INTERNET

Proof and Official Hansards for the House of Representatives, the Senate and committee hearings are available at http://www.aph.gov.au/hansard

For searching purposes use http://parlinfo/aph.gov.au

SITTING DAYS—2004

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>10, 11, 12, 16, 17, 18, 19</td>
</tr>
<tr>
<td>March</td>
<td>1, 2, 3, 4, 8, 9, 10, 11, 22, 23, 24, 25, 29, 30, 31</td>
</tr>
<tr>
<td>April</td>
<td>1</td>
</tr>
<tr>
<td>May</td>
<td>11, 12, 13, 24, 25, 26, 27, 31</td>
</tr>
<tr>
<td>June</td>
<td>1, 2, 3, 15, 16, 17, 21, 22, 23, 24</td>
</tr>
<tr>
<td>August</td>
<td>3, 4, 5, 9, 10, 11, 12, 30, 31</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 6, 7, 8, 9, 27, 28, 29, 30</td>
</tr>
<tr>
<td>October</td>
<td>5, 6, 7</td>
</tr>
<tr>
<td>November</td>
<td>1, 2, 3, 4, 22, 23, 24, 25, 29, 30</td>
</tr>
<tr>
<td>December</td>
<td>1, 2</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

- **CANBERRA**: 1440 AM
- **SYDNEY**: 630 AM
- **NEWCASTLE**: 1458 AM
- **BRISBANE**: 936 AM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 729 AM
- **DARWIN**: 102.5 FM
**CONTENTS**

**THURSDAY, 11 MARCH**

**HOUSE**

Higher Education Legislation Amendment Bill 2004—
  First Reading .......................................................... 26569
  Second Reading .......................................................... 26569

Civil Aviation Amendment (Relationship with Anti-discrimination Legislation) Bill 2004—
  First Reading .......................................................... 26570
  Second Reading .......................................................... 26570

Telstra (Transition To Full Private Ownership) Bill 2003 [No. 2]—
  Second Reading .......................................................... 26609
  Third Reading .......................................................... 26609

Health and Ageing Legislation Amendment Bill 2003—
  Second Reading .......................................................... 26610

Health Legislation Amendment (Medicare) Bill 2003—
  Consideration of Senate Message ........................................... 26629

Questions Without Notice—
  House of Representatives: Speaker ........................................... 26633
  Medicare: Reform .......................................................... 26634
  Housing: Homelessness ....................................................... 26635
  Employment: Statistics ....................................................... 26636
  Medicare: Reform .......................................................... 26637
  Education: Teachers ........................................................ 26638
  Medicare: Bulk-Billing ....................................................... 26640
  Education: Funding .......................................................... 26640
  Education: Funding .......................................................... 26641
  Medicare: Reform .......................................................... 26643
  Telstra: Privatisation ......................................................... 26644
  Health and Ageing: MedicarePlus ........................................ 26645
  Howard Government: Leadership ........................................ 26646
  Workplace Relations ......................................................... 26646
  Australian Broadcasting Corporation: Radio National .................. 26648
  Immigration: People-Smuggling ........................................... 26648
  Aborigines and Torres Strait Islanders: Health ......................... 26650
  Australian Labor Party: Centenary House ............................... 26650

Personal Explanations .......................................................... 26651

Questions Without Notice: Additional Answers—
  Employment: Statistics ....................................................... 26652

Personal Explanations .......................................................... 26652
Papers ...................................................................................... 26652

Special Adjournment .......................................................... 26654

Matters of Public Importance—
  Poverty .............................................................................. 26654

Adjournment ........................................................................... 26668

Health Legislation Amendment (Medicare) Bill 2003—
  Consideration of Senate Message ........................................... 26668

Committees—
  Publications Committee—Report ........................................... 26669

Business ................................................................................. 26669
CONTENTS—continued

Adjournment—
  Insurance Public Liability .................................................................................................. 26669
  Paterson Electorate: TAFE fees ...................................................................................... 26670
  Veterans: New Recognition of Service Medal ................................................................. 26672
  National Breast Cancer Foundation ................................................................................ 26673
  Environment: Greenhouse Gas Emissions ....................................................................... 26674
  Small Business: Opposition Policy .................................................................................. 26675

MAIN COMMITTEE

Statements By Members—
  Western Australia: State Emergency Service ................................................................. 26677
  Liberal Party: Wentworth ............................................................................................... 26678
  Eastern Sydney: Infrastructure ......................................................................................... 26678
  Foreign Affairs: Taiwan .................................................................................................. 26678
  Financial Services .......................................................................................................... 26679
  Lilley Electorate ............................................................................................................. 26680
  Health: Dubbo Region ..................................................................................................... 26681

Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003—
  Second Reading .............................................................................................................. 26681
Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004—
  Second Reading .............................................................................................................. 26685
Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003, and
Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004—
  Second Reading .............................................................................................................. 26688
Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004—
  Second Reading .............................................................................................................. 26707

Committees—
  ASIO, ASIS and DSD Committee—Report ...................................................................... 26708

Adjournment—
  Health: Dental Services ................................................................................................. 26713
  Medicare: Reform ............................................................................................................ 26714
  Social Welfare: Poverty .................................................................................................. 26716
  Canning Electorate: Graffiti Task Force ....................................................................... 26717
  Education: Fairvale High School .................................................................................... 26718
  Immigration: Border Protection ...................................................................................... 26720

QUESTIONS ON NOTICE

Environment: Renewable Energy—(Question No. 2022) .................................................... 26722
Calperum Station—(Question No. 2023) ............................................................................ 26722
Yarra Valley Golf Pty Ltd—(Question No. 2890) ............................................................... 26726
Environment Protection and Biodiversity Conservation Act—(Question No. 2903) ..... 26727
Justice and Customs: Conclusive Certificates—(Question No. 2919 and 2929) .......... 26728
Agriculture, Fisheries and Forestry: Conclusive Certificates—(Question No. 2923) .... 26729
Education, Science and Training: Conclusive Certificates—(Question No. 2925) ... 26729
Foreign Affairs: Malaysia—(Question No. 2959) ............................................................ 26729
CONTENTS—continued

Australian National Audit Office—(Question No. 3046)............................................. 26730
Finance: Official Administered Payments—(Question No. 3047)................................. 26731
Australian National Audit Office—(Question No. 3048)............................................. 26731
Aviation: Sydney (Kingsford Smith) Airport—(Question No. 3059)............................... 26732
The SPEAKER (Mr Neil Andrew) took the chair at 9.00 a.m., and read prayers.

HIGHER EDUCATION LEGISLATION AMENDMENT BILL 2004

First Reading

Bill presented by Dr Nelson, and read a first time.

Second Reading

Dr NELSON (Bradfield—Minister for Education, Science and Training) (9.01 a.m.)—I move:

That this bill be now read a second time.

Mr Speaker, late last year I introduced on behalf of the government into the parliament a package of comprehensive reforms to Australia’s higher education system. The reforms now contained in the Higher Education Support Act 2003 and the Higher Education Support (Transitional Provisions and Consequential Amendments) Act 2003, have clearly assured a vibrant and strong future for Australia’s universities and will further enable the continued provision of world-class education to hundreds of thousands of Australians.

The measures contained in these two vital pieces of legislation will continue to deliver to universities $2.6 billion over the next five years and more than 34,000 Commonwealth funded places. The Commonwealth will provide some $11 billion of additional public funding to universities over the next 10 years. Just as importantly, this legislation will deliver much needed reform to the sector, enabling the growth and diversification of Australia’s already excellent institutions.

The bill now before us will make some minor funding adjustments to the acts to make the transition between the current and new funding arrangements as smooth and as effective as possible.

The Higher Education Legislation Amendment Bill 2004 will amend the maximum funding limit for grants made under section 23C of the Higher Education Funding Act 1988 to allow for price increases for current programmes and for the creation of new initiatives. It will ensure that the Regional Protection Fund delivers on the government’s commitment that no regional university would be detrimentally affected in its research funding by the Knowledge and Innovation reforms in the first three years of their implementation.

The bill will also provide $1.5 million this year to enrich Indigenous higher education in the Northern Territory and the relationship between Batchelor Institute of Indigenous Tertiary Education and Charles Darwin University. A total of $3 million will be provided for this initiative over the next two years.

The bill will also amend the Higher Education Support Act 2003 to reflect the correct funding to be provided under the act in relation to the Commonwealth Grants Scheme and other grants for the years 2005-07. It will also make some minor technical amendments to the Higher Education Support Act relating to the setting of student contributions and tuition fees, the remission of HECS-HELP debts for work experience in industry units, the definition of equivalent full time student load, and the notification of tax file numbers by students.

The bill will also allow higher education providers to set in advance the student contribution amounts and tuition fees which will be paid over the life of a course by the students who commence in that course in that particular year. This flexibility was requested by the universities last year and this bill will provide them with this.

The bill will also provide the minister with a discretion to approve funding increases under the Commonwealth Grants
Scheme in the first year of implementation, where the minister is satisfied that both the higher education provider has taken all reasonable steps within its power to meet the requirements of the governance protocols and the relevant state or territory has taken all reasonable measures to obtain necessary amendments to university enabling legislation. This will enable universities to benefit from additional money in 2005. Delays in passage of state government policy and legislation may otherwise prevent them from complying in full.

Finally, the bill will simplify the transitional funding arrangements in the Higher Education Support (Transitional Provisions and Consequential Amendments) Act 2003 for the University of Notre Dame Australia. The current drafting of the transitional provisions creates some unintended consequences for the University of Notre Dame and through this amendment, the transitional arrangements will be more appropriately and effectively managed while ensuring that the University of Notre Dame Australia’s current HECS-liable students can continue in their courses until 2008.

Full details of the measures in the bill are contained in the explanatory memorandum circulated to honourable members.

Mr Speaker, by making these adjustments to the Higher Education Funding Act 1988 and by further refining the operation of the Higher Education Support Act 2003, this bill improves the transition between the current and new funding arrangements. It will give Australia’s higher education providers the certainty that they need to plan for the implementation of the new framework in the coming year. In doing so it further enhances the package of reforms which will be the new foundation for Australia’s higher education sector.

I commend the bill to the House and present a signed copy of the explanatory memorandum.

Debate (on motion by Mr Edwards) adjourned.

CIVIL AVIATION AMENDMENT (RELATIONSHIP WITH ANTI-DISCRIMINATION LEGISLATION) BILL 2004

First Reading

Bill presented by Mrs De-Anne Kelly, and read a first time.

Second Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services and Parliamentary Secretary to the Minister for Trade) (9.07 a.m.)—I move:

That this bill be now read a second time.

Consistent with the government’s announcement in 1999 of its measured approach to aviation safety reform, the Civil Aviation Safety Authority (CASA) has been conducting a complete review of civil aviation regulations.

The objective of this review is to harmonise where possible Australia’s aviation safety regulations with international standards and make them simpler and easier to use and understand.

The Civil Aviation Amendment (Relationship with Anti-discrimination Legislation) Bill 2004 (the bill) will amend section 98 of the Civil Aviation Act 1988, which provides that the Governor-General may make regulations that may contain provisions that are inconsistent with current Commonwealth anti-discrimination laws if the inconsistency is necessary for aviation safety.
As the Civil Aviation Act 1988 currently stands, there is some uncertainty in relation to the validity of actions carried out in accordance with existing safety regulations where such actions may appear to be inconsistent with either the Sex Discrimination Act 1984 or the Disability Discrimination Act 1992.

The bill itself will have no discriminatory effect but enacts a necessary amendment to the regulation making power in the Civil Aviation Act 1988, not only for Australia to comply with international standards but also to ensure that the regulations assuring aviation safety are not compromised. The International Civil Aviation Organisation (ICAO) publishes standards and recommended practices, which have been developed to ensure the safety of air navigation. As a member state, Australia is obliged to implement ICAO standards in its aviation regulations.

The bill will enable regulations relating to medical standards to be made, even if they are inconsistent with the Sex Discrimination Act 1984, where necessary for reasons of aviation safety. Standards that are potentially inconsistent with the Disability Discrimination Act 1992 however are not restricted to aviation medical standards. As such, the inconsistency with the Disability Discrimination Act 1992 will unavoidably need to be broader so as to enable future regulations that are necessary for aviation safety to be inconsistent with disability anti-discrimination legislation.

For example, there may be a need to impose special conditions on pregnant pilots in their final trimester to minimise any risk to aviation safety arising as a result of sudden complications. People sitting next to aircraft emergency exits should not be suffering under any disability which would render them incapable of opening the exit hatch in an emergency. Aircraft must conform to onerous design standards which may, in a limited number of cases, render them incapable of being modified to provide unassisted access for some disabled persons. These types of provisions are important for aviation safety, and should not be construed as being unlawfully discriminatory.

The bill also includes a provision to validate actions potentially contrary to anti-discrimination legislation that were taken in the past under the regulations. In a separate provision, the bill validates the regulations themselves in relation to their operation in the future. In clarifying the Governor-General’s regulation making power, this amendment will assist the regulatory reform program that CASA is currently undertaking.

As for all regulations made by the Governor-General under section 98 of the act, regulations which have the potential to be inconsistent with Commonwealth anti-discrimination legislation will be subject to clearance by the Human Rights branch of the Attorney-General’s Department and will undergo comprehensive consultation procedures and parliamentary scrutiny.

Although the government acknowledges that these amendments will allow inconsistency between aviation regulations and anti-discrimination legislation, it is the government’s belief that any such regulations will not be unnecessarily restrictive or discriminatory, especially when viewed in the context of the government’s obligation to protect the safety of flight crew, fare-paying passengers, other aircraft and people on the ground. I present the explanatory memorandum to this bill.

Debate resumed from 10 March, on motion by Mr Williams:

That this bill be now read a second time.
Mr BRENDAN O’CONNOR (Burke) (9.13 a.m.)—I rise to oppose the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2]. This bill, if enacted, would repeal the provisions of the Telstra Corporation Act 1991, which requires that the Commonwealth retain 50.1 per cent of equity in this company. As the House would recall, this same bill was rejected here in August last year and last October in the Senate. I think it is well known now that a large majority of Australians oppose the sale. There was a time when the government was calling the Labor Party elitist—a party that was looking to represent the elites. Today it is a different story. Today the charge against the Labor Party is that we are populists. I do not mind being a populist if I take a position that is supported by almost 70 per cent of the Australian population, and indeed this bill is opposed by that proportion of people in this country.

It is important to make Labor’s position very clear. We are the only political party in a position to govern this country that remains unequivocally opposed to any further sale of Telstra. We believe it is essential that the majority of Telstra stays in the hands of all Australians oppose the sale. There was a time when the government was calling the Labor Party elitist—a party that was looking to represent the elites. Today it is a different story. Today the charge against the Labor Party is that we are populists. I do not mind being a populist if I take a position that is supported by almost 70 per cent of the Australian population, and indeed this bill is opposed by that proportion of people in this country.

It is also the case that the reporting to government would stop if government equity fell below 15 per cent. Again, it is not only a matter of control; it is also about the extent
of the equity the government will have in the corporation. If it were to fall below 15 per cent, there would be no further requirement on Telstra to report in the manner in which it does now. We are setting up an extraordinarily large private monopoly in telecommunications, with a corporation whose chair and CEO have already flagged their intention to consider purchasing media outlets. There were recent reports of the Telstra CEO talking up the possibility of purchasing Fairfax. People have to really understand the consequences of this bill if it is enacted. I believe the sale of Telstra will leave the Australian public worse off.

I think it is also important to note the comments made by the shadow minister, the member for Melbourne, yesterday in question time and in the MPI, and reported in the newspapers today, about what has been found in confidential internal Telstra documents. Those released documents show that telecommunications services in regional Australia are not only not up to scratch—to use the Prime Minister’s phrase—they are getting worse. The government’s case for selling Telstra is built on a gigantic lie. These documents illustrate that Telstra has misled the parliament. It is my view that, either deliberately or otherwise, the government has misled this place.

The documents show that the fault rates in Telstra’s network are at a six-year high, that they have been increasing since June 2001 and that they accelerated in the last nine months of 2003. They reveal that the fault rate is increasing steadily in both regional and metropolitan Australia and predict that the fault rate will continue to grow between now and mid-2005. So clearly it is not the case that things are getting better in the telecommunications area—the basis upon which the Prime Minister, and the minister responsible, argue that the sale should proceed. Indeed, they are getting worse. Telstra itself says they are getting worse, so how can it be that this government is considering the sale of Telstra today? The fact is that this government has no regard for the deficiencies in the system and no regard for those people that will be affected by the sale. That is a major concern to me and to all members on this side who deal with these concerns every day.

As the member for Cowan rightly said yesterday, the problems are not just in regional Australia. I cover areas in western Melbourne that are having major problems in connections. As a member who represents both metropolitan and regional areas of Victoria I can put on the record that the complaints that are being presented to my office are coming from both urban and rural areas. My concern is to see that these things are fixed and rectified. I can cite many examples. I have already, last year, reported to this place concerns that local constituents of mine have had in dealing with the Telstra corporation.

Andrea Macdonald is a mother of two young children who lives in the Hesket-Romsey area. In mid-November last year linesmen working on the roadside near her house accidentally put her telephone out of commission. Andrea, who had recently had abdominal surgery that made her unable to drive, became effectively isolated—with her two children—whenever her husband was away at work. There is no mobile phone coverage in the vicinity of her property.

How quickly did Telstra move to remedy this potentially dangerous problem? It took—according to Andrea’s father, Mr Max Ramshaw—several days of complaints before they received a promise to attend to the problem. Indeed, in the end it took six days for her to be reconnected. The fact is Romsey is an hour’s drive from the CBD of Melbourne. It is not remote Australia. People
commute from Romsey to Melbourne. Yet it took a full week for a person who was recovering from an operation to have her line re-connected.

There are other examples I could point to that show the same problem. In fact, perhaps I will mention another. I received correspondence from a father of a constituent who had recently moved from a small town called Bullengarook, which is in my electorate, to Woodend, a rather large community in the electorate of Burke. The father spoke of his daughter, a single parent with a child who recently moved to Woodend. She had been attempting to get a telephone line for over one month and was concerned that she was not able to have it installed. When her father wrote to me on her behalf he indicated his concern about the fact that she had not had a landline installed in her new house in Woodend after a month.

How far from Melbourne is Woodend? It is just over an hour’s drive from the CBD. While it does seem to be in regional Victoria, it is very close to the central business district of the capital of Victoria. Yet these problems are occurring on a daily if not hourly basis in my electorate. I have not seen any evidence of those problems abating; I have not seen those problems being rectified. The concerns that I held last year when I spoke on this matter in August I hold now. I hold them now because I believe that telecommunications are vital. It is a government’s obligation to ensure that there is a proper telecommunications service for all Australians, wherever they live.

I would also like to make reference to the fact that the Prime Minister visited my electorate last year. He did not invite me to any of the local functions but he did attend functions in Mount Macedon and met with local communities. It is a big thing for a Prime Minister to visit anyone’s electorate. I am disappointed that I was not invited to be there to attend what would have been a more charged engagement because I would have liked the opportunity to ask the Prime Minister how he was going to solve not only problems in health—the deficiencies we have in bulk-billing in the regions that I represent—and education but also how he was going to help us with the problems we are experiencing in relation to Telstra. I was not given that opportunity.

He did, however, manage to bring with him the member for McEwen. The member for McEwen found herself in my electorate. I understand that, as a Liberal candidate for the newly constituted electorate of McEwen, Fran Bailey will be asked—as I am asked—what her position on the sale of Telstra is. The 15,000 or so voters of the electorate of Burke who will at the next election find themselves in the seat of McEwen will want to know where the candidates of that seat stand with respect to this matter. They will want to know where the candidates stand. It is important for them to know that. We in this place all know that Fran Bailey, the member for McEwen, voted to support the sale of Telstra. I would not be surprised if she were to vote to support the sale when the debate has ended on this matter.

This is a critical problem. Most of the problems that I have experienced in relation to Telstra happen to occur in the Macedon region. That is the exact region that is going to be incorporated into the electorate of McEwen. I know where the Labor candidate, Jenny Beales, stands on that matter. She is totally opposed to the sale of Telstra. The community will want to know that.

They have a simple choice, at least when it comes to this matter. I accept the fact that people do not vote on one matter alone when it comes to an election. People have to look at a whole variety of issues when they make
up their mind and put that paper in the ballot box. That is up to them. It is their conscience and their judgment being expressed through the ballot box. But I know one thing: the issue of Telstra is a large one in this region. In terms of that referendum, we know where the two major candidates for the new seat of McEwen will stand on that matter. The Labor candidate opposes the sale and the Liberal candidate, the current member for McEwen, supports the sale of Telstra.

It is something that is going to cause her some electoral concern, because people are not coming up to me saying, ‘You should support the sale.’ I know there are many people who are shareholders in Telstra, but the concerns expressed to me are, ‘It is not perfect now; how is it going to go if it is sold?’ I think the answer to that has already been raised by many speakers and indeed by the shadow minister yesterday. There are deficiencies; it is not up to scratch. Irrespective of the fact that the Prime Minister indicated that the sale was conditional upon fixing the problem, it appears today that that is not the case. The government is not concerned about fixing the problem and will push the sale regardless of people’s concerns.

I oppose the sale of Telstra—as do all the Labor members—and I believe it is critical that such a vital national telecommunications system is preserved in the hands of all Australians, as it has been for generations. It is the only way to protect the integrity of the telecommunications system and to ensure that those areas that are not so proximate to the capital cities around Australia are going to be looked after. It is the only way to ensure there is fair and equal access to telecommunications in this country.

Mr ZAHRA (McMillan) (9.31 a.m.)—I rise to speak to the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2]. It is a good thing to follow a speaker from another country electorate; as country members of parliament, it is a good club that we are in. I think that on this issue we are all pretty much of the same view, at least in our hearts. We know that it is a real battle in country districts to get services out to the regions and rural districts we represent. We know that as country members of parliament we have to work hard to make sure that we get those services, because the country is different from the inner city. The inner city has a momentum all of its own and tends to attract services just by dint of its location and the pressure associated with population, which means that it gets all the services. So, in country districts, we do have to work hard to make sure that we get decent services and, in particular, that those essential services that our community depends on are in place and are working at an adequate level.

