Rudd asked the Minister for Health and Ageing, upon notice, on 7 October 2003:

(1) On what date was the decision made that legislation could not be used to force private health insurers to fund cochlear upgrades whilst the Private Health Insurance Regulatory Review is being conducted and what were the reasons for this decision.

(2) What services does his department provide to assist adult implantees who do not qualify for Australian Hearing funding to access upgrades or be guaranteed an upgrade or replacement if they ever require reimplantation.

(3) Is there an appropriate forum to involve the Implant Community in giving advice to health funds.

(4) Is there a practicing paediatric audiologist who (a) reports to the department and advises on the needs of children with hearing problems and (b) who advises the department on matters affecting adult implantees.

(5) On what clinical grounds does his department decide that the health funds are not obliged to fund second or replacement speech processors.

(6) What ‘whole of life’ plan does his department have, or is his department developing, to ensure that cochlear implantees are catered for within the Health Act.

(7) When can the cochlear community expect a decision on whether or not private health insurers will continue to be required to provide cochlear upgrades.

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

(1) The legislative basis for the payment of benefits for surgically implanted prostheses is provided by paragraph (bj) of Schedule 1 to Section 73BA of the National Health Act 1953 (the Act). This paragraph relates to the level of benefit payable in respect of an episode of hospital treatment. The list of prostheses, human tissue items and other medical devices is in Schedule 5 to a Ministerial Determination made on 30 June 1999.

Under paragraph (bj) health funds are required to fully fund cochlear implants, as they are surgically implanted during an episode of hospital treatment. This requirement covers the implant and the initial speech processor, which is fitted shortly after the surgery.

Cochlear implants and speech processors are listed on Schedule 5. However, the Private Health Insurance Medical Devices Expert Committee (PHIMDEC), the Committee which provides advice

QUESTIONS ON NOTICE
on the prostheses items that should be included in Schedule 5, reviewed the listing of cochlear speech processors in December 2001. PHIMDEC recommended to the Minister that replacement speech processors should be removed from Schedule 5 as they do not fall within the scope of the legislation in that they are not provided as part of an episode of hospital care. This was under consideration when a review of private health insurance regulation was announced in April 2002.

No further action has been taken on the matter since that time.

(2) A number of funds pay benefits for upgrade or replacement speech processors either from their hospital tables, their ancillary tables or as an ex gratia payment. These benefits are supported by the Government’s 30 per cent Private Health Insurance rebate.

(3) There is no single forum through which the implant community can give advice to the health funds. However, there are a number of channels that consumers can use to make health funds aware of their concerns if their fund does not currently provide a benefit.

Members can discuss and request cover from their own health fund. They are also able to lodge complaints about their dealings with health funds with the Private Health Insurance Ombudsman (PHIO). The PHIO advises the health funds of the issues raised with him, and assists consumers to understand their cover and entitlements.

In addition, the implant community can discuss any concerns they may have in relation to their private health cover entitlements under Schedule 5 with the Department of Health and Ageing.

(4) (a) and (b) The Hearing Services Advisory Committee, which includes practising audiologists, provides advice to the Minister on hearing services for both children and adults with hearing problems. Although the focus of the Committee is primarily on the operation of the Commonwealth Hearing Services Program, the Committee can provide advice to the Minister on broader issues concerning hearing in the community.

In addition, the Office of Hearing Services in the Department of Health and Ageing has a number of audiological staff who hold certificates to practise, although none of them are currently practising as paediatric audiologists.

(5) Not applicable. See answer to question 1 above.

(6) The Government has no ‘whole of life’ plan to ensure that cochlear implantees are catered for within the National Health Act 1953.

(7) It is not possible to advise whether or when such a decision might be made.

**Health: Autism**

*Ms Ellis* asked the Minister for Health and Ageing, upon notice, on 8 October 2003:

(1) What data is available on the number of children in Australia on waiting lists for an autism/autism spectrum disorders (ASD) assessment.

(2) What data is available on the waiting times for children to have autism/ASD assessment.

(3) In respect of Table 5.6 on page 70 of the Australian Institute of Health and Welfare (AIHW) report The burden of disease and injury in Australia, what data was used to estimate that autism represents Australia’s fourth highest burden of disease and injury for boys aged 0 to 14 years.

(4) Is the AIHW planning to review health outcomes for people with developmental delay; if so, when will the result of this review be available.