This is particularly true for telecommunications. Telecommunications are an essential service; they are something which regional communities depend on absolutely. This is why, as members of parliament representing those places, we have to make sure that what we decide here is the best policy approach for delivering services to those country districts. Any country member of parliament who stands up in this place and says that there is any enthusiasm at all in rural and regional Australia for the sale of Telstra is not telling the truth. I think that is genuinely the case. In my electorate, I conducted a survey on this issue, which I sent to everyone who lives in the country towns and rural districts in my area. I had 12,194 people respond to the survey and, of those people who responded, 10,079 thought that services in country districts would deteriorate if Telstra were fully privatised. That is an incredible statistic. And the same proportion of people did not want to see the full sale of Telstra because they thought that would lead to a
deterioration in the telecommunications service levels in their regions.

That is a genuine reflection of the attitudes and views in regional and rural areas. It is a very arrogant government indeed that does not have any regard for that view, that sincerely held expression from country Australia, and that is exactly what we are seeing from the Howard government. The Deputy Prime Minister goes around saying that there is a great enthusiasm in rural and regional Australia for the sale of Telstra. He says that this is something that people want to see happen. I think that reveals just how shockingly out of touch the Deputy Prime Minister is. If he got out of Canberra a bit more and spent a bit more time with people in country districts he would appreciate that. I think he should stand up in a public meeting in rural or regional Australia and say, ‘What do you people think about us supporting the full sale of Telstra?’ and subject himself to what people in country districts think of the policy position which his party, The Nationals, and the Liberal Party have both enthusiastically embraced.

This is an important issue. It is a particularly important issue in rural and regional Australia, which is why I feel so strongly about it. One of the things which a fair few people in our community still do not know about this bill relating to the selling off of the remaining 50.1 per cent of Telstra is that about $600 million of taxpayers’ money would go into the hands of the merchant bankers and lawyers who stitch up the deal—$600 million of public money. What an enormous amount of money to go to a group of merchant bankers, lawyers and advisers, who all would be based in Melbourne and Sydney. It is unconscionable that so much taxpayers’ money can go to a group of people who are already very affluent and are not really contributing any productive purpose to the sale of this company.

We could do a lot with $600 million if we were looking for programs in country districts to support with that money. We could accelerate the roll-out of broadband to country districts, improve road infrastructure and do something practical to improve the lot of aged care centres in rural areas, which are really struggling, as all the country members in this parliament would agree. We could use it for a raft of other initiatives for worthwhile causes in rural and regional Australia. I do not think that $600 million to merchant bankers and lawyers is the best way to spend that public money.

It is an indictment of The Nationals that they have not been prepared to stand up for rural and regional Australia in relation to this. They should be saying that this is unacceptable; they should be saying to their coalition partners—if they have any guts or gumption at all—that this is unacceptable. They should be digging their heels in, standing up for their constituents and saying that they will not support the full sale of Telstra. I know that is a view that is held in the hearts of a number of country members of parliament in The Nationals. I know it is a view held in the hearts of a number of country members of the Liberal Party in this place as well. I say to those people today: ‘Speak up and say what you really think in relation to the full sale of Telstra. Don’t hide behind your party. Don’t hide behind having to do whatever the Liberal Party say to you. Stand up and speak out on behalf of your constituency.’ This is not something that should be too hard.

Because so many people in my constituency ask me this question when I get about, in particular in the rural districts in my constituency, it is worth me asking it in parliament today: where are the hard men of The Nationals nowadays? Where are the strong people in The Nationals nowadays? As you know, Mr Deputy Speaker Jenkins, I grew up
in the Latrobe Valley. For a period of time, the federal member of parliament for part of the Latrobe Valley was a bloke named Peter Nixon. He used to be the member for Gippsland. The one thing we all knew about Peter Nixon was that, while we might not have liked his politics, he was a pretty tough sort of character and did a pretty tough and effective job in general terms in getting stuff for his constituency and standing up for the people in his constituency. I say to the contemporary Nationals—the people who parade themselves around here as the heroes of rural and regional Australia—that they should be as tough and as forthright in defending rural and regional Australia as people like Peter Nixon.

It seems to me today that when you look at the modern Nationals they really do not come close anymore. It is pretty hard to distinguish between them and the Liberal Party nowadays. When you look at ministers like the member for Gippsland and the Minister for Children and Youth Affairs and the Deputy Prime Minister what do you see? Let me quote the member for Page: ‘Liberals in gumboots.’ That is what he said about them, and I could not agree with him more. As you know, Mr Deputy Speaker, it is not often I agree with the member for Page, but on this I have to say that he has got it spot on. People in country districts expect more from The Nationals than them just being sycophants to the Liberal Party and being people who are not prepared to stand up for the interests of rural and regional Australia.

We know that there are some problems in telecommunications service delivery in rural and regional Australia right now. We know that in a lot of country districts people do not have access to the range of basic telecommunications services that many people in suburban and city areas have access to right now. In some cases, there is really no plan for the roll-out of those services to those districts either. This is something which is a concern to us and it is a real worry for those country districts. I am talking about services like high-speed Internet access and decent mobile phone coverage. I am talking about having reasonable response times when there are faults and giving people the opportunity to connect to the network without having to wait several weeks in order to be able to do that. We do not feel like we are asking for too much in requesting those services. We are just asking for a level playing field and the same types of telecommunications services as people have elsewhere.

We know in country districts that if we do not get those services we will be left behind. We know that those types of services—broadband in particular, and good mobile phone coverage—are a big part of our future. As more and more people are able to work effectively away from the capital cities we know that if we do not have broadband, good mobile phone coverage and good access to the network from those country towns and rural districts we will be left behind and we will miss opportunities. The further behind you get as a country district in terms of telecommunications services, the further behind you get in terms of living standards—that is what we have worked out very quickly in country districts. It is not just important in terms of the narrow range of activities associated with telecommunications that we are up to speed with what is going on in the suburbs and in the cities; more generally, it is important in terms of our ability to compete effectively with the suburbs and the cities and our ability to attract professionals and provide an adequate range of opportunities for people living in our rural districts and regions. We know how important telecommunications services are.

We know that it is very hard now to get these services, but we all appreciate that if we do not get these services now—and we
have to fight hard to get them now—we have got no chance in the future if Telstra is fully privatised. We all understand that. We know what will happen. It will be exactly the same as what happened to us when the banks were deregulated. We know what happened there—they all left town in a hurry and we have not seen them back and we have got no prospect of ever getting them back. We know just how devastating that was for rural and regional Australia, particularly the smaller rural districts. It was a real blow.

I can remember when the last bank closed up at Neerim South, north of Warragul. It was a heartbreaking moment for the town and it really knocked the stuffing out of the township. It is to the credit of places like the Neerim district that they got together and formed a community bank under the auspices of the Bendigo Bank Group and were able to start up their own bank branch. That was not easy and there was a lot of hard work that had to go into doing that. But this is the effect that these types of decisions have on country communities. When the bank shuts down it really does affect country districts. In the same way, if telecommunications services are allowed to be wound down we know that this really will affect, over a long period of time, the running down of country districts and rural areas. We need to make sure that does not happen here. The best way we can make sure that does not happen is by ensuring that Telstra is not fully privatised. We really need to have an honest expression of the views of the Australian people on that issue in this parliament.

Again, I urge the people in The Nationals and the Liberal Party who represent country districts not to be shy here. This is not the moment to be shy or timid in genuinely representing the attitudes and views of people who live in your electoral district. They vote for you to represent them. They vote for you to stand up and fight for them, not to be cowed by the political party that you might be a part of. They vote for you to stand here as their representative and honestly represent their views and opinions. About a third of us in this place are country members of parliament. If we cannot come together on this, what can we come together on? There is hardly any other issue that unites all of the country members of parliament in this place.

About a third of us from The Nationals, the Independents, the Labor Party and the Liberal Party represent country districts in this place. I say to those opposite that this should be an issue that unites us. This should be an issue on which all the country members of parliament can come together and say honestly to the executive: ‘This is an honest expression, Prime Minister. People in our rural districts that we represent are overwhelmingly saying, “Do not sell the remaining share of Telstra.”’ I think this is what people in the community expect of us. They expect us to be proper representatives of their views and opinions. On this issue, I think it is overwhelmingly the case that people in country districts right across this country, who are represented here by Nationals, Liberal Party, Independent and Labor members of parliament, are all of the same voice. I urge those opposite to stand up for their constituencies, support the Labor Party on our opposition to this sale and represent the people who put them into this parliament.

I want to talk a bit about the good work that is going on in some rural districts by local Internet providers and those people attempting to essentially do the work that Telstra should be doing in providing high-speed Internet access to people who live in areas in rural and regional Australia where Telstra has not seen fit to put in place a broadband connection. I particularly want to talk about the good work that DCSI, a company based in West Gippsland and run by Mr Mark McKibbon, is doing in providing high-
speed Internet to those country districts in my electorate which Telstra has not seen fit to connect to high-speed Internet. In particular, I want to praise Mr McKibbon and DCSI for connecting the township of Trafalgar to high-speed Internet through a wireless connection. I remember having a conversation with Mr McKibbon about this following a public meeting that we had in Trafalgar, to which I invited the shadow minister for communications, the member for Melbourne, to come along and hear the views of people in that township on telecommunications. A number of people there expressed a strong desire to be connected to high-speed Internet and felt frustrated that Telstra had no plan to connect the township to broadband.

Out of that public meeting, I initiated a discussion with Mr McKibbon and we talked in some detail about why it would be a positive thing for the township if he were able to offer a high-speed wireless Internet solution for the people who lived in that town. To his credit, he has acted on that conversation and no doubt on other conversations that he has had with people in the township. I am pleased to be able to advise the parliament that the township of Trafalgar now has access to high-speed Internet. I think that is a great example of how local people are able to come together and achieve good outcomes. I really want to place on record my appreciation of Mr Mark McKibbon and DCSI for being prepared to listen to the concerns of people in the local community and Trafalgar and to act—

Mr Edwards—It is a great example of a local member doing his job.

Mr ZAHRA—I thank the member for Cowan. I know that he is very active in his local district as well and works very hard to make sure that services in his area are provided to the community that he serves. I ask Telstra why it is that people like Mark McKibbon and DCSI have to step in, often with frustratingly little support from Telstra, and provide this type of service when Telstra is not providing the type of support to these districts that it should be. In the case of the high-speed Internet connection that DCSI are providing to Trafalgar, there is an additional cost to people who connect because they are not able to get the benefit of Telstra's massive purchasing power in buying the high-speed modem that is required for customers to be able to access that service. It is my view that, if Telstra are not providing the service, the Commonwealth government should offer a subsidy to those people in order to make it more cost effective for them to connect to high-speed Internet.

In conclusion, let me say that The Nationals have really sold out the interests of rural and regional Australia. They have been a gutless mob in relation to this. I ask them again: what would the really tough people in The Nationals who have gone before you think of your decision making today? They would hope that you would have the courage and conviction to stand up for people in rural and regional districts. (Time expired)

Mr HATTON (Blaxland) (9.51 a.m.)—I rise to speak on the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2]. If you look at the papers from the last couple of days, you will see a number of headlines about Telstra and what the CEO of Telstra has done recently along with his board. One article in the Australian of Tuesday, 9 March has a wonderful headline which reads, ‘Ziggy signals Sensis spin’. Ziggy might be talking about Sensis, but there is no sensible policy coming out of the Telstra board or the CEO of Telstra. Taking the Sensis business—the Yellow Pages and so on—and adding to that the Trading Post and trying to buy, at a very high premium, more advertising for Telstra to allow them to get into the market to compete with PBL and Murdoch in the
advertising revenue game is something that Telstra did because they could not take up the whole of Fairfax.

They already had a significant business in terms of the Yellow Pages. This is now a much bigger business, because they paid a very high premium to buy into a larger area of business—that is, the Trading Post empire, which has now been incorporated into Telstra. That puts them in direct competition with Fairfax, a company which, it was indicated just a little while ago, they wanted to buy the whole lot of, because they wanted the revenue coming from the Fairfax strength in advertising. They wanted to become an even bigger player in Australia’s media.

Switkowski and the board of Telstra have it in their heads that they are not a communications company but a media company and they are not about providing fundamental Australian infrastructure in the communications area and maintaining that, both in the cities and the country. This is a company that is on a mission. It is on a mission to become a major media player in this country, to divest itself of its traditional ways of going about business and to become a major Internet player—not in terms of providing broadband access for all Australians, but because they see it as a way of building their profile as a broadcasting company or as a media company.

They are locked into the notion that has been fashionable over the last five years in particular—that you need to aggregate all of your businesses in the communication, broadcasting and media area, otherwise you will not be able to do business profitably or effectively. There are examples across the world, both in Europe and the United States, where those companies that have gone down that road have hit the wall in an extremely big way. One only has to think of the debacle of WorldCom and the fact that, when it crashed and burned to the ground, there was a major impact not only in the communications area but also across a broad range of media interests because of companies inappropriately mixing their functions, inappropriately trying to get too big too fast and inappropriately trying to be all things to all men.

We still have, right now, a company that is virtually a total monopoly within Australia in the communications area. It is just over 50 per cent owned by the Commonwealth government. When it was 100 per cent owned, we had a total monopoly in the communications area and the total responsibility of that government owned entity was to deliver services to all Australians. It was fundamentally understood that, just as with Australia Post, if you are going to effectively provide for all Australians, whether they live in the city or the country, given the geography and topography of Australia you have to cross-subsidise and take into account that there are enormous costs to get effective and modernised communications out to rural and regional Australia. Those of us who live in the cities, where it is a lot easier to provide those services, need to pay part of the cost burden to do that as part of our social compact. That has been the case in Australia for the whole of our modern history as a federation, for more than 100 years.

That is understood in the way that Australia Post operates. That is understood in the way that past governments have seen this. But this government has a different point of view. We know what it would like to do with Australia Post—that is, chop it up, cut it to pieces and get rid of the burden of the regional cross-subsidies in exactly the same way that it wants to deliver itself of the burden of owning half of Telstra and being responsible for it. This is a government driven by market ideologies—a government that wants to walk away from the responsibility
of fundamentally maintaining, renewing and reinvigorating the telecommunications infrastructure of this country.

One of the things that need to be very well understood is what lies at the core of what we are looking at with Telstra. This is a company that started out providing voice services and still predominantly provides those voice services, either through the plain old telephone service at home or through mobiles. But those voice services it provides are becoming data services as well. Whether you are looking at the existing copper wire provision in the home or at mobile services, it is data that is becoming a larger and larger part of the service that Telstra is providing.

This is a company that does not see the importance of its fundamental considerations—those that have driven it for most of its history. It is a company that, I think, in the last eight years in particular, has set its focus on being something entirely different. The people who are running it do not see the importance and significance of doing the hard, grinding, straightforward work of running a communications company. They seem to want to run something else. We have had example after example of how Ziggy Switkowski and Ted Pretty have attempted to dramatically change this company by making it one of the big media players in Australia. By combining it with companies overseas in joint ventures, they have developed significant ways of wasting billions of dollars, not only of private investors’ moneys but also of Commonwealth moneys that should have gone to reinvestment into Telstra’s infrastructure and capacity.

They have done that in extraordinary ways. In Singapore and in Hong Kong they have attempted to buy out whole areas where they thought there was enormous money to be made. What proved to be the case was that these areas were giant sinks in which hard-earned Australian money was simply sent down the chute, never to be seen again. The losses are in the billions. We have a problem in that we have a company that was a natural and complete monopoly which is now part owned by some Australians and not all. A couple of million Australians have shares in Telstra rather than the 20 million who used to own the lot—but the 20 million do have an interest in half of the company.

The bill before us today—it is very similar to bills that have been before us previously—would seek to take that full ownership, which has been halved, and strip away what goes with it: the regulatory power that the Commonwealth has; the power of direction. If you look at the specific provisions of this bill, you will find in part 2 of schedule 1 that the minister can give certain directions to Telstra in the public interest. That will cease to apply when the minister is satisfied that the Commonwealth’s equity has fallen below 50 per cent. He can give directions now and has always been able to give directions. He has that as a reserve power and a guiding power in how this corporation operates. We are over 50 per cent now, but as soon as it falls to below 50 per cent he no longer has to give directions.

What is far more fundamental in terms of regulatory impact is what happens if the provisions of this bill come into operation. If those people in the coalition—The Nationals included—vote for this bill again in this House and it is passed in the Senate, what will happen when Commonwealth ownership falls below 15 per cent? The current provisions will no longer prevail because the threshold point of 15 per cent will mean that the regulatory aspects—the government’s power to control what Telstra does—will be stripped away. It will not do anyone any good in this country to complain about Telstra’s overweening power, its monopoly power in this area, because they simply will
not be able to get the government to respond. All of the reporting obligations that Telstra has—giving financial statements, notifying of significant events, keeping ministers informed and the requirements of its corporate plans—will cease completely. All reporting control over Telstra will simply disappear and vanish into the mist. Telstra will then be able to do whatever it likes.

We know, on the basis of what they own in the advertising media through Sensis, including what they gained with the Trading Post, that the company have diversified into that area. We know to our cost of the shambles created by their attempts to diversify into the phone market in Asia. We know that there have been a whole series of badly judged attempts to be something completely different from what they are. The Telstra board need direction from the minister. We certainly know they need regulation provided by the Commonwealth, but they need direction in getting back to the fundamental task of rebuilding this great company. They have not had their eye on the ball regarding where their proper duties and responsibilities lie.

As the shadow minister has indicated, if you look at an overall report card on what they have been up to over the period since the coalition came to office, you will find a deteriorating network, crippled by major investment reductions and staff cutbacks. Everyone who has worked for Telstra in the past and is now out of it will tell you privately that part of the reason they left was not only the government drive to strip thousands of jobs out of Telstra—indeed, we are now down to 37,169 people working for this company; not too long ago there were 50,000 people working for Telstra—but the way in which the executive, under government direction, insisted that the maintenance of the network was not one of the key priorities. They know that their hearts were broken by this. Those people who proudly built one of the great companies in Australia were told that they could let it go and hang because priorities had changed. The priorities were not about making sure that the best possible service could be delivered Australia wide to people in terms of the voice network and the data services that had been rolled in.

We know that there have been enormous losses on investments in Asia. Almost anyone advising this bunch of clowns running Telstra could have told them what they were walking into, but they poured billions of dollars down the drain. You did not need much hindsight in this. Anyone exercising any foresight in that market could have advised them that it was not a sensible set of investments to make. That did not stop them, and it has not stopped them being adventurous in other areas. They have also been rapidly escalating line rental fees, which are not adequately compensated for by reductions in call prices. There has been inadequate competition because of Telstra’s market dominance and control of the fixed line network.

What else? There has been poor roll-out and take-up of broadband compared with equivalent countries. In case after case and in town after town, people will tell you how bad the provision is within their area, and how little hope they have of actually being able to get up to speed in terms of Internet access with this government in power and with Telstra operating in the way that it is at the moment. Lastly, an emerging Telstra focus is on moving into other sectors such as media and information technology management at the expense of traditional responsibilities, as I have spoken about at length. That combination of problems goes to the core question of what this government thinks its responsibilities are with regard to the biggest company in Australia, which it half owns, and what it sees as the future for it.
Way back in 1990-91, when the changing role of Telstra was being debated, the member for Bennelong argued that the whole lot should be sold. That has been his target since he came into parliament in 1974. This is a person who believes in untrammelled, unregulated markets—in just letting business do whatever it wants to do. It is a very 19th century notion of how the place should be run. He does not believe in taking responsibility for this significant government enterprise—but Labor do. We do not believe any more of it should be sold. We do not believe the first half should have been sold.

We have a four-point plan to try to put Telstra back into the condition it should be in—to refocus it so that it concentrates on what its core responsibilities are. The shadow minister has outlined that plan, but I want to repeat these points because they are very important. The first is that Telstra will be required to intensify its focus on its core responsibilities to the Australian community and reduce its emphasis on foreign ventures and media investments—to bring it back to what it should be doing. This is not in line with what some people on the board and in the executive want to do—that is, to become the people who run the biggest company in Australia, with a monopoly over not only communications infrastructure but also media.

The second is that Telstra will be asked to intensify its focus on the provision of affordable and accessible broadband services for all Australians. We know that that will enable communications and a network which can provide a strong backbone for the economy of Australia in the future. It can be done. This government has not really applied its mind to the task.

The third is to strengthen the competition regime, to have stricter internal separation of Telstra’s wholesale and retail activities, and to ensure that the regulation of Telstra really operates in the manner that it should. The last is that consumers will be given stronger protection from sharp practices by telecommunications companies, and the price control regime will be made fairer.

As has been said time and time again—and was well said by the shadow minister—we think this company should be a builder and not a speculator, a carrier and not a broadcaster. This is not a company that should be given licence to make whatever money it wishes. It is not a company that should be given licence to take over as many other businesses in Australia as it wants. And it is not a company that should be sold for a one-off benefit with no dividend return to all Australians in the future.

The whole notion that you would take this natural monopoly, which was a natural government monopoly, and turn it into a completely private monopoly, untrammelled by government regulation or direction, is simply madness. This government has taken the dollars for half of Telstra and is trying to do the same again here, with a smart little thing that is involved in this bill: options and derivatives trading in Telstra. Is this the way the government wants to get below 50 per cent? It is trying to bring in a whole new way of going about things—not selling Telstra directly but setting up a mechanism in this bill to have trading in options and derivatives so that it can start to sell Telstra by stealth. That is a new mechanism that the government has come up with.

But at the core of this debate lies the fact that this company is fundamentally important. If you do not see that it works in Australia’s interests, the national interest and the regional interest, year after year, in providing and maintaining services, and rebuilding, reinvigorating and re-energising the network, and you do not see that this public company,
which is still half publicly owned, can give
the public a return on their investment—and
have that happen from now until the end of
time—and you take the government’s line,
we will see only one amount of money; we
will not see year-on-year dividends for the
Australian people. (Time expired)

Mr MARTYN EVANS (Bonython) (10.11 a.m.)—As I move around the rural
and regional areas of the electorate of Wake-
field, which I seek to represent at the next
election, and I look at towns like Clare,
Balaklava, Kapunda and Port Wakefield and
the many farming areas, homesteads, farm-
houses and some more remote houses and
residential enclaves, it becomes clear to me
that Telstra is indeed failing regional and
rural Australia. It is also failing metropolitan
Australia in many ways—and much of the
electorate remains within urban Australia—
but I think the crisis is much worse in rural
and regional Australia. I will direct many of
my remarks on the Telstra (Transition to Full
Private Ownership) Bill 2003 [No. 2] to-
wards that crisis in rural and regional Austra-
lia and how it affects that part of the district
which I seek to represent and which I am
becoming increasingly familiar with as I
move further around that area of the elector-
ate.

In this debate and in its comments during
question time recently, the government has
sought to disparage the old PMG. The old
PMG operated in an era when the telecom-
munications system was not in the state that
we know it to be in today. The technology
was much more primitive by the measures
with which we operate these days. Although
the telecommunications system was regarded
then as very much state-of-the-art, we would
see it now—as the acronym went in those
days and still does today—as the plain old
telephone system, the POT system.

While the POT system was fundamentally,
and is still, a copper wire network, that cop-
per wire network carried the telephone sig-
nals to individual houses through the ex-
changes and it supported the basic telephone
service—a voice network carrying approxi-
mately four kilobyte signals, which of course
supported telephone voice communication—
and it did so very well. That system was very
well maintained by the PMG. Those high
maintenance standards permitted a very good
quality signal to reach out into country areas.
The PMG used the very best technology of
the day to ensure that it reached the maxi-
mum number of households, even in the
most remote areas.

Although that technology was limited, in
the way that we see it in 2004, I think it is
very wrong of those in government office
today to disparage it in the way that they do,
because that was the very best effort the
PMG could provide. The highest mainte-
nance standards of the day would probably
put to shame what we now see Telstra deliver
in rural and regional Australia—and indeed
in many parts of the metropolitan area. I
think that is a lesson we could well learn
today as we look at the maintenance stan-
dards which unfortunately apply to Telstra in
2004.

Another lesson to learn is that the copper
networks that those PMG technicians so
proudly laid out for us in those decades gone
by are still being used to maintain and sup-
port the high-speed data transfer which we
see with the ADSL network and which many
of us in the metropolitan area and some in
rural and regional areas are able to use at
speeds of 512 kilobits or even 1.5 megabits
in our homes now. Of course, many members
of this House are able to enjoy that service in
their metropolitan houses, as I do and as
many members of the community do as well.
Unfortunately, fewer of our colleagues in
rural and regional Australia are able to enjoy this service.

Because of decisions taken by Telstra to install RIM devices, which at the time they felt would increase the number of telephone connections, without looking forward to the technology that would be required to support data networks, they have now effectively sabotaged their own ADSL network and prevented the roll-out of even more ADSL connections in metropolitan and some regional areas. This has prevented many people from enjoying that high-speed connection. If we look at small business and households now, we can see that the demand for that data service is growing at a very strong rate. Unfortunately Telstra, along with their competitors—limited though these are in number—have not been able to deliver that high standard of broadband connection which the community now so urgently needs.

I would like to turn to an examination of that in the rural and regional areas. If we look first at the way in which faults have accelerated, we can see from recent figures which the shadow minister has been able to provide to this House that in fact, contrary to what we have been hearing from the government and what we saw in the Estens report, all is not well in the bush in this regard. Faults in Telstra’s network appear to be at a six-year high. The fault rate has been increasing steadily since June 2001 and in fact accelerated in the last nine months of 2003. Unfortunately, it is increasing steadily in both regional and metropolitan Australia, and it is predicted that this fault rate will continue to grow between now and mid-2005. Telstra documents attribute the increasing fault rate to declining investment and an excessive focus on quick fix, bandaid solutions at the expense of preventative maintenance. They concede that Telstra is unable to prevent the fault rate from continuing to rise.

Despite the fact that in the media earlier this year we heard senior Telstra executives blaming increases in fault levels on the weather, I am afraid that there are more fundamental problems in the network which have been brought about by declining Telstra investment in long-term maintenance. For all the government’s disparagement of the old PMG, that is something PMG would never have countenanced. The reality is that the problems relate to Telstra’s declining commitment to both staffing levels, which as we have heard have declined dramatically, and capital investment, which has also plummeted over recent years—it is down $1 billion, from nearly $4½ billion to a little over $3 billion, in the space of just a few years. As I said, staff numbers declined from just over 50,000 to some 37,000 between 1999-2000 and 2002-03. The shadow minister has exposed this decline in staffing and capital investment and the decline in the maintenance commitment. These go hand in hand: you cannot have a declining commitment to network investment and a declining commitment to staffing numbers and expect that, in combination, this will not have a significant effect on your ability to maintain the network.

When you also have a board and management structure which is prepared to lose several billion dollars in what have become failed capital investments overseas—and very speculative investments at that—and which, I understand, is still considering further investments in Indonesia and the like then of course this is bound to continue. These investments in overseas speculative companies could well have paid for all the necessary maintenance that we have required in Australia in this essential plain old telephone system with its copper network, which would of course have prevented the acceleration in faults in the Australian network. What they have lost overseas on those speculative
networks would have maintained the Australian network to the standard which the PMG would have regarded as absolutely essential. Had they applied those old PMG standards to the Australian network and used the funds they instead lost on those speculative investments overseas then we would be enjoying that high standard of maintenance and service in our Australian network that we had come to expect in the past and that we should now be demanding—that the government should now be demanding—rather than the declining standard that we now seem to be experiencing and that, unfortunately, is going to become the norm if this government’s policy is implemented.

As I have said, regional Australia is experiencing the worst of this. Look at the recent Pacific Internet Broadband Barometer survey. Pacific Internet publish their broadband barometer regularly. It came out most recently in January 2004. I am indebted to the figures that they publish for what I am going to say next. They make a very powerful case about the broadband divide between city and country. I think it is important to note that Australia as a whole is also suffering from a bit of a broadband divide—a divide between Australia and other developed countries. It was not long ago that we were 13th on the OECD’s list of developed countries in respect of the roll-out of broadband, but we are now 20th and in decline.

This is a serious matter for Australia as a whole because broadband is the basis for improving efficiency in business. It represents not only a serious channel into the knowledge economy—the mechanism by which individuals are empowered in e-government and in the knowledge economy itself—but a very important channel for business to improve its efficiency and ensure that it has a fast track to government procurement, and to improved business efficiency itself. Australia is declining on the OECD ladder—the ladder of opportunity, as our leader would say—in terms of the ability of business to deliver on improved efficiency and productivity gains. We are declining as a nation, but the rural-city divide within Australia also demonstrates that small business in rural areas is in decline on this ladder of opportunity as well. That is starkly brought out by Pacific Internet’s Broadband Barometer survey.

Small business, as we all know, is a very important part of the Australian business sector. It represents 96 per cent of all business operating in Australia, generating up to 40 per cent of the nation’s gross domestic product. I think it is essential to note that while Internet penetration in the small business sector is near saturation with 80 per cent, or 532,000 businesses being connected to the Internet, many of those businesses are still on the dial-up Internet service, which means that they connect with a modem at a maximum speed of 56k, which is a very slow connection which does not allow you to maintain a full or proper Internet service.

In the rural area we see that there is much less Internet penetration. It is 55 per cent in the metropolitan area and only 20 per cent in the non-metropolitan area, with the primary barrier for those in the non-metropolitan area being the lack of availability of the service. Thirty-seven per cent of small businesses reported that as the primary barrier to their lack of adoption of broadband services in the bush. That is a serious factor because it puts small businesses in the country at a significant disadvantage when compared to their city cousins. That means that small businesses in rural areas are multiply disadvantaged: they lose the productivity gains, the knowledge economy gains and the e-government procurement gains. They are multiply disadvantaged: they suffer not only the higher cost factors of operating in rural and regional Australia but also the extra dis-
advantage of not being able to take advantage of broadband technology.

Many of the areas outside of metropolitan Australia could be assisted by local projects that spread broadband. Wireless technology is now a very powerful means of adopting broadband. Many of our smaller country towns, smaller residential enclaves and farming communities could, with the assistance of local government and Telstra—if it is not intending to implement broadband technology—be helped, in a self-help way, to install wireless networking in their communities. They could deliver broadband to their communities via wireless technology where cable and ADSL are not available for practical and technical reasons. Many of our rural councils would not have the immediate technical wherewithal to put these systems in, but Telstra does. If it cannot implement this itself, it should ensure that this knowledge becomes available to local councils who, through their ratings systems, have the billing apparatus and the residential knowledge available to implement it. So if business cannot put it in place then partnerships should be developed through Telstra, through the local council, and perhaps with a local entrepreneur who could put it in place with the assistance of the local council, to ensure that these wireless networks, through the latest technology, are developed.

But Telstra is also ignoring opportunities with CDMA which, with its own wireless network and the new CDMA technology, can deliver 144k wireless technology to the bush. It already has the technology in the city areas which delivers high-speed CDMA data access at 144k. It is implementing this in the city, but very few rural areas are yet connected to the high-speed wireless access through CDMA. That should be implemented as a matter of priority in rural areas because CDMA technology was designed to be spread throughout the rural community for mobile phones. Mobile data is equally important. Many of our farming communities would benefit enormously from having higher speed data access on a wireless basis. It is very clear that the government’s policy on this is not delivering for our regional and rural areas, and the sale of Telstra to full private ownership is clearly a misguided policy as far as this is concerned. The opposition is wise to oppose this measure and I fully support that policy.

Mr BEVIS (Brisbane) (10.28 a.m.)—In contributing to the discussion on the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2], I would like to say that the sale of Telstra has been an ongoing debate in this place for some years. The Liberal Party pushes ahead, towing The Nationals behind, in a drive to sell the remainder of Telstra, having succeeded some years ago in selling the first and second tranches of Telstra. Telstra provides vital communications that are essential services by any definition. They are clearly important in the commerce and industry of our nation, as previous speakers have mentioned, but to every Australian, wherever they are—in urban, regional or remote Australia—the opportunity to have modern communications systems readily available to them at an affordable level is essential. It is as essential as having a water supply and an electricity supply. To many it is more essential than having a road outside their door. For the elderly, the infirm or those unable to travel, telecommunications in their house become a more vital link to them than the road outside.

These are not things that the public should give up. These are not things that should be held by shareholders for private gain to be dealt with as if they were a bottle of Coca-Cola or some other commodity. It is important, not just in the national interest but in the interests of ordinary Australians, that these assets are held in common for all of us and
by all of us—that is, that all of us are owners of these things that are essential for our involvement in our society and for us to be able to prosper and for our children to be able to prosper. Communications are at the core of that now more than at any time in our past. It beggars belief to see this government rush headlong into a process that has already cost the taxpayer money and that is hurting many Australians throughout the community. The fact that this is unpopular in many parts of Australia is without question.

This matter was last before the parliament in August last year. I can recall the Liberal member for Hume making comments to the media about the reaction he was getting in his constituency. I refer to an interview which he did in August. In response to a journalist’s question about surveys that he had been conducting, he said this:

Yes, I have, and I am getting in excess of 100 responses a day. At the current time about 96 are opposed to the sale of Telstra.

We know in this place, when you get 10 or 20 phone calls a day, or 10 or 20 letters on a subject a day in your office, you know that there is something happening out there and people are pretty concerned. Here we have the member for Hume telling us that he has been receiving in excess of 100 responses a day—a fairly big response by any measure—and that they are running at 96 per cent opposed to the sale of Telstra. That was in August of last year. What has changed since that time? The answer to that is: nothing, in respect of this matter. The experience of the member for Hume is mirrored by most of us in this place.

It is not just those on this side of the chamber or those who might be identified with the Labor Party who have raised these concerns; it has been widespread. Some of the people closest to the government outside of the parliament have also raised their voices. I refer to the comments, for example, of the Western Australian Farmers Federation in a letter which they sent to all members of parliament demonstrating their deep concern about this matter on 12 August last year. Amongst other things in that letter they said:

The WA State Government has recently released the results of its telecommunications review which reinforces the position of WAFarmers.

The review found that almost 60% of businesses and more than 46% of households connected to the Internet in the WA wheat belt were dissatisfied with the speed of their connection. Findings in relation to standard and mobile telephone services were consistent with this low level of satisfaction.

The National Party claim to represent the interests of rural Australia, the interests of the very people who wrote this letter—the Western Australian Farmers Federation. How is it that the National Party stand mute in this debate and have been silenced for months as they slavishly follow the lawyers, the merchant bankers, the stockbrokers and the spivs in the Liberal Party down this road? There is only one group that is guaranteed to get mass profits from this sale; there is only one group that is guaranteed to get a big return. It is not the people of Australia and it is not the people who actually buy the shares. The people who are guaranteed a massive return by the sale of Telstra are those merchant bankers, stockbrokers and underwriters who will be involved in this actual sale. They are guaranteed a major benefit. But they are the only people who are guaranteed a benefit out of this.

What we see now on cockies corner are not National Party members, not people with the interests of rural or regional Australia in their hearts; what we now see, as has often been mentioned, are Liberals in gumboots. They are dragged along on the coat-tails of a Liberal Party philosophy to sell Telstra. That is causing this nation and their constituency
great harm. The letter from the Western Australian Farmers Federation went on to say:

WA Farmers firmly believes that should the full privatisation of Telstra proceed, rural Western Australia will be faced with the same outcomes.

Those outcomes are a decline in the quality of infrastructure and maintenance, the greatest example of which they referred to was Westrail’s rail freight services. We in this parliament should not be promoting the loss of this major national asset which, in the process, would also dramatically injure many Australians.

One of the things that have dumbfounded me in all of this is the actual dollars lost already by virtue of the sale that has occurred. These are not speculative analyses of future losses; these are the actual calculations of what has transpired since the sale of the first tranche of Telstra in 1997-98. The government, of course, have said that the sale of Telstra has allowed those proceeds to be invested in retiring debt and that the taxpayer has saved many millions of dollars because we no longer have to pay interest on that debt. That is true. What they do not say though is that, because we sold that large portion of Telstra, we—that is, the government, the parliament, the people—not any longer get the dividends that Telstra profits once provided.

When you put those two things together, what you discover is this: in the period between 1997-98 and 1999-2000, the debt saving was some $2,707 million. So the government can correctly say that by selling Telstra and retiring debt, we saved $2,707 million. That is a lot of money—$2.7 billion. Had we kept the shares and never sold it and taken the dividend which was provided during that period, the government would have got into its coffers $2,788 million—that is, $81 million more. In the three years after the sale of Telstra the net effect to the taxpayer of Australia was to lose $88 million. That is not speculation; that is cold hard analysis of the actual figures. We as a nation, the taxpayers of Australia, are $81 million out of pocket because of the sale of Telstra. I have yet to understand the argument that says we are somehow, by selling Telstra, improving the financial position of the taxpayer. The facts simply do not show it.

Indeed, if we look to the best assessments of the future, that trend is going to exacerbate. UBS Warburg have estimated that Telstra’s dividend in 2004-05 will be about 31c. If we take that 31c as the basis for projecting what might happen over the next few years, we then discover that in the year to come, 2005-06, we would be worse off—that is, if we sold Telstra and put the money in to pay off debt but, because we did that, no longer got the 31c per share. If we actually did that, in 2005-06 we would be $278 million worse off. By the following year, in 2006-07, we would be $420 million worse off. In fact, if you project it out over four years to 2008-09, the Australian taxpayer would be worse off to the tune of $1.695 million—$1.6 billion worse off—based on the UBS Warburg assessment of Telstra’s dividend this year. We all know that the dividend can change, as can the debt repayment regime that we have, but on the best information available at the moment we would confront in the next four years a loss to Australian taxpayers of $1.6 billion. You can add that to the $81 million we lost in the first three years.

This is not a decision that is in the best interests of Australian taxpayers or in the interests of Australian consumers—and, of course, they are for all intents and purposes one and the same thing. So, if it costs taxpayers more money and the people are not actually keen to do it, why is it that so many members on the government side are able to drag the rest along? I think the answer lies in the ploy the government used before the last
election and that we see rolled out at the moment—that is, the pork barrel: the bundle of money that is thrown at the electors by this government in the months leading up to elections. It is a tactic, of course, for which John Howard is well known. When he was Treasurer, those of us old enough to recall will remember the headline ‘the fistful of dollars’. When he was Treasurer and Malcolm Fraser was Prime Minister, they tried to save their hides by a budget characterised as a ‘fistful of dollars’. In the last election, in the 2001 period, having lost one of the safest seats they held in Ryan, they then set about spending billions of dollars over a couple of months, including the anticipated surpluses in the years ahead, to try and buy back favours with the Australian people.

We are seeing the same thing already unfolding in this parliament this week. As they fall behind in the polls, as they feel under threat with an election approaching, we see the fistful of dollars. But where do you get the money for that? Let me tell you: the biggest pork barrel known in Australian political history is the sale of Telstra, with the pork barrel bucket of money it provides. It would provide the biggest pork barrel ever for a government in our political history, and that must be tantalising to a Prime Minister and a Treasurer concerned about their political future.

If you have a look at the way in which they are promising to spend this money, I think they have already committed about three or four times the amount of money that is available from the sale of Telstra. The Treasurer, Peter Costello, says he wants to use that money either to place in some term deposit at the Reserve Bank or to invest in financial institutions. He has even suggested that they might buy shares with it. There is an interesting idea. We already have the shares in Telstra, but the Treasurer has suggested we might sell Telstra and use some of that money to buy other shares in other stock somewhere on the Stock Exchange. I would have thought that was more speculative and a strange thing for a government to want to do—but that is spending the money.

Then you go and talk to the Minister for Finance and Administration, Senator Minchin, who says he actually wants to use the money to retire debt. So the Treasurer wants to spend it once by putting it into term deposits and buying shares and other things, but the finance minister actually wants to put the money into retiring debt. Meanwhile, the Deputy Prime Minister, the Leader of The Nationals, in an effort to shore up his constituency—who do not want this to happen—runs around the countryside with his party members promising the earth. It does not matter what it is—which road needs to be fixed, what problem there is or which office needs to be opened—in every town they walk into there is another pork barrel to offer to the people in the community.

The numbers just do not add up. You cannot spend that money more than once, even if you do sell Telstra. But, if you have a look at the promises that this government and its members have been offering to the people of Australia in the course of this debate, you will find that they have spent many times the total amount of money that the sale of Telstra would generate. And no doubt, as the election draws closer, we will see even more of that.

I have also been mystified by the argument that someone advanced that Telstra would be much better run were it released from the shackles of majority government ownership. The subtext of that is that private share owners are somehow better managers—more ethical, more capable and better strategic planners in the business community. I do not know that too much of modern business history supports that. I think of places
like Andersen Consulting or Enron in the United States, but we can look closer to home to find similar examples: the HIH collapse, the OneTel collapse, Harris Scarfe—and you can go through a long list of companies that went belly up in very dubious circumstances.

When push comes to shove in this debate, members of the Liberal Party and The Nationals like to say—and they have said this in their constituencies, particularly to those who are opposed to the sale—'You know it's going to be sold anyway. You know that the Labor Party would really sell it if they could.' It is about time that matter was addressed. It has been addressed on a number of occasions in this parliament, but members of The Nationals and the Liberal Party continue to perpetrate the lie. The fact is that the only reason we are here debating this is that the Labor government put in place a change to the law to require Telstra to be in public ownership. Most people think that the law always required that. In fact, that is not true.

The law was changed in 1991 by the Labor government. In fact, the bill was introduced by the then Minister for Transport and Communications, Kim Beazley, to ensure that Telstra remained in public ownership. Until Labor did that in 1991, any Prime Minister could have sold off all of Telstra whenever he wanted to without ever coming into this parliament. The only reason we are in this parliament having the debate is that Labor blocked any future government from selling Telstra. Labor did that when it introduced competition into the telecommunications industry and ended Telstra's monopoly because, whilst Labor understood that it was important to have competition and a regulatory body to ensure that Telstra did not use its excessive market powers to quash the smaller players, Labor also understood that, fundamentally, telecommunications is an essential item in our community that must remain in public ownership. I want to briefly quote from what Kim Beazley said as the minister introducing that legislation back in 1991. He said:

This Bill requires that the new company remain in full public ownership.

It has been a central tenet throughout the Government's reform processes that a strong public sector presence in Australian telecommunications be maintained. The decision to retain the merged company in public ownership will enable the Government to meet the guarantee that no household or ordinary subscriber in rural areas will be disadvantaged by the introduction of competition.

That was the commitment Labor gave, and we legislated to ensure that that was so. Many Australians are grateful today that in 1991 Labor introduced that provision into our laws, because, were that not the case, John Howard and this government, through a decision in a cabinet room behind closed doors, would already have sold off Telstra at great cost to most Australians. We need to put to rest once and for all the final line of deceit that Liberal and National Party members use when they confront those in their own constituencies who disagree with what they are doing. The people of Australia should know that Labor are committed to the public ownership of Telstra because we see it as an essential service that is in the interests of all Australians.

A lot has been said about the delivery of services at the moment. There has been a wealth of evidence to demonstrate that the quality of service delivery, maintenance and support is well below par and at an unacceptable level. That is not good, and it needs to be improved. But it strikes me as strange that one of the prerequisites that got the National Party to sign up to the sale of Telstra was that Telstra would attain an acceptable level of delivery of service, maintenance and support. How can any member in a rural and
regional area claim that to be so today? The evidence does not support it but, even if that were true, even if they could demonstrate that and even if they believed it, how could they possibly believe that in 10 or 15 years time, with new technologies, new opportunities and new developments, those developments and new opportunities would be available to all Australians if Telstra were sold? We know that is not going to be the case. If it is sold, we know that the decisions will be taken by boards of directors who are obliged to ensure that their decisions are based on the maximum return to their shareholders. That is not going to provide accessible and affordable new technologies to all Australians.

Do we want to establish an Australia in the 21st century where there is a telecommunications have-and-have-not divide? We should be doing everything we can to ensure that all Australians, wherever they live, whatever their wealth and whatever their occupation, have ready access to the latest communication technologies so that not only can they gain information about what is happening in the world around them but they can participate in the growing e-commerce world that is out there. There are plenty of examples of small Australian companies, mum and dad shows, who are able to do that very effectively and, because they have access to communications, do not have to be in downtown Melbourne, Sydney, Brisbane, Perth or Adelaide to do that. They can be on the beach or in the outback and still do it successfully if they have the communication link. That is why this is important.

It is important for all Australians that Australian ownership be maintained. I have campaigned against the sale of Telstra in a number of elections now. My constituents agree with me on this, and I will continue to oppose the sale. I think it is about time some of those Liberal and National Party members who claim to represent particularly rural and regional Australia stood up and grew a backbone. It is time that they decided to stand for their constituents to ensure that Telstra remains in public ownership into the future and that this bill is defeated.

Mr GAVAN O’CONNOR (Corio) (10.48 a.m.)—In rising in this House to speak on the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2] let me restate for the public record the position I have articulated on this matter since I came into the Australian parliament in 1993. I oppose the attempts by the Howard government to privatise Telstra. In doing so, I express the sentiments of the majority of electors in my own constituency of Corio, based in the Geelong region, as well as the sentiments of people who live in rural and regional Australia—particularly farmers and their families.