(5) How much (a) in total, and (b) as a proportion of the National Health and Medical Research Council funding will be spent on research specifically related to autism/ASD in (i) 2003, and (ii) 2004.
(6) How much (a) in total, and (b) as a proportion of the Australian Research Council funding will be spent on research specifically related to autism/ASD in (i) 2003, and (ii) 2004.

(7) Will he identify any other funding programs or projects being conducted specifically in respect of the treatment for autism/ASD in Australia.

(8) Does the Government direct or intend to direct any funding specifically to autism/ASD research in Australia.

(9) How does the proportion of Government research funding spent on autism/ASD compare to the relative burden autism/ASD imposes on the Australian community.

(10) Is the Government aware of any data on the financial cost to Government when people with autism are not treated appropriately.

(11) What data is available on the long-term cost-benefit resulting from evidence-based treatment of children with autism (eg. as a result of the reduced need for intensive services when the child becomes an adult).

(12) What data is available on the direct cost to Government of caring for Australians with a diagnosis of autism/ASD.

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

(1) and (2) There is no national data on waiting lists of people with autistic disorder and/or Asperger's syndrome and/or pervasive developmental disorders.

(3) The estimates by the Australian Institute of Health and Welfare of the prevalence of Autism Spectrum Disorder in 1996 (AIHW : Mathers et al 1999) were based on overseas studies. By applying an average of overseas prevalence rates to the Australian population, it was estimated that the prevalence of autism spectrum disorder in 1996 was 29,730 with about 528 new cases per year. This is an incidence rate of 0.66 for 0 to 4 year old boys per 1,000 population and 0.14 per 1,000 for 0-4 year old girls.

(4) These estimates will be revised in 2004, and will take into account recent Australian studies and data.

(5) (a) and (b), (i) and (ii) National Health and Medical Research Council funding for research related to autism in 2003 will be $717,512. This is approximately 0.3% of the total National Health and Medical Research Council funding for new and continuing grants in 2003.

In addition, the National Health and Medical Research Council will provide approximately $31 million in 2003 for funding of research projects into mental health and neurosciences, which may have the potential to benefit those suffering from a range of conditions including autism.

Information relating to funding in 2004 is not yet available.

(6) (a) and (b), (i) and (ii) The Australian Research Council does not fund research in the area of clinical medical research. However, in its area of responsibility the Australian Research Council has provided $241,360, between 1999-2004, for socially based autism/ASD related projects.

(7) I am unaware of any other funding programs or projects being conducted specifically outside the work of the National Health and Medical Research Council and the Australian Research Council.

(8) The National Health and Medical Research Council funds health and medical research across a wide range of mental health and neuroscience disciplines which may include autism.

I am unable to comment on the funding arrangements of other organisations.

(9) (10), (11) and (12) The comparison cannot be made because there is no national data on the diagnostic profiles of people with autism/ASD.
Courts and Tribunals: Duty Solicitors
(Question No. 2571)

Mr McClelland asked the Attorney-General, upon notice, on 9 October 2003:

(1) In which federal court and tribunal registries is there a duty solicitor available to assist unrepresented litigants.

(2) For each instance where there is a duty solicitor available, who provides the duty solicitor and what is the annual cost.