The view has been expressed to me from time to time that there is very little difference between the Labor Party and the coalition on key policy matters. That is an erroneous view; nothing could be further from the truth. In key policy areas and on matters of national importance Labor stands dramatically opposed to its conservative opponents. For example, on the issue of the Australian republic, Labor wants an Australian as our head of state and ultimate political authority. The coalition oppose this simple proposition. They are quite prepared to accept a foreigner as the ultimate political authority for Australia.

On the key environmental issue of the Kyoto protocol we will sign it; the coalition will not. On the seminal social justice issue of reconciliation, Labor will say sorry and lead Australia to a new dialogue with Indigenous Australians; the coalition will not. On the question of Australia’s involvement in the war in Iraq, Labor opposed it; the coalition became part of the coalition of the willing. In the area of health, Labor is pledged to
restore Australia’s great universal health care system, Medicare. The coalition is pledged to destroy it, despite the initiatives that have been introduced quite recently by the Prime Minister and the Minister for Health and Ageing to save the skin of the government.

On the question of Telstra’s future, Labor will retain majority government ownership and will keep Telstra in public hands. The coalition will privatise it. They are quite prepared at this point in time to sell something that every Australian farming family has a share in. Every farmer, every farm household and the people in it, have a stake and a share in Telstra at this point in time. The government want to sell that share, and who will be the buyers? We know that there will be foreign buyers because the government are prepared to allow upwards of 30 per cent of Telstra to be held in foreign hands. The coalition government, including the National Party, are prepared to sell the share in Telstra that each farmer in Australia now owns and are prepared to hand that over to foreign interests. That is the truth of the matter.

I come to this debate serving two constituencies: the electors of the seat of Corio and, of course, in my capacity as shadow minister for agriculture and fisheries, the farm families and people living in regional Australia. Both will be specifically affected by Telstra’s privatisation. Already we have seen the adverse impacts of the past privatisation of this important public asset. Telstra’s failure to maintain minimum levels of investment in its network and its continuing staff cutbacks have seen a marked deterioration in the network itself and in service provision generally. That fact was highlighted only yesterday in parliament in the Rix report, which the shadow minister for communications, the member for Melbourne, disclosed to the parliament. That deterioration in the network and in services has led many country people—an overwhelming majority of country people—to the view that their best interests in this matter are served not by the policy of the Liberal and National parties of flogging Telstra off for 30 billion pieces of silver but by retaining it in public hands.

Telstra consumers in Corio have been hit by rapidly escalating line rental costs and fees which have not been adequately compensated for by deductions in call prices, as promised by the government and by Telstra itself. Pensioners in my electorate know that the discount concession schemes will be at risk under a fully privatised Telstra and that, over time, enormous pressure will come on the community to pay for timed local calls.
That will impact directly on the standard of living of those pensioners, because many age pensioners now in our modern society, where families are dislocated and there is significant mobility in the work force, do not have their family around them, and they rely on the phone to maintain daily and weekly contact with their loved ones. The impact of the government’s policy will see pensioners affected quite seriously in an economic sense.

The people in my electorate know that cutbacks have caused declines in service which are simply not acceptable. Mr Deputy Speaker Adams, you come from the great seat of Lyons in Tasmania. Mine is a much smaller electorate while yours is one of the largest in Australia, so you have an appreciation of distance. But you will not believe—and you might find it an extraordinary state of affairs, as I do—that on the Princess Highway between Melbourne and Geelong, my mobile phone periodically cuts out, causing me great frustration and inconvenience. Every member in this House knows that, when you get in a car or on a plane, that is our working time, and it is indeed frustrating—

Mr Truss—What about the analog system?

Mr GAVAN O’CONNOR—I will get to the Minister for Agriculture, Fisheries and Forestry, that great paragon of rural virtue; I will get to the great betrayers of rural and regional Australia, The Nationals; but let us deal with the practical matter of the 80 kilometres between Melbourne and Geelong where Telstra cannot even get the service right. I say to the minister, if Telstra cannot even get the service right between Melbourne and Geelong, what hope do rural and regional dwellers in Queensland have? What hope do those people who live away from major population centres have of obtaining a service that is not substandard? If access to an affordable and reliable telecommunications service is an issue for my constituents in Corio, how important is it to farmers and their families who operate their farm businesses in rural areas?

I note in the House today the presence of the honourable member for Corangamite. In his day, of course, they sent messages around the Western District by pigeon. We have come along way since then. We know you had the pigeon coop—and there is nothing wrong with that!—but today people in Corangamite and Corio expect a decent level of service. Out in the Western District and in the area between Melbourne and Geelong we cannot even get decent mobile coverage. Farmers rely heavily on their phones not only as a means of social communication but as an essential tool in running their farm enterprises. Indeed, the whole sector depends on an efficient telecommunications system. It is critically important to the ongoing efficiency and competitiveness of farm businesses in the rural sector. Information technologies are now important management tools for farmers in an increasingly sophisticated and complex production and marketing environment. So the future of Telstra is an issue that does occupy the minds of farmers and their families.

I have travelled extensively in rural and regional Australia over the past seven years in my capacity as parliamentary secretary to the then Leader of the Opposition, Kim Beazley, the member for Brand, and, more recently, in my capacity as shadow minister for agriculture and fisheries. I have also spent some time in the tourism, territories and local government portfolio areas, which has brought me in close contact with industry, unions and community leadership throughout the length and breadth of Australia. Nowhere have I detected a strong public sentiment for privatising Telstra. This is the policy of the dries in the Liberal Party—and
we have one of them in the House here today in the form of the member for Corangamite. The dries in the Liberal Party want to privatise Telstra and the weak-kneed members in The Nationals roll over like puppy dogs out on the farm having their tummies tickled, having the few pieces of silver thrown at their feet, and they expect rural and regional Australians to buy the ‘privatise Telstra’ policy.

The sentiments that have been expressed to me are the same ones that have consistently appeared in opinion polls across Australia. A substantial majority of people want Telstra to remain in public hands in perpetuity, for very sound economic and social reasons. So I do not come to this debate without having the benefit of an extensive dialogue with farmers and their representatives; unions and workers; community groups and their representatives; industries and small business; and members of the general public. The overwhelming sentiment that has been expressed to me in this dialogue is that rural and regional Australians want Telstra to remain in public ownership. That is why I have some difficulty understanding the position of members of The Nationals in this place and Liberal members who represent country electorates. The full sale of Telstra represents the ultimate betrayal of farmers and people in rural and regional Australia by The Nationals and the Howard coalition government. Day after day, the Deputy Prime Minister drags out the hoary old conservative myths about Labor and country Australia. When you get desperate politically, when you get a bit of scoreboard pressure on you in a political sense, you will say anything. You will say anything to save your political skin. The simple fact is that the Red Hill rodeo rider has betrayed farmers and rural and regional Australians.

What does the President of the NSW Farmers Association, one of the most powerful farm organisations in Australia, have to say about the sale of Telstra? A report in the *Land* of Thursday, 24 July 2003 says:

> ... he fears the telco, if fully privatised, would reduce minimum telecommunication standards in the bush

Mr Peters, whose opening address to this week's association annual conference focused on the role he hoped technology would play in the future of farming, said it was important farmers not be “hoodwinked into accepting second rate telecommunications”.

Mr Peters said he was yet to be convinced that the complete sale of Telstra would do anything but reduce the long-term minimum level of telecommunications services available in country areas.

He went on to say:

> “I am amazed by the naivety of various commentators who seem blinded by the promise of a financial package for farmers under the full sale of Telstra when the sale itself could destroy our ability to bring back capital, productivity and people to agriculture,” ...

You do not have to go any further than the President of the NSW Farmers Association to understand the opposition of farmers to this.

Members of The Nationals come into this chamber day after day and betray farmers and people in rural and regional Australia. Day after day they go into their electorates and say one thing and then come into this chamber and cave in and say another. The Nationals campaign of bald deceit on service levels in regional Australia was exposed yesterday by the member for Melbourne. The Rix report, an internal Telstra document, says that annual fault rates last year rose by 14 per cent on phone lines, and maintenance investment has fallen from $300 million in 2002-03 to $224 million in 2003-04. There are reports in the *Australian* today that senior Telstra executives, including Telstra Country Wide’s Managing Director, Doug Campbell,
have expressed continued concern over the state of the network.

So now we have The Nationals, that diminishing political force in Australian politics, rolling over yet again on a bill introduced by the dries in the Liberal Party to privatise Telstra. I say to the Minister for Agriculture, Fisheries and Forestry in the chamber today: how many times do you have to be pushed around by the Liberals? How much do you have to take before you stand up for the interests of rural and regional Australians? It is not as if these great economic managers and the great Treasurer of this country have any competency for privatisations. Market analysts suggest that Australia lost some $12 billion to $16 billion on the sale of the first tranche.

I ask every farmer out there on the tractor today listening to this debate to ponder this: you have a Liberal-National Party government that privatised your telco in the first tranche and lost $12 billion. That is not $12 million—that is $12 billion! I have not seen such breathtaking incompetence since the Treasurer lost another $12 billion on currency swaps. Here we have the greatest Treasurer that the Liberal Party has been able to produce. He not only squanders $20 billion surpluses year in, year out—and makes false projections in his budget about those surpluses—but he loses $25 billion of public moneys. And, of course, he gets away with it. I am saying to the members of The Nationals: ‘We will hound you in every one of your electorates. Your days are up, because country people have had a gutful of your failure to stand up to the Liberal Party and do the right thing for rural and regional Australia.’

Ms KING (Ballarat) (11.08 a.m.)—It is a terrific thing to be following such a fine country representative as the member for Corio. I have to say that on this side of the House we have had numbers of speakers, particularly those who represent regional and rural districts, speaking out against the further privatisation of Telstra. What have we had on the other side of the House? I think we have had one member of a country district even beginning to talk about this issue at all but no speakers prepared to stand up against the government and actually say, ‘This is not right for country people.’

The Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2] is the legislation the government needs before it can proceed with the full privatisation of Telstra. It repeals the provisions requiring the Commonwealth to retain 50.1 per cent of equity in Telstra and paves the way for the government to divest itself of Telstra. It is the same bill that was rejected by the Senate in October last year and it is the same bill that has been rejected by the Australian people time and time again. The government is hell-bent on selling Telstra, regardless of the state of the network, regardless of whether it is in the interests of rural and regional Australia and regardless of the wishes of the majority of the Australian people.

I remain absolutely opposed to the further sale of Telstra and I will again, as I did last time, vote against this bill. The only way that we can continue to have even minor control over the provision of telecommunications services in regional and rural Australia is for Telstra to remain majority publicly owned. Telecommunications services are essential services; they are not a luxury item. Telecommunications services are fundamental to the ability of people in my district to stay connected to family and friends and stay in touch with events in their neighbourhoods, communities and towns and around the world. Far from being a luxury item, telecommunications services are essential services. Only with a majority publicly owned Telstra can we have any hope at all of trying
to ensure that all Australians have access to equitable telecommunications services.

Yesterday, the government said to us, ‘We would not even contemplate a further sale of Telstra unless we were confident that services in regional and rural Australia are up to scratch—that services are up to scratch in the bush.’ This was exposed yesterday as yet another Liberal lie. Internal Telstra documents released yesterday show that telecommunications services in regional Australia are not only not up to scratch but are getting worse. The document shows that faults are at a six-year peak and customer access fault reports have been increasing since 2001, and that this has accelerated over the past nine months across metropolitan and regional areas respectively. Despite the claims of Telstra officials in Senate estimates, the documents show that the current accelerated customer access fault reports are due to reduced rehabilitation activity and a focus on quick fix patch-ups. That is Telstra speak for: ‘We’ve cut the money spent on capital. We’ve got rid of large numbers of staff. We’ve stopped doing maintenance and preventive activity and we’re applying more bandaids and fix-ups to your telecommunications network.’

The documents released yesterday by the shadow minister for communications also clearly show that, without adequate investment in rehabilitation and prevention in the network, faults are going to increase. We have had senior officials of Telstra in Senate estimates very recently claim that the rise in faults was not due to network failure and not due to the staff cuts. In fact, Telstra were saying that that is a myth—that is what they told Senate estimates. They said, ‘It’s the weather.’ Blame it on the weather—that is why we have had faults increasing across this country! It was not even a particularly credible lie, I have to say. We have not had a lot of rain in my district at all—in fact, we have been attempting to get EC declared and the Minister for Agriculture, Fisheries and Forestry continues to ignore us. People in my area know that we are still getting telephone faults despite the fact that the rain has not really been there at all.

The documents released by the shadow minister clearly show that it is not the weather that is the problem; it is general network decline. Telstra misled parliament, and the Prime Minister has misled Australia, especially regional Australia, if he thinks that we think that telecommunications are up to scratch in the bush. The network is crumbling, there is lack of access to broadband, and Telstra’s claim that it does invest in fault repairs is a case of shutting the stable door after the horse has bolted. Telstra’s capital expenditure fell from $4.4 billion in 1999-2000 to $3.4 billion in 2002-03 and now, as we saw in the leaked documents, since December last year it has dropped to around $2 billion. Over that period, staff numbers have fallen from around 50,000 to 37,000.

A very substantial proportion of these staff cuts have come from employees involved in direct customer service and network maintenance activities. I know that in my area that is exactly the case. There has been some increase in casualised employment locally through call centres, and that has been welcomed by many of the people who have managed to get jobs in those call centres. But, at the same time, the jobs of staff who were involved in maintaining the networks—the technicians who go out and repair faults and ensure that preventive activity is undertaken on the network—have disappeared in my district. We had the appalling circumstances in the previous year when NDC was employing substantial numbers of workers in my district and some of them were being paid to sit at home because Telstra was trying to divest itself of NDC. It was an absolutely ridiculous situation. You had highly qualified
technicians desperately wanting to work and
desperately wanting to repair the network
and increase mobile phone access throughout
our district and not being able to actually
work.

The government continues to assert that
Telstra’s sole duty is to its shareholders, as
though the provision of competitive tele-
communications services and shareholder
interests are mutually exclusive. They are
not. Telstra is making enormous profits from
mobile phones and from increasing line rent-
als. Telstra is awash with cash. It tried to buy
Fairfax—and thank goodness some wise
heads on the board saw the absurdity of this
proposition—but it has now, on pretty dodgy
figures, purchased the Trading Post Group.
This comes on the back of enormous losses
on investments in Asia. I think they were in
the vicinity of about $2 billion. I am at a loss
to see how the purchase of the Trading Post
Group at an inflated price and speculative
ventures in Asian markets that have lost bil-
lions are helping shareholders. Telstra should
concentrate on improving the network by
providing competitive and accessible mobile
phone services, providing better access to
broadband and investing in research and de-
velopment in new technologies and new
products for the Australian market. That is
where the profits lie for shareholders and that
is where improved telecommunications ser-
vices lie for all Australians.

The shadow minister for communications
has also criticised Telstra for inappropriate
corporate behaviour—and I agree with the
shadow minister on this point. Such inappro-
priate behaviour includes the provision of
free plasma TVs to the Prime Minister and
the former communications minister, the
CEO being a guest speaker at Liberal Party
fundraisers, threats to sue the shadow minis-
ter for communications and donations to the
Liberal Party of $42,000. Upon realising that
the Labor Party has a problem with Telstra
and the way that it is operating, what does
Telstra do? Does it try and change its behav-
ior? No, it employs consultants to come and
talk to Labor members in their electorates to
try and convince them to change their views.
Rather than Telstra trying to change its be-
haviour, it gets consultants to come into our
electorate offices to interview us about how
we might change our views about Telstra.
That is not good enough. We are not going to
change our views until Telstra changes its
behaviour. Despite having a good relation-
ship with my regional Telstra Country Wide
and having a lot of respect for our regional
manager, Chris Doody, I am not going to
alter my view one iota that, if Telstra is sold,
he and his staff will be shipped out of my
area as quick as you can blink.

The government’s much lauded future-
proofing arrangements in this legislation are
an absolute joke. The bill provides, so it
says, for the Minister for Communications,
Information Technology and the Arts or the
Australian Communications Authority to
make licence conditions requiring Telstra to
maintain a local presence in regional, rural or
remote parts of Australia. These provisions
are not worth the paper they are written on.
Where in the legislation is local presence
spelt out? Is it a man and a dog in a Telstra
truck at the back of Bourke? Is it an office in
Melbourne with ‘country’ somewhere in the
title? Or is it—what we actually need and
want—a decently staffed Telstra Country
Wide office or the like and local maintenance
and repair workers, locally employed, work-
ing on maintaining and improving the net-
works in country districts? The reality is that,
under this legislation, the notion of local
presence is an absolute furphy. And anyone
who thinks that the provisions in this bill
would compel Telstra to put the people of
Ballarat, Dalesfield or Bacchus Marsh ahead
of maximising profits has misplaced confi-
dence in government and a naive understanding of commercial reality.

The fact is that, once freed from the harness of public interest, Telstra would be a giant private monopoly too powerful for government to control. Telstra exerts enormous power on telecommunications and its reach is universal. Monopoly power must be constrained because most of it is a natural monopoly, which is one of the traditional bases for public ownership in our system of government. Increasingly, when you privatisate an essential service the only way that people that live in less densely populated areas and sometimes less profitable areas can get access to services or get improved services is if governments come in and pay for them. What happens then is that the price those privatised companies charge governments for maintaining and improving infrastructure just keeps going up and up. In Victoria, we are seeing this happen with the gas companies. We are trying to extend the natural gas pipeline to smaller country towns. The state Labor government has made a commitment to fund some of that infrastructure alongside private companies, but the privatised companies clearly know government policy. It is out there. It wants to improve gas connections to small rural communities and those gas companies are telling the government that it is going to cost a lot of money to put that pipeline there. That is exactly what will happen with a privatised Telstra. Taxpayers will be paying through the nose for services that Telstra should be providing as a matter of course to make sure that country people have access to decent telecommunications services.

The issue of poor service in regional communities includes poor mobile phone coverage. I listened to the contribution of the member for Lyons when he was talking about his problems with his own mobile phone coverage. I have pretty similar problems. My mobile phone does not work inside my house at all. I have to go out on the back porch and lean sideways to get any reception for my mobile phone. As much as I love and am passionate about Ballarat and its climate, I have to tell you that on a chilly July night it is not exactly my favourite thing to do. I do not live in a small community 100 miles away from any exchange; I live right in the middle of Mair Street in the heart of Ballarat—a city of 89,000 people. It is just not good enough.

Then there is the issue of faults. I am heading out tomorrow with Telstra Country Wide, who have kindly agreed to my request to come on a visit, to see a bloke out at Bacchus Marsh who has a litany of 3½ years of documented faults on the part of Telstra—of constant line drop-outs, copper wires exposed over fence posts, weeks of constant line interference and, a very real concern, his small business losing trade because of poor phone service. Other calls to my electorate office include concerns about fixed line repair delays, mobile phone black spots, inadequate Internet access and intrusive calls from Telstra offering unwanted services.

Calls about the length of time it is taking to get a new phone line installed are certainly things that I have seen in my electorate office. One 70-year-old woman in Bacchus Marsh contacted me recently. She has somewhat limited English—she is of Polish extraction. She had been waiting for over three months to get a new line installed at the house she had built in the district because no-one had taken any responsibility for making sure that the builder who had built her new house and the contractor who was going to be digging the trench to put the line into her new house were actually talking to each other about the location of the ditch. How ridiculous! As the 70-year-old said to me herself, ‘I could have dug this ditch with my bare hands by the time this had been fixed.’
It is just extraordinary. Telstra Country Wide, I have to say, were very responsive once they were notified about the problem. I am grateful to them for that. But the problem should not have arisen in the first place. These are the sorts of problems we are seeing now with Telstra. It is only going to get worse if Telstra is privatised.

People in my electorate are concerned about the impact that the privatisation of Telstra is going to have on them. Residents in the small town of Blackwood have talked to me about the lack of mobile phone coverage in their area. Travellers down the Western Highway—that magnificent national highway that desperately needs a Deer Park bypass—the main transport route between Melbourne and Adelaide, all know about the mobile phone black hole that you hit just near Bungaree and outside of Ballan. If you move 100 metres away from the highway in many areas, just forget about trying to get access to mobile phone coverage. CDMA, I have to say, is not much better across my district.

Residents are inconvenienced by the lack of coverage and concerned that this service failure will restrict the area’s burgeoning tourism growth. The towns in the area of Blackwood have large proportions of their populations who operate small businesses from their homes. We want to encourage this, but mobile phone coverage and broadband access are critical. The issue of broadband access is equally concerning. Access to high-speed Internet is limited in many areas in my electorate. The use of old technology in some areas in Ballarat itself has also meant that access is limited as Telstra struggles to find a cheap solution to the installation of old technology in many brand new housing estates in my electorate.

One of the cheapest forms of broadband on offer is ADSL. There are limiting factors with ADSL already. You have to have an ADSL exchange. Currently, across Australia only 800 of the 5½ thousand exchanges—I think the figures might have been updated slightly—are actually ADSL enabled. That is the first step. Then, if you can actually get your local exchange ADSL enabled, you have to live within 3.5 kilometres of it if you still want to get access to ADSL. ADSL is certainly one of the cheapest and quickest forms of broadband Internet access.

Broadband in the town of Ballarat has had its problems, to say the least. In the new housing areas of Lake Gardens and Invermay Park there have been significant problems accessing ADSL and it has taken some time to even begin to find a solution. The Mayor of Hepburn Shire and I launched a petition last Friday to get the Creswick exchange ADSL enabled. There are a number of other exchanges in my district that we are going to be doing exactly the same thing with. Ballarat—and I think Geelong and Mildura are the same—has at least the advantage of having a strong competitor in Neighborhood Cable, which has invested absolutely millions in the network in those districts. We at least have the possibility of trying to keep Telstra on its toes in relation to broadband and pay TV services in the area of communications.

The cases we see in my electorate office are, I am sure, just the tip of the iceberg. Most people just put up with it and do not complain. They just try and work their way through the system. I am particularly concerned about the impact that a privatised Telstra will have on people who have very specialised needs. Despite the government’s so-called guarantees of service provision, I am not convinced that letting Telstra off the pretty limited regulatory leash it is already on will not mean that people with disabilities will be well and truly left behind. We have already seen Telstra closing its disability ser-
vices centres. We have already seen the adverse impact that line rental increases have had on elderly people with disabilities and those on fixed incomes.

But we know that the government is determined to proceed with the further privatisation of Telstra. The Treasurer has his eye on the cash. With the magical mystery ever-expanding election budget, is it any wonder that he desperately wants to get his hands on the cash? The Prime Minister and now, as we saw yesterday, the Minister for Health and Ageing are out there spending money as quickly as the Treasurer can whip it out of your back pockets. The only people in Australia who seem to want Telstra sold are the Treasurer and federal members of the Liberal Party and The Nationals, who want to get their hands on the one-off proceeds of the sale, and a few corporate executives and consultants who are going to potentially make substantial profits from the sale.

Labor is the only party that has consistently opposed the privatisation of Telstra. Labor regional and country members of parliament are the only members who are truly representing the interests of the thousands of people who live outside metropolitan areas. Nationals members and the handful of Liberal Party members who claim to represent regional and rural Australians—that is, if they actually live in those areas—have let country people down in this country. I know the effect a fully privatised Telstra will have on my electorate. Services will get worse and prices will rise. Regional Liberal Party members need to stand up and be counted. When will the members for McEwen, Mallee, Corangamite and Wannon answer the one simple question that their electorates want them to answer: can they guarantee that services will improve if Telstra is privatised? The answer is no. They know the truth of what they saw in the document that was leaked yesterday—in fact, those services are going to get worse if Telstra is privatised.

Many members on the other side of the House sat and debated the part-privatisation in 1996 and they gave commitments that no more would be sold. We now know that is another Liberal lie. The government, by selling Telstra, is creating an enormous millstone for future generations of taxpayers. Already Telstra has reduced its capital, cut staff and sacked thousands of line workers who were involved in maintenance and preventive work in the network. Labor believes in public ownership of Telstra because telecommunications are essential services. This bill should be opposed. Telstra should remain in majority public hands.

Ms JACKSON (Hasluck) (11.28 a.m.)—
The people of Hasluck elected me to this parliament knowing my commitment to keep Telstra in majority government ownership. Since then hundreds of constituents have signed my petition to keep Telstra public. I have always been opposed to the sale of Telstra and this will remain my firm position, especially as long as my constituents continue to advise me of their difficulties in receiving adequate services and treatment from our national telecommunications carrier. I will elaborate on that in a moment, but I would state that the government should not be contemplating selling Telstra when we cannot even guarantee adequate services to many Australian families and businesses. It seems to me that we cannot take that risk of selling Telstra off to the highest bidder in the hope that they might put the national interest first.

From my experience with constituents in Hasluck, which is an outer metropolitan electorate in Perth, we are already having difficulties with Telstra services locally, and I think it would be foolish to believe that Telstra’s investment in infrastructure and ser-
ervices for the whole community would improve after it was fully privatised. Indeed, it was made clear yesterday in question time, and as a result of the documents that were internally leaked from Telstra, that the services are actually in decline, despite what the Prime Minister would have us believe.

During this debate on the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2], we have heard speakers opposite—the few that have actually bothered to come into the chamber and join the debate—say that somehow the sale of Telstra will be good for the government and its finances. Frankly, I think most Australians understand that once Telstra is sold the Commonwealth might well get a lump sum of money but we, the Australian people, will lose the Telstra dividends forever. We have had assurances from the Minister for Communications, Information Technology and the Arts—and I quote his second reading speech—that Telstra will not be sold until the government is:

... fully satisfied that arrangements are in place to deliver adequate ... services to all Australians, including maintaining the improvements to existing services.

But I believe that a fully privatised Telstra would be a huge private monopoly, too powerful for any government to regulate. We might recall that in question time yesterday the Prime Minister said that he stood by his statement that, as far as he was concerned, telecommunications services in regional Australia were ‘more or less up to scratch’. Given the subsequent information that was tabled in the House, it is very clear that these services are in fact going backwards.

An issue consistently raised by the small businesses in my electorate is that Telstra is letting them down when it comes to providing adequate Internet services. These businesses in Midland, Forrestfield and Gosnells are increasingly requiring quick and effective services such as email and the Internet to ensure that their businesses remain competitive in the marketplace. Telstra’s obligations are clearly not being met when we look at the infrastructure that it has in place to support small businesses in my electorate of Hasluck—and, I suspect, in other outer metropolitan and regional areas of Australia. A huge problem is being faced by local businesses that cannot access ADSL broadband in Hasluck, as Telstra fails to meet its broader obligations of national development and social inclusion.

The deteriorating network, the increased cost of line rentals and problems with access to ADSL are damaging many of my local businesses. Take the small business operator I met whilst doorknocking in the suburb of Forrestfield only recently. He explained to me the difficulties his business was experiencing after being unable to secure ADSL broadband at his home office. Other options such as a dial-up connection were just too slow and put him at a competitive disadvantage in his business dealings. Another constituent from Gooseberry Hill contacted my office last year after the Internet connection speed at his business dropped from 48 kbps in July 2002 to just 31 kbps. This obviously had an effect on his business productivity, and he was keen to have the matter resolved. He contacted his Internet service provider with a freedom of information request for them in turn to put to Telstra to establish exactly what had changed in the line to result in such a dramatic drop in capacity. The eventual reply, which took some months to come from Telstra, was that they could not answer his question because they only kept records for six months. His belief and mine is that Telstra changed his twisted copper line to a pair gain, thus reducing its capacity. My attempts to investigate the matter further on his behalf were met with an initial response by Telstra that they could not comment on is-
Sues such as my constituent’s because he was not a direct client of Telstra’s, and they would not even comment on operational matters about the line in question.

These are not isolated incidents. A Thornlie constituent whom I assisted in late 2002 had a similar problem with Telstra. The constituent had two phone lines into his house: one in his name and one in his daughter’s name. After connecting his computer to the Internet via a dial-up modem, he soon realised that the speed on the phone line in his daughter’s name allowed him access to the modem at 46 kbps, whereas their dedicated Internet line that was their main phone line to the house only allowed access at 28 kbps. He therefore diverted his phone line to the Internet line every time he wanted to use the Internet, until he realised that the call divers were costing him money. He rang Telstra to see if he could have the lines swapped so that he could get the better Internet connection for his computer access on the dedicated Internet line. They said that they could but it would mean the phone numbers would have to change—and he was reasonably happy with that. Telstra did the job and—what do you know?—afterwards, both lines were operating at 28 kbps. When he sought an explanation to this, he was advised by the commercial and consumer complaints department that they were not able to explain why, as he believed, the data transmission was previously at 46 kbps—that is, in excess of the 28 kbps—which in their opinion had never been possible on either line. In other words, they did not think he knew what he was talking about. He was not satisfied with this response. After my office reiterated the case to Telstra and pointed out that my constituent knew he had been able to access the higher Internet speed because the properties on his computer had advised him, Telstra fixed the problem, miraculously, a week later.

This confusion in dealing with Telstra and the frustration of having to put up with lower Internet connection speeds is a huge problem for small business. I have received many requests from the community to get improved ADSL access in Hasluck. Indeed, this whole issue about broadband and ADSL has been of great concern generally within Australia, as we lag behind other OECD countries when it comes to use of this technology. According to the Australian Communications Authority in their Telecommunications performance report 2002-03:

The take-up of broadband Internet has been slow in Australia, relative to most OECD member nations. The OECD reported that Australia had the eighteenth highest number of broadband users per 100 inhabitants of all OECD member nations in June 2002.

Of course, we now know from more recent reports that our position has further declined with respect to OECD member nations.

It is the access to this technology—which has become a problem for businesses around Midland, Gosnells and Forrestfield—about which I have sought answers from the minister. I was informed, through questions put on the Notice Paper, that approximately 14 per cent of people and businesses within the Hasluck electorate will be unable to access ADSL broadband, due mainly to—in Telstra’s or the minister’s very quaint terms—‘certain access line electronics and distance limit factors’. The minister went on in his answer to say that the access line electronics issue and distance factors mean that ADSL will never reach 100 per cent of premises in my electorate. He went on to say:

Nevertheless, areas of high aggregate demand for broadband within the existing ADSL footprint may be retrofitted at some time in the future where this is considered economically viable.

Frankly, I think if I gave you a plain English version of that answer it would be that there are some people who are always going to
miss out on access to ADSL broadband and there is not a lot we can do about it without having to make a considerable investment in the infrastructure at some time in the future. I have to say that most of us are not confident that a privatised Telstra would invest in extending ADSL broadband to that remaining 14 per cent of my electorate currently unable to access the service.

For small business in my electorate, this is clearly not the time for the government to be selling off our national communications network to the whim of market forces, where we all know that, if it is not profitable, it does not happen and you do not get the service, no matter how much your business might need it. Indeed, now is the time for the government to refocus its attention on Telstra to ensure it meets its obligations for national development—or Australia simply will not keep pace in the knowledge world that we have now.

In my opinion, Telstra should spend less time trying to force small Internet service providers out of the market and instead focus on providing adequate infrastructure. I have been contacted by Internet service providers in WA—they have written to me concerning Telstra’s practices. I will quote from some of that correspondence. They write:

On behalf of the West Australian Internet Association, we are requesting assistance to stop predatory pricing behaviour by Telstra Retail that has the potential of making small to medium size Internet service providers commercially unviable in the Australian communications market. The assistance we seek is to have the Telstra wholesale prices brought to a level that will enable ISPs to compete fairly with Telstra Retail.

You may or may not be aware that ISPs have no choice but to purchase from Telstra Wholesale, and ISPs offering ADSL at a minimum price are forced to tail the twisted copper pair from the telephone exchange to the subscriber.

Telstra Retail is selling at least 25 per cent below the wholesale cost. In other words, Telstra is retailing its ADSL services at a cheaper price than it is selling access to its infrastructure to the small Internet service providers—that is, the wholesale price. Telstra’s retail price in the ADSL market is less than the wholesale price it is charging small and medium sized Internet service providers.

Some of these Internet service providers have been forced to match Telstra’s price by selling ADSL accounts at a loss in order to protect their market share and in an effort to ensure that Telstra does not gain a market advantage by default whilst they are waiting for the regulator—that is, the ACCC—to step in and stop this unfair market advantage. This is a Telstra which is still in majority public ownership. It is out there in the marketplace demonstrating what its character would be like if it were an unconstrained private sector monopoly—that is, it is about destroying competitors in areas that it sees to be profitable.

As I have said, current services are lacking. Constituents regularly contact my office regarding Telstra, many wanting to express their opinion that Telstra should not be sold, because they believe the problems they are experiencing now will only get worse under a privatised corporation. Take the example of Mr Les Murray from Kalamunda, which appeared in our local paper. The article read:

Recently Les Murray, Manager of the Kalamunda Club, reported that the club’s telephone lines were out to Telstra. He was told they would have a technician there by close of business that day. Fair enough—he thought—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 then there
were plenty of other telecommunications operators he could try.

The article concluded by stating that, out of a great deal of frustration but a certain sense of determination, Mr Murray went to his local federal member of parliament for assistance and ‘within ½ hours, the problem had been remedied’. The author of the article asked the question:

If Telstra is so hopelessly inefficient, why is it going to great lengths to conceal the reality from politicians?

In other words, here you are an ordinary member of the public: you ring Telstra and ask them to come and fix your phone and they do not even bother to turn up; when you ring to complain, you get dealt with fairly badly; then you ring your local MP and within ½ hours the problem is remedied. It was good action on the part of my office—and I congratulate my staff for assisting—but it is hardly an adequate way of running customer service. I want to reassure the author of the article that Telstra’s inefficiencies in that regard have not been concealed from this member of parliament. From the number of complaints to my office regarding Telstra, I am all too aware of the problems facing the network.

I have also received many calls from pensioners, particularly aged pensioners in my electorate, who are worried about the substantial increases in line rentals for their phones. They are concerned that a privatised Telstra will see these fees continue to rise, along with additional charges being introduced, such as timed local calls. These are valid concerns for members of the community who rely on their telephone line in the case of emergencies. It is also their lifeline to the outside world.

Many members opposite have ridiculed us, suggesting that we are opposed to the sale of Telstra simply because of some sentimental attachment to it. How wrong you are! My opposition to the sale of Telstra runs much deeper than a simple opposition to the further privatisation of a public utility. My opposition to the sale of Telstra represents the views of my community—certainly the majority of my constituents—and the concern I have about the declining service from Telstra in this vital area of telecommunications. Despite assurances from the minister that an independent expert committee appointed by him will ensure that Telstra acts in the national interest, I am sceptical of this provision. A committee appointed by the minister, as with the Estens report, has the potential to see yet another government-friendly board selected who produce the outcomes the minister wants to hear.

Australians know that, if Telstra is sold off, prices are likely to rise and services are likely to decline further. Majority government ownership is the only way to ensure universal access to telecommunications for all Australians and to ensure that the organisation acts in the national interest, particularly in relation to new services such as broadband and broadband access. Instead of selling off Telstra, I want to see the government ensure that our national telecommunications network is refocused on its primary role—that is, providing an adequate service to families and businesses in Australia and decent returns for its majority shareholder, the Australian people.

When I first came into the parliament, I explained that there was little, if any, proof of sustained community benefit which supports the privatisation of government enterprises or services such as Telstra. I have to say that increasingly it would appear that the evidence suggests that privatisation leads to a decline in the standard of living or the standard of access to the service for the majority through higher charges for essential services and leads to reduced access to those
same services for those on lower incomes. That is why I oppose the further sale of Telstra and will continue to do so. I would like to reassure the people of Hasluck that I will continue to fight against the sale of this asset.

Mr WILLIAMS (Tangney—Minister for Communications, Information Technology and the Arts) (11.47 a.m.)—in reply—I take this opportunity to acknowledge all the contributions to the debate concerning the Telstra (Transition to Full Private Ownership) Bill 2003 [No. 2]. As I stated upon reintroducing this bill into parliament, it has been longstanding government policy that Telstra should be transferred to full private ownership, subject to an effective regulatory framework that protects consumers and promotes competition. It is disappointing to see that the opposition and others are still vehemently opposed to the passing of this important legislation. It is also disappointing, although perhaps not surprising, to find that the opposition continues to try to scare Australians into believing the telecommunications services in Australia are inextricably linked to the government owning Telstra. This is patently not the case. The opposition has consistently failed to articulate any plausible reason why Telstra should not be sold. The opposition has also failed to explain how it would deal with the extraordinary conflict of interest the government has as both the government shareholder and the regulator. In fact, based on what the member for Melbourne has said, under a Labor government the effect of this conflict would be plain for all to see.

The member for Melbourne wants to tell Telstra what to invest in, how many people it can employ and what prices it can charge. All the indications are that the member for Melbourne wants to act like a shadow or de facto director of Telstra. I note that one commentator in this press this morning suggested that ‘the ALP might so weaken Telstra that it cannot help rural areas’. The member for Melbourne has suggested that a Labor government would not be strong enough to regulate a fully privatised Telstra. I am continually surprised at the lack of faith an aspiring politician has in the power of the parliament to regulate. If the member for Melbourne wants to run a telecommunications company, he should leave politics and do so. Over the last 24 hours, the member for Melbourne has made some cheap personal attacks on Telstra’s chief executive officer, Dr Ziggy Switkowski, and its chairman, Mr Bob Mansfield. Such comments are unbecoming of someone who, if Labor managed to win government, could be responsible for Australia’s overall telecommunications policy as well as the Commonwealth shareholding in Telstra.

In 1991, Labor established Telstra as a corporation under the Corporations Law. The Minister for Transport and Communications at the time said in his second reading speech: ... the fiduciary responsibilities of the directors of the company will be the same as those applying to directors of private sector companies. The opposition needs to come to terms with the appropriate role for a responsible government acting in the interests of all Australians. Government’s role is to establish a robust policy framework for the ongoing development of competition. It is to put in place an array of consumer safeguards that apply to all telecommunications companies, irrespective of who owns the company. It is to make sure that the competitive and consumer safeguard regulatory frameworks are effectively enforced by independent regulatory agencies. It is not the role of government to run Telstra. It is inappropriate, given the government’s responsibility to the whole industry. It ignores the rights of the 1.8 million minority shareholders in Telstra. Finally, running a telecommunications company in
the modern communications market is not something governments are qualified to do.

Let me turn briefly now to the latest attempt by the opposition to find a reason not to sell Telstra—a leaked document. This document is being used by the opposition to attempt to discredit the quality of Telstra’s network, its services and its level of capital expenditure. Telstra has over 10 million fixed phone lines. It is unfortunate but inevitable that there will be faults in a network as large as this. However, the government is concerned to make sure consumers continue to get reliable phone services. There are two aspects to this: first, to make sure that, if a fault does occur, it is fixed quickly; and, second, to make sure that the overall reliability of the network is maintained to minimise the chances of recurring faults. To address the first, the government introduced the customer service guarantee. In response to the second, the government introduced the network reliability framework.

The government’s overall approach is to focus on outcomes. We are concerned about the service and the experiences of the customer. The opposition is only focused on the inputs—the number of people employed and the number of dollars spent. As the Australian Communications Authority’s latest Telecommunications Performance Monitoring Bulletin shows, Telstra’s performance outcomes against key measures under the CSG and the NRF are impressive. Telstra’s most recent public report under the NRF showed the national average availability of phone services in December 2003 at 99.92 per cent and the national percentage of services with no faults for the same period at 99.07 per cent. Service availability remained at 99.9 per cent for the first 12 months of reporting under the NRF. Telstra’s fault repair performance was also of a high standard, with 91 per cent of faults in urban areas being cleared within CSG time frames. Ninety-five per cent compliance with CSG time frames was achieved by Telstra in rural areas and 94 per cent compliance was recorded in remote areas.

The improvements in the quality of telecommunications services in Australia have been achieved by this government through regulation and investment. They have been achieved despite the conflict of interest inherent in the continuing government ownership of Telstra. It is regulation, not ownership, that matters. Telstra cannot walk away from regulatory obligations like the universal service obligation, the customer service guarantee and the network reliability framework. These obligations are enshrined in legislation and, as anyone who looks at the legislation before the House will realise, these obligations are not affected by any proposal to sell Telstra.

There is a stark contrast between Labor, which closed down a mobile phone network, and the government, which has been improving and expanding regional telecommunications networks and services. The government’s record on regional telecommunications is enviable and we have committed to continuing this record into the future. Trying to predict telecommunications needs and developments into the future is impossible, but we will put in place a number of mechanisms to make sure that regional telecommunications services do not go backwards. This legislation includes a mechanism that will require all future governments to conduct independent, regular reviews of regional telecommunications needs, and we will prepare for the first time a strategic plan for regional communications.

As previously mentioned, the existing consumer safeguards are not threatened by this legislation. In addition to the USO, the CSG and the NRF, the right to untimed local phone calls, price controls and the Telecom-
The only threat to Australia’s telecommunications services is the threat of an interventionist Labor government. Under Labor, Telstra would be turned into a hamstrung utility, unable to invest and unable to grow. Telstra would be unable to offer customers the variety of products and services they are demanding. It would be unable to invest in the development of new and innovative services and it would be unable to fulfil its obligations to its shareholders. Under Labor, Telstra would not continue to provide strong dividends to the government or minority shareholders. I note an observation in the press this morning that Labor’s policies would be:

... a disaster for the value of the government’s stake in Telstra, let alone the public shareholders.

Telecommunications users in regional Australia have never had better services—they have never had greater choice of provider and they have never had more rights and safeguards—and they can continue to rely on the Howard government to address their telecommunications needs into the future.

I take this opportunity to point out that, globally, the privatisation of government owned telecommunications companies continues. For example, the major telecommunications companies of 12 OECD countries are in full private ownership—specifically in Canada, Denmark, Hungary, Ireland, Italy, Korea, Mexico, New Zealand, Portugal, Spain, the United Kingdom and the United States. A further 12 OECD countries have an objective to further privatise their telecommunications companies or have enacted laws that will enable them to do so and these countries include Austria, the Czech Republic, Finland, Germany, Iceland, Japan, the Netherlands, Norway, Poland, Sweden, Switzerland and Turkey. The French parliament has recently adopted a measure that further opens up the privatisation of France Telecom. A number of non-OECD member countries also have fully privatised their telecommunications companies. These countries include Argentina, Brazil, Chile, Peru and the Philippines.

The government’s reforms of the telecommunications sector have led to greater competition and have given Australians access to a wide range of high-quality, innovative and low-cost telecommunications services. The other point that the House must remember is that Labor’s record on privatising government entities is impressive, but its record of honesty to the Australian community is less so. Labor said it would not sell the Commonwealth Bank and then did so, and Labor sold Qantas. The difference between Labor and the government is not a philosophical difference to privatising government entities; it is that the government is prepared to be up-front with its intentions.

Selling Telstra is the obvious final step in the journey towards a true competitive telecommunications market in Australia. However, the government will make sure that a privatised Telstra remains an Australian Telstra. The government’s policy on foreign ownership of Telstra is unchanged. Telstra will continue to remain an Australian owned and controlled corporation and the existing limits on foreign ownership of shares will be retained. The government rejects the notion put forward by the opposition that the government must own Telstra to control it. I commend the bill to House.

Question put:
That this bill be now read a second time.

The House divided. [12.02 p.m.]

(The Deputy Speaker—Mr Lindsay)

Ayes............ 75

Noes............ 58

Majority........ 17
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.
Downer, A.J.G.
Dutton, P.C.
Entsch, W.G.
Forrest, J.A.
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Hawker, D.P.M.
Hunt, G.A.
Jull, D.F.
Kelly, J.M.
King, P.E.
Lloyd, J.E.
May, M.A.
Moylan, J. E.
Neville, P.C.
Pearce, C.J.
Pyne, C.
Ruddock, P.M.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Toller, D.W.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Worth, P.M.

ANDERSON, J.D.
Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Causley, I.R.
Ciobo, S.M.
Draper, P.
Elson, K.S.
Farmer, P.F.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hockey, J.B.
Johnson, M.A.
Kelly, D.M.
Kemp, D.A.
Ley, S.P.
Macfarlane, I.E.
McArthur, S. *
Nairn, G. R.
Panopoulos, S.
Prosser, G.D.
Randall, D.J.
Scott, B.C.
Slipper, P.N.
Sonlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.

Jackson, S.M.
King, C.F.
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.
Rudd, K.M.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Vamvakou, M.
Windsor, A.H.C.

Jenkins, H.A.
Lawrence, C.M.
Macklin, J.L.
McFarlane, J.S.
McMullan, R.F.
Mossfield, B.F.
O’Byrne, M.A.
O’Connor, G.M.
Plibersek, T.
Quick, H.V. *
Roxon, N.L.
Sawford, R.W.
Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Wilkie, K.
Zahra, J.C.