Mr Ruddock—The answer to the honourable member’s question is as follows:
The Family Court of Australia and the Federal Magistrates Court (FMC) advise that the courts share duty solicitors in Melbourne, Dandenong and Parramatta. In addition, the Family Court of Australia has duty solicitors available in Sydney and Adelaide.
The Family Court in Melbourne has a duty solicitor on site five days a week. A duty solicitor is also available two days a week for the FMC in Melbourne, as well as in most regional areas where the FMC sits. These services are provided by Victoria Legal Aid. The registry in Dandenong has a duty solicitor four days a week provided by Victoria Legal Aid. Victoria Legal Aid advises that the cost of these services, which are funded by the Commonwealth through the Legal Aid Program, is approximately $243,600 per annum. Victoria Legal Aid also provides a duty solicitor service to the Federal Court/FMC Registry in Melbourne to assist self-represented litigants in migration matters. Two legal aid solicitors are on duty on the days of migration list callovers and directions hearings (one afternoon a month). Victoria Legal Aid advises that the approximate cost of this service is $5,040.
The registry in Parramatta has two duty solicitors available four days a week to assist self-represented litigants in the Family Court and the FMC. These services are provided by the Legal Aid Commission of New South Wales (and funded by the Commonwealth through the Legal Aid Program). The NSW Legal Aid Commission advises that the approximate cost of the services is $67,488 per annum. In the Sydney registry, the private legal profession provides a duty solicitor service on a pro bono basis. The NSW Legal Aid Commission provides a duty solicitor in the Sydney registry once every four weeks (and advises that the approximate cost is $5,000 per annum). While the FMC does not conduct family law work in Sydney, there is a Local Court in Sydney which specialises in family law matters. The NSW Legal Aid Commission provides a duty solicitor on each of the two days each week on which Commonwealth family law matters are listed at the Court. The Commission advises that the approximate cost of this service is $35,000 per annum.
A duty solicitor service staffed by a lawyer provided by the NSW Legal Aid Commission will commence by the end of the year at the Family Court/FMC in Newcastle. Duty solicitor services will be provided two days per week, increasing to three in the week the Family Court Judicial Registrar’s circuit operates at Newcastle.
The Adelaide registry has a scheme arranged by the Family Law Society under which duty solicitors attend the court on Monday and Friday mornings.
The Rules of the Federal Court (Order 80) provide for court-appointed referral for legal assistance. Under Order 80, the Court or a Judge may, if it is in the interests of the administration of justice, refer a litigant to the Registrar for referral to a legal practitioner on a Pro Bono Panel for legal assistance. The Pro Bono Panel, which is maintained by the Registrar, is a list of legal practitioners in the State or Territory where the relevant District Registry is located who have agreed to participate in the scheme. The FMC also has a pro bono scheme limited to general federal law matters which is modelled on the scheme established by the Federal Court.
Assistance is also available to self-represented applicants in applications to the Federal Court or the FMC for review of a decision of the Refugee Review Tribunal, through a migration assistance program.
currently operating in New South Wales and recently established in Western Australia. The NSW scheme began in July 2000 as a pilot program. The scheme utilises a panel of solicitors and barristers nominated by the NSW Law Society and NSW Bar Association who have specialist knowledge and experience in migration law.

The migration assistance schemes give self-represented applicants in migration matters an opportunity to receive independent legal advice on their prospects of success and assistance in drafting applications. The schemes are funded year to year by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). The amount paid per application is $737 (standard consultation) or $929.50 where a client is in detention. An administrative fee of $55 is also paid to the Law Society or Bar Association for costs associated with operating the panel and referring matters. In the 2002-2003 financial year, DIMIA spent approximately $190,000 on the NSW scheme.

The Registrar of the High Court sometimes arranges for pro bono legal advice or representation for self-represented litigants from members of the Bar.

The federal tribunals within my portfolio responsibilities, namely the Administrative Appeals Tribunal (AAT), the Copyright Tribunal, the Defence Force Discipline Appeals Tribunal, the Federal Police Disciplinary Tribunal and the National Native Title Tribunal, do not operate duty solicitor schemes. However, I am advised by the AAT that it plans to trial a duty solicitor service in Sydney in 2004. A lawyer from the NSW Legal Aid Commission is expected to attend the AAT one half day each week to provide legal advice and assistance to unrepresented parties in social security, immigration and citizenship matters. The AAT is investigating the possibility of similar trials in Brisbane and Melbourne.

The duty lawyer service will complement the AAT’s existing procedures for assisting unrepresented parties. On receiving an application from an unrepresented person, the AAT usually sends the person information pamphlets explaining the review process together with a list of legal aid offices, community legal centres or other organisations that may be able to assist the person. The AAT subsequently contacts unrepresented parties by telephone to provide information on the AAT’s procedures, organisations that may be able to provide legal or other assistance and to discuss any special needs an unrepresented party may have. The AAT occasionally makes appointments for unrepresented parties with a legal aid office or community legal centre.

Under the Native Title Act 1993 (s 78), the Native Title Registrar may give such assistance as he or she considers reasonable to help people prepare applications and to help people at any stage of a proceeding in matters related to the proceeding. I am advised by the National Native Title Tribunal that the assistance provided does not extend to the provision of legal advice or representation for persons before the Tribunal or the Federal Court. I am further advised that native title applicants are generally represented by native title bodies which are funded to perform that work through Aboriginal and Torres Strait Islander Services.

As regards the Copyright Tribunal, Defence Force Discipline Appeals Tribunal and the Federal Police Disciplinary Tribunal, the Federal Court Registry will, where appropriate, provide advice and assistance on procedural issues, such as referring litigants to the relevant rules and forms and assisting them to understand procedural requirements.

Health: Pharmaceutical Benefits Scheme

(Question No. 2581)

Mr Murphy asked the Minister for Health and Ageing, upon notice, on 9 October 2003:

(1) Has the Minister seen a report by Sue Dunlevy titled “US may force up prescription drug prices” in The Daily Telegraph on 22 September 2003.
(2) Can the Minister confirm whether US free trade negotiators have asked Australian officials for information on how Australian patent and intellectual property rules affect US pharmaceutical companies; if not, why not.

(3) Can the Minister confirm whether US negotiators or US pharmaceutical companies are targeting the Pharmaceutical Benefits Scheme (PBS) price control mechanisms as part their Australia-United States Free Trade Agreement (AUSFTA) negotiations; if not, why not.

(4) Will the proposed AUSFTA threaten the PBS; if so, how; if not, why not.

(5) Can the Minister confirm whether US negotiators or US pharmaceutical companies are targeting the PBS price control mechanisms as part their Australia-United States Free Trade Agreement (AUSFTA) negotiations; if not, why not.

(6) Can the Minister guarantee that the PBS will be exempted from any further AUSFTA negotiations; if not, why not.

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

(1) Yes.
(2) Yes.

(3) US negotiators have indicated an interest in the transparency of the Pharmaceutical Benefits Scheme processes, but, thus far, they have not presented any proposals to Australian negotiators.

(4) No. The Australian Government has confirmed that there is nothing in the Free Trade Agreement (FTA) negotiations that will limit the ability of the Government to provide affordable medicines to Australians through a sustainable Pharmaceutical Benefits Scheme.

(5) The Government is committed to ensuring that outcomes from the FTA do not impair Australia’s ability to meet fundamental policy objectives in health care. However, for negotiations to be constructive, each party must be allowed to explain its point of view on matters that it considers relevant.

(6) The Australian Government has confirmed that there is nothing in the Free Trade Agreement (FTA) negotiations that will limit the ability of the Government to provide affordable medicines to Australians through a sustainable Pharmaceutical Benefits Scheme.

Insurance: Medical Indemnity

(Question No. 2589)

Mr Murphy asked the Minister for Health and Ageing, upon notice, on 13 October 2003:

(1) Can he confirm that he received a letter dated 1 October 2003 from a paediatric orthopaedic surgeon at Sydney Children’s Hospital, Randwick, saying, that as a direct result of the Federal Government’s levy to cover incurred by not reported claims, five of his colleagues are resigning from the hospital and he will be the only remaining orthopaedic surgeon.

(2) What is he doing to ensure that this surgeon and his colleagues do not resign from the Sydney Children’s Hospital on 1 January 2004.

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

(1) I can confirm that I have received this letter.

(2) On 3 October 2003, after productive discussions with the AMA, I announced that the Government would undertake a policy review process to consider medical indemnity insurance issues in order to ensure a sustainable and affordable medical indemnity insurance system and to ensure that doctors, like the orthopaedic surgeons mentioned in the letter, do not resign from their posts but rather continue to provide their invaluable services to the community.

In the meantime, the Government has put in place an 18-month moratorium on IBNR contribution payments limiting contributions during that period to $1,000 per annum. Further exemptions have
also been introduced for doctors aged 65 and over, regardless of practice income; doctors who retire early due to disability or permanent injury; and doctors (and their estates) who die during a contribution year.

Current IBNR contribution notices will be withdrawn and existing payments refunded, pending the outcome of the policy review process.

The policy review process will focus on the need to ensure that doctors can continue to treat their patients with certainty and confidence, and that the medical indemnity arrangements which underpin this confidence provide secure and affordable long-term protection for all patients and doctors.

The policy review panel, which comprises members of the medical profession and Government, as well as a lawyer experienced in insurance issues and a financial expert, will report to the Prime Minister on 10 December 2003.

**United Nations: Trafficking Protocol**

*Question Nos 2596 and 2597*

Mr Kerr asked the Minister for Foreign Affairs, upon notice, on 13 October 2003:

1. When and where was the UN Protocol to Prevent Suppression and Punish Trafficking in Persons, Especially Women and Children opened for signature.
2. Which states have (a) signed, and (b) ratified the convention.
3. Has Australia (a) signed, and (b) ratified the convention; if not, why not.
4. With what, if any, obligations of a ratifying state does Australia not currently comply.