* denotes teller

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr WILLIAMS (Tangney—Minister for Communications, Information Technology and the Arts) (12.08 p.m.)—by leave—I move:

That this bill be now read a third time.

Question put.

The House divided. [12.10 p.m.]

Ayes............. 75
Noes............. 62
Majority......... 13

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.

ANDERSON, J.D.
Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Causley, I.R.
Ciobo, S.M.
Question agreed to.

Bill read a third time.

**HEALTH AND AGEING LEGISLATION AMENDMENT BILL 2003**

*Second Reading*

Debate resumed from 4 March, on motion by Ms Worth:

That this bill be now read a second time.

upon which Ms Gillard moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the Bill a second reading, the House condemns the Government for:

1. planning to cover up bulk billing figures by electorate until after the next election;
2. causing a bulk billing crisis;
3. trying to divert attention from its plans to destroy Medicare by introducing so-called ‘safety net’ arrangements which will make 98% of Australians worse off and which will waste $72 million of precious health dollars on administration; and
4. consistently ignoring the advice of the Pharmaceutical Benefits Advisory Committee thus depriving many sick Australians of affordable access to cost-effective medications while agreeing to a Free Trade Agreement with the USA which:

(a) has the potential to undermine the Pharmaceutical Benefits Scheme over time through the establishment of an on going Australia/USA Medicines Working Group;
(b) has ensured US Pharmaceutical companies can challenge the decisions of the expert committees that advise government on PBS listing and price;

(c) may force changes to the current Australian blood plasma fractionation arrangements with consequences for the safety of blood products; and

(d) may result in job losses in Australian firms which manufacture generic medicines as a result of changes to patents and intellectual property protection”.

Mr BALDWIN (Paterson) (12.12 p.m.)—The Health and Ageing Legislation Amendment Bill 2003 does many things. It provides for an increase in the Pharmaceutical Benefits Advisory Committee membership. The committee will consist of a chairperson and no fewer than 11 and no more than 15 members. The amendments in the bill will allow specialist dentists full prescribing rights under the PBS, including access to emergency drug supplies, whilst not changing the conditions applying to other dentists; will give a pharmacist who relocates to another premises without applying for an approval an entitlement to receive 90 per cent payment or waiver of recovery, once the relocation is approved, without the need to proceed under the act of grace provisions; and will allow an agent to make and sign an application for a PBS safety net concession or entitlement card on behalf of an applicant. The forms, brands, maximum quantities, maximum number of repeats and manner of administration of PBS medicines will apply to the supply of pharmaceutical benefits by approved hospital authorities in the same way that they do to pharmaceutical benefits supplied by approved pharmacists and approved medical practitioners. The bill will also amend the National Health Act 1953 so that the secretary has discretion over whether or not to cancel an approval given to a hospital authority similarly explicit. The amendments will allow for a more simplified way of billing. The Health Insurance Commission is implementing an electronic simplified claiming process using electronic business solutions. This process involves the provider of medical services sending a claim to the commission directly, rather than to a registered health benefits organisation.

Importantly—and one of the areas that interests me as the member for Paterson—the amendments will mean that overseas trained doctors who are undertaking a bona fide training program and have an occupational trainee visa will continue to be able to claim Medicare benefits when they assist at operations as part of their training program. This will allow the government to continue to facilitate the exchange of medical knowledge between Australia and other countries. However, all other overseas trained doctors must commit to providing services in districts of workforce shortage if they wish to access Medicare. The amendments will also give recognition to specialists who were previously not recognised under the Health Legislation Amendment Act (No. 2) 2001.

In an earlier speech, I spoke about the PBS. It is very interesting that the PBS was introduced in large part by the Menzies government in 1953. This government is very committed to the PBS. The PBS is a unique system. It gives Australians access to the best available medicines at an affordable rate. What is alarming about the scheme is that over the past four years the cost of the PBS has risen by around 60 per cent. It has gone from around $1 billion in 1990 to over $5 billion today. When the Treasurer handed down the Intergenerational Report in the 2002-03 budget forecast, it was anticipated that PBS costs would blow out to around $60 billion by 2040. Our community is an ageing
community—my community has a very large demographic of aged people—and providing medicines as people live longer is becoming more and more expensive.

The actual cost of medicines under the PBS compared to the cost that general patients and concession card holders pay is phenomenal. The gap between what we receive in payments under the PBS compared to what this government pays for the drugs is so large that it is hard to comprehend. But no Australian begrudges anyone access to medicines at an affordable rate. Under the PBS our medicines are $3.70 for patients with a concession card and $23.70 for general patients. I will give some examples. Three hundred milligrams of Paclitaxel, which treats breast and ovarian cancer, costs on average $2,350. But the cost to the patient is $23.70 or $3.70, depending on whether you have a concession. Interferon beta, which is used for multiple sclerosis, costs $1,178.

On 1 November last year, five new drugs were included in the PBS, which will help many families around Australia and those who would be facing rather large medical expenses if it were not for this government. Those drugs include Avandia and Actos, which are for the treatment of type 2 diabetes. They enable patients to continue on tablets instead of having to switch to insulin injections. That is a very welcome relief. The tablets cost $1,200 per patient per year. Around 50,000 diabetics will benefit from this. I know from the experience of my own family members how painful and sore it is to continually inject yourself, each and every day, just to make sure that your insulin levels are correct. I really welcome the inclusion of those drugs on the PBS. I think it will have a massive effect, particularly with children, who can never quite get used to injections.

An anti-cancer drug called Glivec, which costs around $45,000 per patient per year, now comes under the PBS. That will help 700 people per year who have chronic myeloid leukaemia. Remicade, which treats people with rheumatoid arthritis and would cost patients around $20,000 per year, is also under the PBS. It is anticipated that it will help some 1,700 people. I mentioned insulin and diabetes. To give you an idea, the cost of insulin ranges from $162 to $270 per 100 units per millilitre. I am not a doctor, but I can say that it is rather expensive. But those who need it pay $23.70 or $3.70.

I do not know of one member in this House who would deny anyone the benefit of a medicine supplied by fellow taxpayers. At the end of the day, it is not government money; it is our fellow taxpayers’ money that is being used to subsidise these medicines. The other week the Minister for Health and Ageing announced that the drug Tracleer, which costs $48,000 per patient and is used for the treatment of pulmonary arterial hypertension, will be listed on the PBS. That will help around 200 people per year. We have also seen the advent of stem cell research. I was one of those who was not particularly fond of embryonic stem cell research. But as all these new treatments, miracle cures and the associated drugs come online, the costs will only increase.

The part of this bill that interests me is that which relates to doctors. It is no secret that we have had some issues in trying to attract doctors into areas of my electorate. It was unfortunate that in December 2001 Dr Stan Wieckmann passed away. He was a fantastic man. He was much loved in his community and he provided a great service. Immediately following that, I made some representations to the former Minister for Health and Ageing, Kay Patterson. I must say I was very appreciative of the help that she and her office provided to me in making sure that all of the barriers were removed to obtain an overseas trained doctor provider number.
would also like to commend the hard work in the community of people like Ruth Hawkins and Trish Thatcher at the Karuah Pharmacy. I also commend members of Port Stephens Council, such as Paul Proctor, and the Hunter Rural Division of General Practice. With a combined effort we were able to get a doctor to come to Karuah. Dr Hazim Dahir took up the position in November last year and is doing a tremendous job for our community.

But we do have a continuing problem. I have been advised today that the Medowie branch of the Port Stephens Medical Centre will be closing because of the loss of two doctors. One has gone into the Royal Australian Air Force and after a period of training is going to be deployed to Timor. We wish him well in his future endeavours, but we wish he had stayed on in Medowie. There is an urgent need there. I am addressing that now, with the minister, to make sure that we do everything that we can to help get a doctor into our area. The area is not without a doctor, but it has a population that is rapidly expanding and there is more development going on. Before too long we will see a desperate need for a doctor.

One of the issues I would like to highlight in relation to doctors is the reason there has been a shortage of doctors over the past eight years. That directly relates to the fact that the Labor Party did not put enough places or training into operation. This government has only been here just a tad over eight years. I am advised by my Division of General Practitioners that, from the day a person enters university, it takes between eight and 12 years for them to become a registered GP. So in the previous eight years where we have seen a shortage of doctors in my area, that is a direct measure of the Keating government. Labor also failed the community because they failed to understand and address the fact that we are an ageing population, which also increases the need for doctors. Nor did they recognise the fact that there is the beginning of a coastal drift to areas that will become retirement havens.

The Labor Party had an active policy of encouraging female GPs. At the time that probably sounded like the right thing to do, but in discussions with the Division of General Practitioners, rural practitioners and GPs directly it has created part of the problem that we have. Women have been taking up positions at university and in training, but—and it is a normal and natural thing for women to do—they want to have children, to reduce their workload to half measures and not to work night shifts. Not all female doctors feel like this but a large percentage of them do. That bias towards female medical students under a Labor government is part of the reason we are now seeing doctor shortages.

As I said, it takes up to 12 years to train a doctor. Those are not my words, they are the words of Dr Arn Sprogis—a man I have a lot of respect for—of the Hunter Urban Division of GPs. We are now having to extend our employment searches into overseas areas. We need to pursue those actively. There is a massive shortage of doctors, but it is never easy to get them to come to Australia. Part of the other problem that we have in regional and rural areas is that doctors predominantly want to live in the city. If it is not the doctors who want to live in the city, it is their families who want to live in the city to access all the benefits of living in a city. As a young fella I grew up in the city, and I could not wait to get out of there and into a regional area.

We have some issues that we need to address in my electorate, and we will make sure that we put everything that we can into them to make sure that we do get more doctors in the Medowie area. What alternative
policies are there in relation to getting doctors into regional and rural areas? We heard the policy that was launched by the shadow health minister, and it was very interesting. Labor are going to come up with doctors and cart them around to areas of need, if they have a hospital. Unfortunately, Raymond Terrace does not have a hospital. In fact, a lot of towns in my electorate do not have hospitals. Perhaps there is nothing more telling than a quote in a letter written by Chris Boyle to the editor of the Examiner. Who is Chris Boyle? He is one of the eminent doctors in the Raymond Terrace area. He runs a very good practice. He also happens to be the chairperson of the Hunter Division of Urban Practitioners. I will read his letter. It says:

SIR—I was very interested to read what the ALP policy on the Medicare bulk billing teams is (Examiner, February 12).

It does not involve new GPs. It simply involves moving GPs from private practice to the public service. Not one new GP, simply move the deck chairs on the Titanic (Medicare).

Being a public service facility, I assume this means that the service will be fully funded and resourced so that all the GP has to do is turn up and work 9 to 5.

All the staff, the nurse, the building, the computers, insurances and the entire infrastructure will be provided by the Government.

No wonder it is possible to then bulk bill because the cost of the service will be heavily subsidised by the Government.

To bulk bill and be in private practice is very difficult to do now because the rebate has failed to keep up with the cost of providing the service.

This is why bulk billing is in decline and this has not been addressed by the ALP Policy.

It has been partially addressed by the Government’s Medicare Plus policy but even that is a stop-gap measure that will only help for two years.

Both sides of politics should start to have a real think about health policy, come up with some realistic solutions and stop playing politics with the nation’s health.

Mickey Mouse ideas like Medicare bulk billing teams are irrational and no aid to the sensible, sustainable approach that is required,

Dr Chris Boyle
Raymond Terrace

That letter was written before the latest reforms for the MedicarePlus package went through the Senate last night. For all the charade that the Labor Party have been running, wanting to help people who are in desperate need of health care, including helping people who require dental or specialist access, they have sought to deny that. Yet the shadow health minister comes in here quite regularly and talks about the need for increased bulk-billing, greater services and a dental plan, but when given the opportunity they were not there. They voted against it. I congratulate the Independent senators who supported this program.

I would have thought that if the Labor Party had one ounce of genuineness in their body they would have supported the package and if, by some stroke of the imagination, they get into government, they could move to amend it to suit themselves. But what they did in opposing this bill and stringing it out for so long was to deny people access to health at an affordable cost. They sought to deny people the safety net measure that was being put in place. When Labor talk about health, you know they are only fooling around. There is not an ounce of sincerity in the whole tribe. I commend this bill to the House because I think it is a good measure.

Mr SCIACCA (Bowman) (12.29 p.m.)—I would like to briefly comment on the previous contribution, from my friend over there—my corridor friend—the member for Paterson. He was just sprouting Liberal propaganda; I suppose I do not blame him for that. But I can tell you that we were not
skulking around the place sucking up to the four Independent senators, promising them hundreds of millions of dollars of the so-called taxpayers' money that the honourable member was talking about. The reality is that this government's record when it comes to health in this country is not real good—you can see that by the way they shift their health ministers around. My friend the honourable member for Paterson was talking about the long stretch of imagination required when it comes to Labor winning government. I say, through you, Mr Deputy Speaker, that Labor winning government is a definite possibility. He should be very worried.

The Health and Ageing Legislation Amendment Bill 2003 incorporates several positive initiatives for the Pharmaceuticals Benefits Scheme which will have flow-on benefits for the many Australians who rely on it to ensure they have access to affordable medicines. It is a bit out of character for this government to be doing something positive with the PBS. In recent times, they have seemed very keen to undermine the scheme. They have been trying to get legislation pushing up the copayment and raising the cost of essential medicines by some 30 per cent through the Senate for a number of years. They were reluctant to commit to protecting the scheme during the free trade negotiations with the US and commissioned what I consider to be a particularly misguided advertising campaign that seems aimed at making Australians feel guilty about accessing prescription drugs through the PBS—medicines that improve the overall health outlook and, in the long term, save the taxpayers millions of dollars in health care costs.

The main purpose of this bill is to provide for the membership of the Pharmaceutical Benefits Advisory Committee, otherwise known as the PBAC, to be expanded. As honourable members will be aware, the committee has responsibility for assessing new drugs and making recommendations to the minister about which drugs should be included in the PBS, based on their efficacy and safety and having considered how the cost compares with that of similar drugs already listed on the PBS. There is currently a requirement that members of the PBAC must include at least eight members, or two-thirds of the committee, who represent six key professional or interest groups: consumers, health economists, practising community pharmacists, general practitioners, clinical pharmacologists and medical specialists.

This amendment will mean that the committee will be made up of a chairman and not less than 11 and not more than 15 other members. There is a requirement that representatives from these key groups continue to make up at least two-thirds of the PBAC, with other members with appropriate qualifications and experience to be appointed by the minister. It is expected that with a larger membership, the PBAC will be better able to cope with its increased workload and will produce more timely assessments of drugs put forward to them. This measure has the support of the Australian Consumers Association and should also go some way to addressing the concerns the pharmaceutical industry has expressed about the time being taken to assess and report to the minister on drugs submitted for listing on the PBS.

Other minor amendments made by this bill include: the introduction of more flexible arrangements for the reimbursement of pharmacists who have relocated without seeking prior approval, who at the moment cannot legally be paid for any pharmaceutical benefits supplied from those unapproved premises; enforcing uniform standards with respect to forms, strengths and brands of PBS medicines regardless of whether they are dispensed by pharmacists or hospitals; and simplifying billing arrangements for ser-
services provided as part of the Medical Purchaser Provider Agreement to the benefit of health services consumers.

While the opposition welcomes the positive measures introduced in this bill we are, as I mentioned at the outset, a little surprised given that investment in public health is one of the many areas in which this government’s views are dramatically out of step with community values and, sadly, dramatically out of step with commonsense. Since 1948 the PBS has been in place to ensure all Australians have access to the pharmaceuticals they need at a price they can afford. Essential medicines keep people healthier for longer and, as such, the PBS is a foundation stone for governments that strive to build the quality health care system that Australians expect and deserve.

Yet the Howard government has spent the last few years trying to chip away at the Pharmaceutical Benefits Scheme. Yes, costs have grown, but the sky is not falling, as one might have thought from what we saw yesterday, with the hundreds of millions of dollars that the Minister for Health and Ageing, Mr Abbott, ended up handing over so that he could get through his MedicarePlus—we call it MedicareMinus—package. The sky, as I said, is not falling, and as legislators we should be taking the time to carefully consider the range of options to ensure that the PBS remains viable rather than running around like Henny Penny advancing the kinds of unsatisfactory, knee-jerk reactions we have seen this government come up with.

As I understand it, the PBS growth rate has been far from uniform over the last 20 years. In the early 1990s, we saw a yearly growth of up to 20 per cent, which was reduced to a much less daunting yearly growth rate of 6.5 per cent by 1995-96 and 1996-97. At the turn of the century, growth returned to about 20 per cent but since then it has slowed considerably. So, while growth is inevitable and we should be actively exploring options to preserve the PBS, the rate of that growth is almost impossible to predict and the government’s dire predictions must therefore be taken with a grain of salt. To begin with, the rising cost of the PBS must be measured against the benefits that the scheme delivers to individual Australians and the flow-on savings in other areas of the health budget. The scheme subsidises medicines to help Australians to manage their health and to avoid the higher treatment and hospital costs that would eventuate down the track, and that is the important thing. Preventative medicine is always the best cure. The reality is that the cost of hospitalisation is extraordinary and if we can keep people out of hospitals, even though it costs more to allow them access to the medicines that they require, then I believe it is a good investment and good public policy.

While the costs of the PBS will almost certainly continue to grow, greater investment in the scheme is not necessarily a bad thing and could be quite a good thing indeed to reduce the growth in costs for public hospital services, medical and diagnostic services and, in particular, aged and community care. There was an outcry, and deservedly so, when the government tried to increase PBS copayments to $4.60 for concession card holders and $28.60 for general patients. Such a move would have pushed up the annual cost of pharmaceuticals by $52 for pensioners and low-income earners—a price rise which even the government conceded would have meant that some people would simply be unable to afford essential medicines. I can relate to that, Mr Deputy Speaker. I do not know if you can, but I certainly can. I am on tablets for blood pressure and a few other things—it is pretty easy to get blood pressure in this place. It is very expensive. For people like me who can afford it it is fine, but if you
start raising the costs of these sorts of medicines people out in the community just will not get them. They will not be able to afford them and consequently they will end up being a greater burden on the taxpayer by way of public hospitals et cetera.

The Department of Health and Ageing estimated that such a price rise would result in 3.6 million fewer prescriptions being filled by pensioners and a total drop of about 5½ million in the number of scripts being filled by Australians each year. That would mean 5½ million instances in which an Australian who was unwell and needed medication went without because their budget simply would not stretch far enough. In essence, the bulk of the savings the government claimed would be made through such a measure would be made because scripts were not being filled rather than through the increased copayment.

Australians were appalled. They resoundingly objected to a policy that would leave the most needy in our communities without essential medicines because they were too costly. Despite the government’s repeated efforts to get the rise through, the parliament has stood strong and rejected it. On this side of the House we had no choice but to oppose it, because it was not what our constituents wanted and because it was bad health policy and bad economic policy.

Their plan to increase the copayment defeated, the government went for plan B. Instead of deterring Australians from filling prescriptions for the medicines they needed by hiking up the price, they tried to stop us visiting the pharmacist by making us feel guilty about it. Last year, $27 million was dedicated to an advertising campaign that saw celebrity Dr James Wright telling Australians that their health costs are burdensome, that they should think twice about getting their prescriptions filled and that they should be both alert and alarmed about the future of the PBS. To begin with, that is $27 million that would have been much better spent on health care services rather than yet another slick, expensive Howard government advertising campaign.

In an article in the *Medical Journal of Australia*, the journal of the Australian Medical Association, in October last year, Dr Evan Doran and Professor David Henry wrote:

> The current “Pharmaceutical Benefits Scheme (PBS) community awareness campaign” explicitly links the difficulties facing the PBS to patient behaviour and “waste”. The campaign suggests that patients are taking advantage of affordable access to prescription medicines, and emphasises that patient responsibility is “the prescription for a healthy PBS”. By neglecting to inform the public that the pressures facing the PBS also include doctors’ prescribing habits and intensive pharmaceutical industry marketing, the campaign has missed an opportunity to initiate a ... constructive debate about the future viability of the PBS.

Blaming a patient is unfair. It is unproductive and could prove also to be very unhealthy. Soon after the advertising campaign hit the airwaves last year, my electoral office at Calalaba received a call from a very angry constituent who had just spent half an hour talking to her elderly mother who, after having seen Dr Wright on the TV, thought she should cut back on her intake of arthritis medication to do her bit—as she put it—to save the PBS.

The rising cost of the PBS does seem to point to the fact that, in general, Australians are being given more prescriptions. But is that really the case? According to the Australian Institute of Health and Welfare and the University of Sydney the answer is no. In their report, *General practice activity in Australia 2001-02*, they found that Australian doctors were prescribing fewer medications, preferring instead to order more tests and
provide more counselling. In a survey of 983 GPs over more than 96,000 consultations they found that in the year 1998-99 for every 100 consultations the average GP prescribed 94 medications, advised or counselled patients on 31 occasions and undertook 12 procedures. By 2001-02 there had been a noticeable shift. Over 100 consultations GPs prescribed 84 medications, offered advice or counselling 38 times and carried out 14 procedures. These results fly in the face of the premise of the government’s advertising campaign that the rise in PBS costs is largely due to doctors overprescribing to satisfy patient expectations rather than to treat their illnesses.

The report also revealed that the prescription rate for antibiotics fell from 17.3 to 14.5 per 100 consultations over the four years of the study. Over the same period, the GPs prescribed more drugs to treat arthritis and control blood cholesterol, which tend to be the more expensive drugs. It indicated that the growth in the PBS is more a symptom of our ageing society than our consumer mentality, which means blaming patients and making them think twice before getting their prescriptions filled will have little impact on the growing cost of the scheme. Labor acknowledges that something must be done to improve PBS sustainability to ensure that this valuable scheme continues to benefit Australians for many years to come. But we would encourage the government to think positively and in terms of long-term solutions rather than the bandaid solutions put forward in the last four years.

For example, more effective than an advertising campaign aimed at laying blame on health service consumers might be the introduction of tighter controls on drug advertising by pharmaceutical manufacturers. This is obviously not something that has occurred to the government, whose negotiators have agreed to terms in the US free trade agreement which allow US drug companies to establish Internet sites to disseminate health information to consumers over the Internet. Similar measures have been rejected by the European parliament. I understand that doctors are particularly concerned about the impact that information which misleadingly minimises accounts of the risks and side effects of medication and the use of advertising to manipulate emotions could have on consumers.

Since the details of the FTA were released last Thursday, consumer groups have also expressed their concern that the introduction of the review process set out in annexure 2-C(2)(f) of the agreement would lead to higher prices for patients. Nicola Ballenden from the Australian Consumers Association has warned that the review process would lead to higher drug prices and delays getting drugs to market. Alan Ramsey was more to the point in his opinion piece in the Sydney Morning Herald recently when he said of the FTA, ‘The PBS proposals are a nightmare.’ I do not normally take much notice of what Alan Ramsey says, but on this occasion he was right. Mostly he is wrong, particularly in some of those stupid opinion pieces he writes. I have been mentioned in a few of those, I think. I see my friend the member for Melbourne Ports smile as I say that. Nevertheless, Mr Ramsey, on this occasion you are absolutely correct.

I support the second reading amendment moved by the member for Lalor, which says ‘Whilst not declining to give the bill a second reading, the House condemns the government for’ and then goes on to provide a number of points as to why we think some of the things it is doing are pretty stupid. The reality is that many Australians are genuinely struggling to meet their basic health costs and access quality health services under the Howard government. Their government has failed to assert their interests over those of
the US drug lobby in the FTA. Their government has failed to protect bulk-billing, so they are paying more each time they visit the GP. Their government has pushed them into private health insurance and then failed to keep a lid on rising policy costs.

No wonder people are beginning to resent paying out so much to stay in health insurance, if the recent experiences of my constituent Mr Ron Helibronn of Manly and the lack of service he has received from Medibank Private are anything to go by. Mr Helibronn is a longstanding customer of Medibank Private. He and his wife have had top cover with the insurer for over 20 years. The rising costs of insurance meant that they recently reduced the level of their cover to a policy that still covered their health needs but was a bit more affordable for them on a pension. At the end of November 2003, Mr Helibronn underwent keyhole surgery on his knee at a private hospital in Brisbane. When he submitted a claim with Medibank Private, he was asked to provide evidence as to whether or not his knee injury was a pre-existing condition—something he would need this treating doctor and specialist to confirm, which would mean another appointment and additional costs.

Given the length of time my constituent had been with Medibank Private, he was understandably offended that his insurer imposed this additional requirement on him before issuing payment on his claim. My office made inquiries directly with Medibank Private, he was asked to provide evidence as to whether or not his knee injury was a pre-existing condition—something he would need this treating doctor and specialist to confirm, which would mean another appointment and additional costs.

Mr Helibronn wrote to Medibank Private setting out exactly what had happened to him and expressing his concerns. Unsurprisingly, he included in his letter comments to the effect that, however the matter was resolved, he would need to seriously consider changing insurers, given the lack of service and the lack of loyalty Medibank Private displayed to one of their loyal customers. I was pleased to learn that last week my constituent received a response to his letter and, while not admitting that they had done the wrong thing or that their request was out of order, Medibank Private have now agreed to pay Mr Helibronn’s claim. It is a victory for my electorate staff and Mr Helibronn. That level of service, or rather the lack thereof, is really not good enough and it is something the government, so keen to herald private health insurance as the cornerstone of our health system, should be looking at as a matter of priority and should be acting on before approving the next round of fee hikes.

Finally, with these other crucial areas of our health care system in disarray, the opposition will continue to support positive measures for the PBS such as those included in this bill and will continue to advocate for effective long-term measures to improve the PBS sustainability and will help, not hinder, those in our community who need its support the most.

Mrs MOYLAN (Pearce) (12.48 p.m.)—Can I say from the outset how pleased I am and how pleased many in my electorate will be that commonsense has prevailed and the Minister for Health and Ageing and the government have been able to get through this enormously important legislation on the
MedicarePlus package, with a $427 million enhancement to the existing Medicare package. It will affect over 12 million families who will be covered by the $300 safety net, it will increase incentives for bulk-billing and it will certainly improve outcomes for people with chronic health conditions and complex and allied health needs. Congratulations to the Minister for Health and Ageing. This will ensure that the Howard government will provide the necessary investment to protect and strengthen Australia’s Medicare system.

The Health and Ageing Legislation Amendment Bill 2003 proposes a number of amendments to the National Health Act 1953 and Health Insurance Act 1973 with minor amendments to the Aged Care Act 1997 and consequential amendments to the Veterans’ Entitlements Act 1986. The Pharmaceutical Benefits Advisory Committee is an independent statutory body which was established in 1954 under the National Health Act. The task of the PBAC is to provide advice to the minister for health with regard to appropriate drugs and medicinal preparations that should be available through the Pharmaceutical Benefits Scheme. Without the approval of the PBAC, new drugs cannot be provided through the PBS. In recommending new medications, the PBAC must take a number of criteria into account. Some of these include the effectiveness of the medication, its cost and the comparison with alternative therapies to ensure that best value for money is being achieved, and other advice includes the maximum quantities and the repeat prescription arrangements. Since 1954 the number and the complexity of medications has increased, placing an enormous workload on this committee. The committee currently comprises 12 members, and the minister in recognising the enormity of the task proposes to increase the membership of the PBAC to allow up to 15 members.

As many people in this place know, we have established a parliamentary support group for diabetes and we have been very active in this place over the last two years. We have been briefed on the benefits of some new types of drugs and recently on the glitazone drug. These drugs are really important because they reduce the likelihood of people with type 2 diabetes becoming insulin dependent. They have been recognised in many countries as being effective in reducing the risk of insulin dependency in type 2 diabetics, thus reducing the dreadful complications that often accompany diabetes. The cost of the inevitable complications in type 2 diabetes remaining untreated is extremely high.

On World Diabetes Day we all had the opportunity to talk to the gentleman who came to this building and underwent a renal dialysis with the assistance of staff from the renal dialysis unit at the Canberra Hospital. It highlighted to the members who took the time to go down and visit him the enormous expense of having to undergo renal dialysis on a regular basis to ensure that this man could live. It certainly diminishes greatly a person’s quality of life to suffer any or all of the complications of diabetes, which include blindness. Diabetes is also the most common reason for non-accidental amputation of limbs. It comes at a very high cost. Of course, heart disease and renal failure are among some of the serious complications of lack of appropriate management and medication for diabetics.

So we were very pleased, obviously, when the government acted on the advice of the PBAC and approved the listing of these drugs under the PBS. I mention this because the amount of material to read in relation to this one drug for our small executive group was really huge. Even though we have the member for Moore on our executive, who gives us the benefit of his medical experi-
ence, we found the going quite tough. For those having to make the decision based on the technical information and the cost benefit assessment and be mindful of the criteria for approval, the task of approving such new medications is immense, and this was one of many to be tested for approval through the PBS.

The issue around the glitazone drug, which we worked on, gave our group just a very tiny insight into the enormous task of members of the PBAC in assessing the effectiveness of some treatments that are far more complicated and that, in some cases, require highly specialised knowledge. They do a really outstanding job. It did take a very long time, I have to say, to achieve the listing of this particular medication, and the lengthy delays in listing have at times been a cause for concern. But delays are not always due to the complexity and size of the workload of the PBAC. There are external factors that can cause delays. Undoubtedly, this measure to allow an increase in the number of members on the PBAC will provide an additional resource to carry out an increasingly heavy workload.

I listened with interest to the comments of the member for Bowman. It concerns me that members on the other side of the House continue to reject this government’s legislation for a copayment for medications. The reason it concerns me is that, first of all, under the copayment arrangements, the government has ensured a good safety net for people who have chronic diseases. It also allows for new medications. Having a copayment means that we are able to bring more new medications onto the marketplace under the subsidised scheme, which is enormously important to people with certain types of illness, particularly chronic illness. It allows the system to be sustainable in the longer term. Without that legislation, the outlook would be quite bleak for a lot of people who anticipate and desire access to new medications.

That was brought home very strongly to us last night when the Juvenile Diabetes Research Foundation hosted a small dinner here in Parliament House. The guest speaker was Dr Richard Insel. Dr Richard Insel is the head of the Juvenile Diabetes Research Foundation, which has its headquarters in the United States. His speech last night was extremely compelling in terms of how we manage the growing incidence of diabetes. If my memory serves me right, the increase in the number of children being diagnosed with type 1 insulin dependent diabetes is around three per cent. It is a big growth number.

This is a disease which is very expensive to manage. There are more and more expensive treatments and interventions coming onto the market. But we have to be able to fund these. Consumables for insulin pumps is one of the areas that our diabetes support group has taken up very strongly to try to see these listed on the NDSS, because, if they are not, it means that many children and, indeed, adults will have a much harder time trying to manage their diabetes and the long-term health outcomes will be jeopardised—they will be not as good. So it is enormously important to do what we can to bring on these new devices and medications to ensure better long-term health outcomes, reduced health costs in the long term and, importantly, a better quality of life, particularly for children with insulin dependent diabetes.

We had the Kids in the House day last year. Although I worked very hard with our diabetes group and the Juvenile Diabetes Research Foundation to bring about that day, I was actually ill and unable to be in attendance in the House on that occasion. For the first time last night I saw a video clip of it. I must say that I had heard that members of parliament broke down and wept on that day at the presentation of those kids. Last night I
felt a great lump in my throat as I listened to the presentation of a couple of those children in a small video clip of that event. To hear how their lives are affected by the disease they have is a great incentive for us to continue to find better policies and better ways to ensure that they have the very best medical care and medicines that we can possibly provide for them. I think that most Australians would agree with me that, in order to look after people like these young children with insulin dependent diabetes, we would all be prepared to kick in a dollar or two more for our medications in a copayment if it meant that we could bring these new devices and medications onto the marketplace and make them accessible and affordable to people such as children with type 1 diabetes.

It was a very sobering message last night in relation to children with type 1 diabetes, and we will of course continue to press ahead with our work to try and make those improvements. But I do wish that members on the other side of this House would consider some of these issues, take to heart the heartfelt messages from these children and consider that, by passing the copayment legislation for PBS, we would have much better outcomes. So I strongly defend the government’s policy in answer to the criticisms from the member for Bowman.

I would now like to move on to some of the other matters that this bill deals with. The other significant measure in this bill relates to the simplified Health Insurance Commission billing arrangements. This amendment removes an anomaly in relation to gap cover insurance. I think most people understand what gap cover is. The Medicare rebate covers 75 per cent of the Medical Benefits Schedule fee for in-hospital medical expenses, while private health insurance, through a registered health benefit organisation or a health fund, covers the remaining 25 per cent of the Medical Benefits Schedule fee. Some medical practitioners charge a fee that is more than the schedule fee, and this of course leaves a gap and an out-of-pocket expense which must be paid for by the patient.

Some insurers provide gap cover but, under the present legislation, if a service is provided as part of a medical purchaser-provider agreement the provider of the medical services must forward all accounts to the insurer. If this is not done, the insurer is prevented from paying benefits to the patient in excess of 25 per cent of the Medical Benefits Schedule fee, referred to as the ‘gap’. Patients can be disadvantaged where medical providers prefer to give accounts directly to patients to forward on to their insurers. This can result in the patient not receiving any gap benefit and having to meet that additional cost themselves. This amendment means that the medical practitioner can electronically send the account directly to the Health Insurance Commission. Just the other night, the former chair of the Wheatbelt Division of General Practice, from Beverley in Western Australia, visited the parliament. He was one of the overseas trained doctors that came in with the five-year scheme to alleviate the shortage of doctors in rural areas. He was saying that this particular measure is going to be very welcome and that it will relieve some of the problems for some patients in that category.

Other measures incorporated in this bill include the restoration of specialist recognition status to ensure access to Medicare benefits at the specialist rebate level. This part of the bill reverses an unintended consequence of the Health Legislation Amendment (Medical Practitioners’ Qualifications and Other Measures) Act 2001. It ensures that the intent of this measure is reinforced and, indeed, reinforces the intent of the government to correct the maldistribution of the Australian—
The DEPUTY SPEAKER (Hon. L.R.S. Price)—Order! I invite Parliamentary Secretary De-Anne Kelly to show some courtesy to the speaker and observe standing order 57.

Mrs MOYLAN—Thank you, Mr Deputy Speaker. This amendment ensures that the intent of this measure is reinforced: the intent of the government to correct the maldistribution of the Australian medical workforce to ensure services to rural communities. Overseas trained doctors who are undertaking bona fide training programs and who have an occupational training visa will continue to be able to claim Medicare benefits when they assist at operations as part of their training. This continues to facilitate the exchange of medical knowledge between Australia and other countries. This amendment ensures the integrity of all other overseas trained doctors in that they must commit to providing services in areas of unmet need if they want to access Medicare.

As I have just said, the former chair of the Wheatbelt Division of General Practitioners visited the parliament this week. He is one of the doctors who came in under the scheme to alleviate the lack of doctors in rural areas at that time. The government took some very important measures to ensure that that happened, and I am pleased to say that in most of the rural areas in my electorate we now have very good services and adequate doctors. There are one or two areas that still struggle but, in the main, the policy of the government has worked extremely well. These doctors have made a great contribution to rural medicine. I know that Dr Gagner, who was the former chair of the Wheatbelt Division of General Practitioners, is now on the board of WACRAM in Western Australia, and they continue to work to provide better outcomes for people in rural communities. Some of the suggestions that they and the Wheatbelt Division of GPs have made in regard to improving rural health delivery have been taken up by government. Ideas such as having practice nurses to further alleviate some of the pressure on rural doctors have been welcomed by doctors and the people of many of the country towns in my electorate, because it takes some of the pressure off the hard worked doctors in rural communities and streamlines the delivery of health care to the communities.

One of the other measures that was suggested by the doctors in the wheat belt was to improve the delivery of mental health services. In fact, this was a topic for discussion last night. Mental health is a major problem worldwide, and Australia shares the problem. It is an area that often gets little attention. On the back of a drought the situation tends to be exacerbated and mental health problems become a major problem in rural areas.

I guess what I am saying is that the policy of addressing the maldistribution of medical practitioners has been a very important one. It solved the problem of the doctor shortage and it has also brought in new people with fresh ideas, so it has been a good policy to support the rural communities. We look forward now to the government’s policies to redress the shortages which are occurring in some outer metropolitan areas bearing same kind of positive results—both in terms of providing medical practitioners in the outer metro areas and bringing in new blood, new ideas and new policies to streamline and improve the delivery of health services in those areas. Certainly the policy has provided outstanding results in the rural areas of my electorate, and I am keen to see the integrity of this policy maintained. These amendments will ensure that. I am appreciative of the minister addressing this and ensuring, through these amendments, that the integrity of that measure will be maintained.

The final measure in this bill is of a technical nature, but once again I am pleased that
the minister has addressed these issues and continues to address these issues. *(Time expired)*

**Mr BRENDAN O’CONNOR (Burke)** *(1.08 p.m.)*—I rise to add my contribution to the Health and Ageing Legislation Amendment Bill 2003. Before I go to the substantive provisions of the bill, I will add my agreement to the comments made by the member for Pearce about the kids with diabetes event that was held last year in the parliament. It was indeed a very touching and unforgettable experience. The event was a template for all organisations which are trying to bring such important issues to the attention of this place and gaining support of parliamentarians. The kids with diabetes campaign has been very effective, and I hope it will manifest in better funding and support for those who are afflicted with that disease.

The bill before us deals with a number of technical improvements to the health system, and Labor members are in support of those changes. The bill deals with a simplified claiming process; that is, where a medical service is provided as part of a medical purchaser-provider agreement with a private health insurance fund, the law requires the medical service provider to forward all accounts to the fund. If this provision is not complied with, the health fund is prevented from paying benefits in excess of 25 per cent of the MBS fee. This creates an anomaly between the medical purchaser-provider agreement arrangements and other gap cover arrangements. If enacted, this legislation will rectify that anomaly and ensure that people would no longer be left out of pocket. We certainly support that provision.

The bill also rectifies some unintended consequences of earlier legislation. The Health Insurance Act 1973 would be amended to restore specialist recognition status for the purpose of ensuring access to Medicare benefits at the specialist rebate level. This is also something that we support, because the amendment would clarify the intent of government policy regarding maldistribution in the Australian medical work force and the resulting difficulties experienced by some rural communities in accessing general practitioner services. These provisions are accepted by Labor. We believe that, as a result of these changes, there will be some beneficial effect on the system.

One of the other provisions looks at the membership of the Pharmaceutical Benefits Advisory Committee. There is an intention in this bill to expand the membership of the committee. We are of the view that that committee has a very important role and that it undertakes its role effectively in most instances. Whilst there were some concerns some years ago that the committee was being politicised, with a former minister wanting to appoint particular people to that committee, I think that generally the committee’s history would show that it has done an effective job, and we have no problems with the support to expand the make-up of that committee.

Some of the concerns that were raised in this debate by other contributors went to concerns about the Pharmaceutical Benefits Scheme as a whole. It is one thing to talk about expanding the composition of the advisory committee, but some of our concerns are about what a proposed free trade agreement may do to that scheme. I know that the shadow minister, the member for Lalor, has indicated her concerns about some of the references to our Pharmaceutical Benefits Scheme in the free trade agreement. There are certainly some concerns about some references. There is, in fact, a provision found in the detail of the report. There is a letter attached to the report which is part of an exchange of letters between our Minister for Trade and the United States trade representative, Mr Robert Zoellick. In that letter there
is what seems to be a rather innocuous sentence. It states:

Australia shall provide opportunities to apply for an adjustment to a reimbursement amount.

That seems a rather innocuous sentence, but it can only mean that there has been consideration given to potentially reimbursing Americans or their companies out of the arrangements that have been struck around the Pharmaceutical Benefits Scheme. That is certainly a concern we raised before seeing the package, and that particular sentence included in the letter exchanged between the representatives of the two countries confirms the view that Labor held that there is some potential undermining of our PBS because of those references. It is incumbent upon the Minister for Health and Ageing to come into this place and explain what that sentence means—what the effect is of those words and that undertaking given by our Minister for Trade to the United States Trade Representative in these discussions. The government have denied that we should have any concerns about the effect on the PBS as a result of the free trade agreement, yet here is a reference which can only mean that there will potentially be changes occurring and reimbursement funding going from here to the United States.

This matter could be cleared up very quickly. The Minister for Health and Ageing could come into this place and explain what that sentence means—what the effect is of those words and that undertaking given by our Minister for Trade to the United States Trade Representative in these discussions. The government have denied that we should have any concerns about the effect on the PBS as a result of the proposed free trade agreement, yet here is a reference which can only mean that there will potentially be changes occurring and reimbursement funding going from here to the United States.

The other concern that has been expressed in this debate relates to the capacity for drugs to be marketed. It is very important that the government make clear that they have no intention of allowing prescribed drugs to be marketed commercially, because we do not think that is a proper way in which the drugs of this country should be promoted. Selling whitegoods and selling drugs are two different things, and they should remain so. There is a concern that the agreement would provide for that capacity. An annex of the deal mentions the question of direct dissemination of what is called ‘health information’ about the functioning of pharmaceuticals to consumers over the Internet. We would be very concerned that this would be the beginning of the capacity for drug companies to directly market pharmaceuticals to consumers. That is not the way in which drugs should be promoted and explained; that should be done through medical practitioners. We raise our concerns in the context of the wider debate—which is wider than the bill but related to it—about the Pharmaceutical Benefits Scheme and the effects of the trade agreement upon that scheme.

In my electorate of Burke we have suffered a significant decline in bulk-billing access. In two years the electorate of Burke has seen a decline in bulk-billing from 71 per cent to 59 per cent. This decline of 12 per cent in two years has meant, in effect, that many families in the electorate are suffering because of their lack of access to doctors who bulk-bill. The fact is, unfortunately—and I have cited this in the House in earlier
debates—that I have had constituents getting close—and I do not want to exaggerate—to making life or death decisions about family members because they have to consider up-front payments to doctors. People who do not have the financial wherewithal to pay up-front should not be placed in that position and there are such people in the electorate, people who are wage earners but who are not provided with automatic bulk-billing and are finding it tough to make those decisions. My concern is not being abated. The effect that is having on constituents in the electorate of Burke continues and grows. I do not think the government has dealt with the matter fully. It has not solved this problem in any way.

One of the reasons I think the government fails to properly rectify this matter is that it does not have its heart in this area. It does not concern itself about the health needs of Australian citizens. It has never been a supporter of Medicare or its predecessor, Medibank. Now it is attempting to rectify the system through its current package, the MedicarePlus package, for which we have coined the name ‘MedicareMinus’. It has been amended many times, and it would appear that a deal was reached by the government with Independent senators only yesterday. The fact is that the minister responsible, the Minister for Health and Ageing, spends more time setting up funds looking to track down former politicians—or, indeed, looking at real estate prices in Canberra—than worrying about the health needs of this nation. That is the reality. When they see the minister on television raising things that are incidental to matters that should be the priorities of this nation, most Australians know that the minister’s thoughts, first and foremost, are about his political survival and about destroying or traducing the reputations of others. That is his form and his reputation, and everybody knows that the health needs of this nation come third to this minister. He has no concern for the health needs of this nation and its citizens.

This package is based on pure politicking. There is no doubt that Labor has placed the government under enormous pressure to respond to the absolutely hopeless package it proposed last year; the government has had to respond. There is no doubt that the reason why so much more money is now being proposed to be spent in this area is the pressure on this minister—and, indeed, his Prime Minister—to follow Labor in the areas of health and parliamentary superannuation, but some parts of the package are fundamentally wrong. This is the government playing catch-up. If this were good policy, we probably would not have packages in place that directly look after James Cook University or that directly go to the HealthConnect rollout for Tasmania and South Australia.

It is not coincidental that there have been improper inducements to individual senators to have this package agreed to. Other members may use stronger language than that, but it is clear that there have been a lot of politics played on this issue. However, fundamentally the package is wrong. For instance, the $7.50 does not match Labor’s package of $9.60 in rural areas. The reference to a dental plan is an absolutely cruel joke on those in dire need of dental care who do not have the financial wherewithal to go to the dentist. It will raise enormous expectations in the community when they hear about this. When this is on the front page—as it is—of the tabloids, broadsheets and electronic news, people may at first believe that they will have an opportunity to go to the dentist, but the fact is that it is very limited application. Only those in chronic need of dental attention will be looked after in this very limited package. As the shadow minister said yesterday, this package compares very unfavourably to Labor’s dental plan of $120 million a
year, which will get approximately 500,000 Australians off waiting lists and into dentists’ chairs—that is the fundamental difference.