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


2. The United Nations had the following information recorded as at 13 November 2003:

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United Republic of Tanzania | 13 December 2000 |  
United States of America | 13 December 2000 |  
Uruguay | 13 December 2000 |  
Uzbekistan | 28 June 2001 |  
Venezuela | 14 December 2000 | 13 May 2002

(3) Australia signed the Protocol on 11 December 2002. Australia has not yet ratified the Protocol. On 13 October 2003 the Government announced that it will ratify the Protocol once all domestic requirements for ratification have been met.

(4) The Attorney-General’s Department has advised that Australian legislation and policies are already in compliance with the majority of the provisions of the Protocol. The $20 million package of measures to combat trafficking in persons announced by the Government on 13 October 2003 includes new offences to comprehensively criminalise trafficking in persons, and victim support and other measures which when implemented are expected to bring Australia into compliance with the Protocol.

**Attorney-General’s: Court and Tribunal Representation**

(Question No. 2610)

**Mr McClelland** asked the Attorney-General, upon notice, on 15 October 2003:

(1) Is he or his department aware of any research, reports or submissions which address the relationship between legal aid policies and levels of self-representation before courts and tribunals; if so, what are the details.

(2) What steps is he taking to address the number of Australians going before courts and tribunals without legal representation.

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

(1) The Attorney-General’s Department is aware that there is a range of reports and submissions that make reference to this issue, including a number of submissions to the current Senate Inquiry into Legal Aid and Access to Justice. It would not be practical for my Department to provide details of all such material to which it has had access. However, the following may be of assistance:

- Hunter, R, Giddings, J & Chrzanowski, A. Legal Aid and Self-Representation in the Family Court of Australia: A study to examine the relationship between the limited availability of legal aid funds for family law matters and the phenomenon of self-representing litigants in the Family Court, Socio-Legal Research Centre, Griffith University, May 2003.
The Government is aware that there are increasing numbers of self-represented litigants appearing in the High Court, Federal Court, Family Court and Federal Magistrates Court and that all courts are giving close consideration to how to provide more effective assistance to these litigants. The Government will continue to work with the courts on this issue. The Government has provided funding across the broad network of dispute resolution services. These include primary dispute resolution services, community legal services, clinical legal education programs and Australian Law Online.

A Project Team within the Attorney-General’s Department is developing a strategy paper on the future of the federal civil justice system. The Team will examine the issue of increasing numbers of self-represented litigants and the consequences for federal courts, amongst other things.

A list of initiatives from bodies within the Attorney-General’s portfolio to assist self-represented litigants is below:

- the Family Court project, ‘Self-represented Litigants – a Challenge’, launched on 5 December 2000, which is aimed at developing a coordinated national approach to service delivery for self-represented litigants
- the Family Law Council’s report, Litigants in Person (August 2000), which examined the effects of self-representation on the way in which a case was conducted
- the Family Court Future Directions Committee’s report (July 2000) on problems confronting self-represented litigants, which lists recommendations for improving the efficiency and effectiveness of court services
- the Federal Court’s Self Represented Litigants Management Plan, adopted in August 2002 to better meet the needs of Federal Court Self Represented Litigants,
- the Administrative Appeals Tribunal Outreach Program, which provides information about the Tribunal’s practices and processes to people who are unrepresented, and
- the Federal Magistrate Court’s project ‘A day in the life of a self-represented litigant’, which is designed to give the court a better understanding of the needs of self-represented litigants and assist it to address those needs.

The Family Law Assistance Program funded through the Community Legal Services Program assists people who would otherwise be unrepresented before the Family Court of Australia Dandenong Registry. This service is run by Monash University and Monash-Oakleigh Legal Service with assistance from the Victorian Court Network.

The Caxton Community Legal Service in Queensland receives funding to operate a specialist Family Law clinic in partnership with Griffith University School of Law which provides advice and support for litigants in person.

The NSW Court Support Scheme which is also funded through the Commonwealth Community Legal Services Program provides court users with information on court procedure, sources of legal assistance and general information, support and referral to individuals affected by the judicial system.

The Government funds a wide range of family support services under the Family Relationships Services Program to help families stay together and, where they do separate, to assist separating families to resolve family law disputes in a non-adversarial way outside the courts where possible. Under this program the Attorney-General’s Department funds community based services which provide family relationship counselling, family mediation, conciliation, primary dispute resolution services in regional areas and children’s contact services.

The 2003-04 appropriation to the Attorney-General for the Family Relationships Services Program is $29.7m.
Health: Autism
(Question No. 2657)

Ms Gillard asked the Minister for Health and Ageing, upon notice, on 16 October 2003:

(1) How many people in Australia were, and what proportion per 100,000 of population was, diagnosed each year for the last ten years with (a) Autism, (b) Asperger’s Syndrome, and (c) Pervasive developmental disorders or autism spectrum disorders and related disorders.

(2) What are the comparable international rates of diagnosis (either an international average or figures for comparable nations).

(3) Is the Government aware of (a) the availability of diagnostic services for autism and related disorders in each State and Territory, and (b) any waiting lists for diagnostic services; if so, how long are the waiting lists.

(4) Does the Government have any evidence indicating that Australian children are being diagnosed incorrectly with autism; if so, (a) to what extent, and (b) by whom.

(5) Does the Government have any evidence indicating that Australian children are being diagnosed incorrectly with Asperger’s syndrome; if so, (a) to what extent, and (b) by whom.

(6) Is he aware of the value of intensive behavioural programs in reducing the requirements of children with autism for special education and other costly interventions (Medical Journal of Australia 2003; 178 (9): 424-425) and does the Government provide any policy, coordinating or monitoring role in relation to these services.

(7) In respect of these programs in each State and Territory, does the Government collect any information on the (a) availability in each State and Territory, (b) funding, (c) level of intensity, (d) evidence of effectiveness, (e) specialist supervision by State and Territory governments of service delivery, (f) number and proportion of children with autism accessing an intensive behavioural program, and (g) parental involvement; if so, can this information be provided for the most recent year available.

(8) Does the Government have any information on comparative health outcomes for Australians with developmental disabilities; if so, can this information be provided for the most recent year available.

(9) Does the Government have any specific plans to further investigate, review or improve the health outcomes of Australians with intellectual and developmental disabilities; if so, what are the details.

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

(1) (a), (b) and (c) and (2) There are no Australian or internationally agreed figures for people with autistic disorder, Asperger’s Syndrome, pervasive developmental disorders or autism spectrum and related disorders.

(3) (a) and (b) The Australian Government does not provide services in relation to the diagnosis of children with autism and related disorders or Asperger’s Syndrome. This is a state and territory responsibility and the provision of treatment is the responsibility of the treating clinician. The Australian Government does not collect data on availability of services or on waiting lists.

(4) and (5), (a) and (b) It is well recognised clinically that autism and Asperger’s Syndrome can be very difficult to diagnose with the spectrum of Pervasive Developmental Disorders. There is no information of which I am aware that has formally assessed the accuracy of diagnosis in Australia.

(6) There is increasing evidence that behavioural intervention may improve cognitive, communication, adaptive and social skills in young children with autism. However this is by no means accepted in mainstream approaches to clinical care.
The Australian Government does not provide any policy, coordinating or monitoring role in relation to these services.

(7) (a), (b), (c), (d), (e), (f) and (g) As stated in Questions 1 and 2 above, there are no national data on the diagnostic profiles of people with autistic disorder, Asperger’s Syndrome, pervasive developmental disorders or autism spectrum and related disorders.

(8) The AIHW in its 2003 publication, “Disability support services 2002 – National data on services provided under the Commonwealth/State Disability Agreement”, includes data on service consumers with autism reported as the primary condition.

There were 2,500 service consumers recorded with autism as the primary condition on the snapshot data collection day (3.8% of consumers), and 73% were aged under 25 years. Only 301 (12%) were accessing employment services, and of the 1,276 consumers aged 16 years or more only 42 (3%) reported paid employment as their main income source. Some 89% reported the Disability Support Pension as the main income source.

(9) There is no specific review underway. The National Health and Medical Research Council will provide approximately $31 million in 2003 for funding research projects into mental health and neurosciences, which may have the potential to benefit those suffering from a range of intellectual and developmental disabilities.

**Hospitals: Patient Treatment**

(Question No. 2666)

Mr Brendan O’Connor asked the Minister for Health and Ageing, upon notice, on 23 October 2003:

(1) In respect of the statements made by Mr Jon Evans, Acting CEO of Western Health, at the Melton Health and Aged Care Forum, held at Melton Community Hall on the 3 October 2003 regarding a hospital services report by the Victorian Department of Human Services, can he confirm that the number of patients treated by the Sunshine Hospital Emergency Department increased by 5.1% from March to June 2003.

(2) Can he confirm that the number of patients treated by the Western Hospital Emergency Department increased by 4.3% from 2002 to 2003.

(3) Can he confirm that 10% more people attended Western Health Emergency Departments than in the previous year.

(4) Can he confirm that 70% of this increase in Emergency Department presentations was in Triage categories 4 and 5.

(5) Is he aware that, according to Western Health, patients are increasingly presenting at emergency departments with minor illnesses because of the shortage of GPs in the West, and because of the lack of bulk-billing doctors.

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

(1) (2) and (3) The Australian Government does not currently collect this information. The Victorian Department of Human Services publishes quarterly the Hospital Services Report. Data from the Hospital Services Report June quarter 2003 is consistent with the data provided in the questions. The Department has no means of confirming this data.

(4) This data is not reported in the Hospital Services Report June quarter 2003.

(5) While the issues of bulk billing and doctor availability vary from region to region it should be noted that for the area of Melton, where the Melton Health and Aged Care Forum took place, the bulk billing rate actually increased between the March and June quarters 2003 (to 58%).

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This data also shows that there are a number of doctors in this area who bulk bill all (100%) of their patients. Almost a third of services provided in this region were provided by these doctors. In fact, the doctors bulk billing less than 20% of the services only provided 3% of all GP services in Melton in the June quarter 2003.

**Foreign Affairs: Saudi Arabia**

(Question No. 2693)

**Mr Danby** asked the Minister for Foreign Affairs, upon notice, on 3 November 2003:

1. How many diplomats from Saudi Arabia are accredited to the Royal Embassy of Saudi Arabia in Canberra.
2. What are their functions.
3. With which Embassy officials has the Australian government been negotiating the issue of live sheep exports.
4. Has the Government called in any Saudi Arabian diplomats to explain the actions of the Saudi government in relation to the live sheep issue; if so, what explanation has been given.

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

1. Seven.
2. Diplomats generally perform a range of diplomatic, consular and administrative functions.
3. The Government has not been negotiating the issue of live sheep exports with officials of the Royal Embassy of Saudi Arabia in Canberra.
4. The Australian Government has called in the Saudi Chargé d’Affaires to express its concern with the Saudi decision. The Chargé advised that he had not received any advice from Riyadh on the Cormo Express rejection.

**Health: Logan West Area**

(Question No. 2704)

**Dr Emerson** asked the Minister for Health and Ageing, upon notice, on 4 November 2003:

1. Is Browns Plains, in the Logan West area of Queensland, classified as an outer metropolitan area for the purposes of the Government’s Outer Metropolitan workforce incentive programs; if not, why not;
2. If Browns Plains is classified as an outer metropolitan area for the purposes of the Government’s Outer Metropolitan workforce incentive programs, is it also classified as (a) a District of Workforce Shortage, and (b) an Area of Consideration status.
3. When did the Department last assess Browns Plains’ eligibility for (a) Outer Metropolitan, (b) District of Workforce Shortage, and (c) Area of Consideration status.
4. Does the Department intend to reassess Browns Plains’ eligibility for (a) Outer Metropolitan, (b) District of Workforce Shortage, and (c) Area of Consideration status.
5. What criteria does the Department use to assess eligibility for (a) Outer Metropolitan, (b) District of Workforce Shortage, and (c) Area of Consideration status.
6. Is the Government giving consideration to the placement of a Medicare Office at Browns Plains; if so, what is the status of that consideration.

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

1. to (5) Browns Plains was classified as an area of consideration for the purposes of the More Doctors for Outer Metropolitan Areas Measure in September 2003. This means that it is eligible for the programs and incentives available under this Measure. Areas of consideration are reviewed
regularly based on Medicare data and information provided by local organisations such as Divisions of General Practice.

(6) The Health Insurance Commission (HIC) administers the Medicare office network on behalf of the Australian Government. HIC is not considering the establishment of a Medicare office at Browns Plains at this time.