This government is on the record this term telling the opposition over and over again that dental care is not a Commonwealth issue. Again, we have a government in denial, a government which has no regard for the health care of Australians, saying that dental care is not a Commonwealth issue. It then does a backflip and, all of a sudden, incorporates dental care into the package—but it is a very deficient, narrow package. This government is, in a deficient way, following Labor but getting it wrong.

Fran Bailey interjecting—

Mr BRENDAN O’CONNOR—The member for McEwen raises her voice in this matter. I want to talk about the member for McEwen, because she is a candidate in the newly formed electorate of McEwen, which will be incorporating a large part of my electorate—15,000 voters or thereabouts will have to decide whether they want to vote for the parliamentary secretary—

Fran Bailey—Mr Deputy Speaker, I rise on a point of order. I do not think that the fact that I am the member for McEwen and that the Macedon ranges, which were part of Burke and will come into McEwen, have any relevance to this debate whatsoever.

Mr BRENDAN O’CONNOR—The constituents I represent in Macedon are concerned about whether they have access to bulk-billing in that region and which party will form government and provide proper access. There are major problems in accessing bulk-billing doctors in Romsey, Lancefield, Mount Macedon and Riddles Creek. The reason for this is that the government has failed to properly attend to the concerns of the constituents. Unless the member for McEwen can convince her party to change its approach to looking after people and focusing its energies in restoring bulk-billing, I do not think anyone is going to believe the member for McEwen if she says she is interested in the health care of those constituents in the Macedon region. I think she should consider that. When the vote comes in that new electorate, people will be looking at the performance of the member for McEwen—not just at her self-promotion in the multitude of propaganda she sends out to the electorate but also at her concerns on health.

Fran Bailey—Mr Deputy Speaker, on a point of order: while I appreciate the member for Burke giving me even greater profile in the Macedon ranges, I really fail to see what it has to do with this debate.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—I think time is on your side. The honourable member’s time has expired.

Mr JOHN COBB (Parkes) (1.29 p.m.)—I have pleasure in speaking in support of the Health and Ageing Legislation Amendment Bill 2003. It sets out the necessary amendments to the act that governs the administration and regulation of the Pharmaceutical Benefits Scheme. The intergenerational inquiry conducted by the Treasurer made a lot of things very plain to us. One of those things was that there is probably nothing more important to certain sections of our community than the Pharmaceutical Benefits Scheme, but we have to make sure that Australia can afford to continue it. We have to make sure that Australia sets itself up not just for today, not just for tomorrow, but for the next few decades and the next generations.

The fact that the opposition has insisted upon blocking in the Senate most of the legislation involved in the last two budgets shows that, despite what the member for Burke might say—and it is the one thing that is very plain—the opposition does not have the best interests of not just today’s Australians but future generations of Australians at
This bill is simply about making it possible for pharmaceutical companies to review what happens to any particular medicine that comes before the panel. One would hope that it allows far greater flexibility and gives everybody a much fairer go than they currently have when their medicines are put forward. When one considers how important, as I said earlier, the Pharmaceutical Benefits Scheme is to not only today’s Australians but also tomorrow’s Australians, one hopes that at last the Labor Party might take not only their own interests but also everybody else’s interests to heart.

It is perhaps timely to have this debate today, in the light of recent concerns raised about the PBS after the signing of the Australia-US free trade agreement. Some very incorrect utterances have been made both inside and outside this chamber about there being provisions in the free trade agreement which weaken the ability of Australia to protect its own Pharmaceutical Benefits Scheme. This is totally and utterly incorrect. The provisions regulating the PBS are debated and set not through the free trade agreement but through this parliament. Through good, effective legislation, the parliament decides how the Pharmaceutical Benefits Advisory Committee operate, what their guidelines for recommending pharmaceuticals for inclusion in the schedule are, and who makes up that committee. Absolutely none of that is affected by any free trade agreement. This government has never permitted the free trade agreement to affect these issues.

I actually welcome the review process that has been included in the FTA with respect to the PBS, as the review mechanism, as negotiated by the Minister for Trade, can only complement this legislation. The amendments proposed within this bill most certainly do not weaken our legislation, and there is absolutely no capacity for them to do so.

Simply put, it means that the Pharmaceutical Benefits Advisory Committee’s members, as redefined in this bill before the House, conduct an assessment of any new medicine that is referred to them as to its therapeutic merits and its cost-effectiveness—and, more to the point, its cost-effectiveness against others either already on the schedule or otherwise available. If the committee believe the new drug is acceptable, they make a recommendation to the minister for its inclusion in the schedule. The ultimate decision on the acceptance of the drug into the PBS rests with the minister, not with any free trade agreement and not with the panel. In other words, the minister, as always, retains the ability to make the final decision. This is the way the system was originally designed to operate, and nothing has changed in this respect, neither in the bill nor in the Australia-US free trade agreement.

The only change as a result of the free trade agreement is the inclusion of an independent review of the Pharmaceutical Benefits Advisory Committee’s decisions on the therapeutic merits of a drug. In other words, if the committee reject a drug on therapeutic grounds, a manufacturer will now be able to initiate a review of their findings, but on those grounds only. I believe that this a very good provision in the FTA, and one that I am sure all Australians—especially those in my electorate of Parkes—would also approve of. As I said, we have to have a PBS that is going to stand the test of time and remain affordable for Australians. The Intergenerational Report said that on current trends the PBS was going to blow out to something like $60 billion a year in the next decade or so, or maybe in the next 14 years, which is something that Australia obviously cannot afford.
In my electorate of Parkes, the average age of constituents is greater than most. Something like 18 per cent of the population is over the age of 65. There are probably very few electorates that get more out of the PBS or that need it more. But, as we have tried to do through various budgets, we want to make sure it is still up and operating, that it still works for everybody—not just the older generations but anybody who needs it—and that anybody who holds a health card is still able to access it for many years to come.

The review mechanism is a good provision of the FTA, and I am sure that all Australians, especially those in country areas of Australia, will go along with it and approve of it. Do not forget that, if a manufacturer believes that the advisory committee have failed to fully appreciate or explore the full therapeutic benefits of a particular drug, there should be a capacity for a second assessment. After all, the whole idea of the PBS is to secure the best possible medicines and make them available at a subsidised price to as many Australians who need them as possible.

Debate (on motion by Mr Abbott) adjourned.

HEALTH LEGISLATION AMENDMENT (MEDICARE) 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 1, item 2, page 3 (line 14), omit “$500”, substitute “$300”.
(2) Schedule 1, item 3, page 3 (line 18), omit “$1,000”, substitute “$700”.
(3) Schedule 1, item 5, page 4 (line 7), omit “$500”, substitute “$300”.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (1.38 p.m.)—I move:

That the requested amendments be made.

Ms GILLARD (Lalor) (1.38 p.m.)—It is not the intention of the opposition to frustrate the vote on this proposition, and obviously we are in the run-up to question time. Having said that, I think that the Australian public should note the unseemly haste with which this government is proceeding to kill Medicare, because that is what this piece of legislation is about and what it has always been about. It is what the Howard government’s health policy has always been about.

Let us make no mistake about this: Medicare, as Labor built it, is a universal health system with bulk-billing as its backbone and the promise of Medicare always was reasonable access to bulk-billing—not that every Australian would always have a bulk-billed consultation, not that 100 per cent of doctors would bulk-bill, but that all Australians would have reasonable access to bulk-billing. The essence of universality is that every Australian gets the same fair go. This is the end of universal Medicare as we know it, because from this day forth every Australian will not get the same fair go under Medicare. Your access to Medicare—your access to bulk-billing—will be entirely dependent on your age, your income and on where you live, and the government has picked the ‘where you live’ part on the basis of electoral need, not health need.

This is the end of universal Medicare as we know it. If it is not universal, it is not Medicare, so it is the end of Medicare as we know it. The Australian public do not need to take my word for that; they can take the word of Professor Deeble—the architect of
Medicare who designed it for implementation by the Hawke Labor government—who is telling anyone who will listen in Australia today that this is the death of Medicare. This government wants Medicare killed today and it is prepared to deal with the parliamentary procedures with this unseemly haste to make sure that it gets Medicare in the coffin today. That is what it will be achieving through this vote and votes later today.

Whilst the government is ultimately achieving the aim it set for itself—that is, the aim of killing Medicare—in part it is doing it behind a sham safety net. The proposition that the Senate has voted on is about creating a sham safety net for Australians, not a universal health system. We only need the sham safety net because this government has not properly invested in Medicare. It has not properly invested in the GP end of Medicare, where of course bulk-billing rates have plummeted under this government from the 80 per cent that they were under Labor to 64 per cent in the last quarter—the worst bulk-billing rates for 15 years. That, of course, is what has happened to GP access under this government, but it has not invested in other parts of Medicare either—the parts of Medicare that allow people to have access to specialists and to other sorts of medical services. Because it always wanted to kill Medicare—that was always the result that it wanted—it did not want to make that investment.

The government hoped that, if they averted their eyes long enough, the Australian people would avert their eyes long enough for them to kill Medicare while no-one was looking. Fortunately, the Labor Party were looking and it is the Labor Party’s bulk-billing campaign that has caused this government to make any form of major health statement in this term. This government were never going to make a major health statement about Medicare; they were going to hope no-one noticed while Medicare died. It is because we went out there campaigning for bulk-billing that people did notice. The first attempt—the laughably named ‘A Fairer Medicare’ attempt—was enacted and then withdrawn. It not only fell but the health minister who introduced it also fell. We then got the current health minister, who has done so many backflips on this package he will be in need of chiropractic care. But even after all those backflips, the essence of this package still remains, at its heart, the destruction of a universal health system, the destruction of Medicare and the use of a sham safety net to try and hide that true intention from the Australian people.

Everybody should know that this sham safety net will make 95 per cent of Australians worse off—worse off because they will never get anywhere near the sham safety net. (Extension of time granted) They will be worse off because not only will 95 per cent of Australians never get anywhere near the sham safety net but, of course, as we know, the very existence of the sham safety net, particularly as it is figured off actual costs, will likely lead to price escalation in health fees. You do not have to believe negative things about doctors or specialists to believe that; all you have to believe is that they are rational responders to the price signals that government sends them. So 95 per cent of Australians will be worse off under this sham safety net arrangement. Of the five per cent who notionally benefit, about half of them, according to Professor Deeble, are actually better off under current arrangements.

This is a fundamentally irrational plan to spend that amount of money to make 95 per cent of Australians worse off, 2½ per cent no better off and 2½ per cent possibly notionally better off. Why would you spend $400 million doing that? There obviously would be a cheaper, more targeted and more effective way. This government was not interested in the cheaper, targeted, effective way, because
what it wanted was not a health policy; it wanted a political curtain behind which to kill Medicare. The sham safety net is the political curtain, because it is hoping that Australians are foolish enough to be reassured by the words ‘safety net’ and not to tumble to the con that is going on here. They are going to tumble to the con, because they are going to know—and certainly in the coming weeks and months Labor will ensure everyone knows—that the sham safety net is no more than the curtain behind which to kill Medicare.

In relation to the other aspects of the package—the much vaunted allied health aspects of the package—which would have given Australians the view that somehow they were going to be assisted to go to allied health professionals and dentists, the bad news is this: the allied health initiatives are incredibly limited to people with chronic and complex ailments. Even in the government’s own figures it is only going to benefit 150,000 Australians. What about the rest of the 20 million? If you think that is bad, have a look at dental—the much vaunted dental initiative. When you actually look at it, you see a backflip of spectacular magnitude, given that the Prime Minister was in this House just a week ago saying that dental was not anything to do with the Commonwealth, it was ridiculous, he would never believe that and it never should be done. We all know how expendable John Howard’s views are when he sees a political advantage.

We have this much vaunted so-called dental initiative, and when you look at the detail you see it will benefit 23,000 people. They will get $220—an initiative costing less than $5 million in a year. What about the rest of the 20 million Australians? How does that shabby, cruel joke compare with Labor’s plan to provide $120 million per year for dental care, to get 500,000 Australians off waiting lists and into dentists’ chairs and to forever ensure that public dental care in this country is focused on prevention and restoration instead of waiting until people are bleeding and in pain before they get any care? That is the shabby, cruel trick in this package about dental care.

I conclude by saying this: Australians would be clearly better off under Labor’s $1.9 billion bulk-billing plan, compared with the minister’s $1 billion plan. The difference is this: ours is a plan for all Australians; it is not to divide Australians up. Australians would be clearly better off under Labor’s dental plan of $120 million per year to help half a million Australians get off waiting lists and to forever put them in a better position than under the minister’s plan. This minister’s health care plan will equal the death of Medicare. We are going to oppose it today, we are going to continue opposing it every day between now and the next election, and we are going to ensure that the next election is a referendum about whether people want Medicare in this country.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (1.48 p.m.)—What a streak of misery. Here we are, in the Health Legislation Amendment (Medicare) Bill 2003, spending $2.9 billion more in new money on the Medicare system, and the member for Lalor says that we are trying to kill it. The only way we are killing Medicare is by burying it under all these dollars. In fact, this government is investing, and will continue to invest, every last dollar and cent that Medicare needs to remain Australia’s universal guarantee of affordable, high-quality health care. The member for Lalor says that we are trying to kill it. The only way we are killing Medicare is by burying it under all these dollars. In fact, this government is investing, and will continue to invest, every last dollar and cent that Medicare needs to remain Australia’s universal guarantee of affordable, high-quality health care. The member for Lalor says that Medicare is very consistent. She thinks that if she repeats something often enough, people will believe it. In this case, let me say again: the facts do not bear her out. Medicare is safe in the hands of the Howard government. Health spending has consistently increased in the hands of the Howard government. Health
spending was 14 per cent of the federal budget in 1996; it is over 20 per cent of the federal budget today. Commonwealth health spending was 3.7 per cent of GDP in 1996; it is 4.3 per cent of GDP today.

Mrs Crosio—Did the population increase or not?

Mr ABBOTT—If the member for Prospect were any kind of an economist, she would know that GDP goes up with the population. They say that we are trying to end the universality of Medicare. Let me make it very clear: everyone is in Medicare. Everyone will always be in Medicare because this government believes in Medicare as Australia’s universal guarantee of affordable, high-quality health care. This government believes in making the Medicare system better, and that is why we have brought in these important structural improvements to the Medicare system that mean for the first time there will be a realistic safety net protection for people based not on some mythical scheduled fee but on the actual fee charged, and it is why for the first time we have brought allied health services within the Medicare system.

This is a very good package of improvements to Medicare. I want to thank the Senate. I want to particularly thank the Independent and minor party senators who have helped to craft this excellent package and who are supporting it in the Senate. This will bring great benefits to the Australian people. Half a million of them in 2007 will benefit from the new safety net, and all 20 million Australians will have the peace of mind of knowing that there is a strong new safety net there when they need it. I commend the amendments to the House.

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

The House divided. [1.55 p.m.]

(The Speaker—Mr Neil Andrew)

Ayes…………….. 81
Noes…………….. 60
Majority……….. 21

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.
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. ........................................... Downer, A.J.G.
Draper, P. ........................................... Dutton, P.C.
Elsen, 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. ........................................... Howard, J.W.
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.
Mackinve, I.E. ........................................... May, M.A.
McArthur, S. * ........................................... Mowlan, 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. ........................................... Schultz, A.
Scott, B.C. ........................................... Secker, P.D.
Slipper, P.N. ........................................... Smith, A.D.H.
Somlyay, A.M. ....................................... Southcott, A.J.
Stone, S.N. ........................................... Thompson, C.P.
Ticehurst, K.V. ........................................... Tollner, D.W.
Truss, W.E. ........................................... Tuckey, C.W.
Vaile, M.A.J. ........................................... Vale, D.S.
Wakelin, B.H. ........................................... Washer, M.J.
Williams, D.R. ........................................... Windsor, A.H.C.
Worth, P.M. ........................................... (The Speaker—Mr Neil Andrew)

NOES

Adams, D.G.H. ........................................... Albanese, A.N.
Beazley, K.C. ........................................... Bevis, A.R.

CHAMBER
**Burke, A.E.**
**Byrne, A.M.**
**Corcoran, A.K.**
**Cox, D.A.**
**Crean, S.F.**
**Crosio, J.A.**
**Danby, M. * **
**Edwards, G.J.**
**Emerson, C.A.**
**Evans, M.J.**
**Ferguson, L.D.T.**
**Ferguson, M.J.**
**Fitzgibbon, J.A.**
**George, J.**
**Gibbons, S.W.**
**Gillard, J.E.**
**Grierson, S.J.**
**Griffin, A.P.**
**Hatton, M.J.**
**Hoare, K.J.**
**Jackson, S.M.**
**Jenkins, H.A.**
**Kerr, D.J.C.**
**King, C.F.**
**Latham, M.W.**
**Lawrence, C.M.**
**Livermore, K.F.**
**Macklin, J.I.**
**McClelland, R.B.**
**McFarlane, J.S.**
**McLeay, 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.**
**Roxon, N.L.**
**Rudd, K.M.**
**Sawford, R.W.**
**Sciaccia, C.A.**
**Sercombe, R.C.G.**
**Sidebottom, P.S.**
**Smith, S.F.**
**Snowdon, W.E.**
**Tanner, L.**
**Thomson, K.J.**
**Vanvakinou, M.**
**Wilkie, K.**

* denotes teller

Question agreed to.
Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**House of Representatives: Speaker**

**Mr LATHAM** *(2.00 p.m.)*—My question is to the Prime Minister. I draw his attention to his promise to the Australian people in 1996 to establish an independent Speaker in the House of Representatives. Prime Minister, after eight years in government, why hasn’t this promise been kept?

**Mr Downer**—It is a reflection on the chair.

**Mr LATHAM**—It is a reflection on the Prime Minister; that is what it is. It was his promise.

*Honourable members interjecting*—

**The SPEAKER**—Order! The Leader of the Opposition will start his question again; the number of interjections is quite out of order. Minister for Foreign Affairs, the Leader of the Opposition has the call; he will address his remarks through the chair.

**Mr LATHAM**—My question is to the Prime Minister. I draw his attention to his promise to the Australian people in 1996 to establish an independent Speaker in the House of Representatives. Prime Minister, after eight years in government, why hasn’t this promise been kept? Now with the impending retirement of the member for Wakefield, would the Prime Minister join with me in a bipartisan agreement to establish an independent Speaker in the next term of parliament—that is, no matter who wins the election, Labor and Liberal agree that the Speaker will be independent of party politics?

**Mr HOWARD**—Can I start by saying, sir, that I think you are very independent and I have enormous regard for you, Mr Speaker.

*Honourable members interjecting*—

**The SPEAKER**—The House will come to order; the Prime Minister has the call. Members who want to interject might care to consult the member for Bruce or the Minister for Children and Youth Affairs.

**Mr HOWARD**—An example of even-handed independence, if I might say so, sir. A great example of it.

**Mr Zahra interjecting**—

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

**Mr HOWARD**—I thank the Leader of the Opposition for his question, and I might also remind the Leader of the Opposition that in 1996 I promised to do a number of other things in relation to the parliament. I promised as Prime Minister to turn up at every question time. I did not adopt the attitude
that this great and privileged office entitled me to become, as my predecessor assumed it did, some kind of part-time occupant who turned up when the thought struck him and he wanted to feed a few lines to the plebeians, because that was basically the attitude that was taken by my predecessor.

I also said that we would allow a lot more questions, and I am very proud of the fact that, over the past eight years, the number of questions asked on average has returned to the levels of the Fraser government years, and is far in excess of the number of questions that were allowed by either of my two Labor predecessors. Once again—and I may be constrained to say—it is another example of: never listen to what Labor say; always have a look at what Labor do. In office, they treat the speakership as some kind of Labor fiefdom—something to be handed around. Out of respect for the office, occupied with such dignity and independence as it is at the present time, I will not go over the record of my predecessors. As for the future, let me inform the Leader of the Opposition that the Leader of the House is always available for discussion with his counterpart about the conduct of affairs in this place.

Ms King interjecting—

The SPEAKER—I warn the member for Ballarat, who is a persistent interjector, who ignores the chair and who has now been warned!

Medicare: Reform

Mrs ELSON (2.05 p.m.)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the House how the new MedicarePlus package will make health care more affordable and bring peace of mind to all Australians?

Mr ABBOTT—I thank the member for Forde for her question, and I know what an enthusiastic supporter of the MedicarePlus package she is. And why shouldn’t she be?

Under MedicarePlus, the Howard government has invested $2.9 billion in new money to ensure that Medicare remains for all time the universal guarantee of affordable, high-quality health care for all Australians. That is the essence of MedicarePlus.

The MedicarePlus safety net is the most important improvement to our health system since Medicare commenced in 1983. It is necessary, it is timely and it is important, because in the real world not everyone is going to be bulk-billed all the time. The world has changed since 1983. Back in those days, health care mostly involved visits to the GP or stays in a public hospital. Today it involves much more use of specialists, out-of-hospital diagnosticians and day proceduralists—and these services have never been widely bulk-billed.

For instance, the gap between the Medicare Benefits Schedule and the charge fee in the case of MRIs averages $104; for CT scans it averages $83; for ultrasounds it averages $56; and for specialist consultations it averages $28. It is because of these gaps that the MedicarePlus safety net is absolutely necessary. The MedicarePlus safety net will deliver to 20 million Australians the peace of mind that if they need help it is there for them. It is there for them thanks to the Howard government and MedicarePlus. Every year some 450,000 Australians will benefit from the safety net, but 20 million Australians will benefit from the peace of mind that the safety net brings. I inform the House that the latest figures show that some 33,000 individuals and families have already incurred more than $300 in gap expenses since the beginning of this year. Let me particularly point out to the member for Lalor that only 15 per cent of those expenses arise from GP consultations.

So restoring 80 per cent GP bulk-billing is not going to address the problem. Only the
Howard government’s MedicarePlus safety net can address this problem and ensure that Medicare remains our guarantee of affordable access to high-quality health care. Medicare has never meant universal bulk-billing. It certainly does not mean the kind of universal bulk-billing that the member for Lalor is pretending that she can deliver. What Medicare has always meant is a universal guarantee of affordable high-quality health care, and that is precisely what the Howard government is delivering—and only the Howard government can deliver it.

**Housing: Homelessness**

**Mr Latham** (2.09 p.m.)—My question is to the Prime Minister. With the release today of the Senate report on poverty, I refer the Prime Minister to his comments on 15 October last year, when he said that homelessness ought to be a matter of concern to all governments. Is the Prime Minister concerned at the sharp rise in the number of homeless children in Australia—an increase of 10,000 to 74,000 children—over the past five years? Is he also concerned that, due to the federal government’s billion dollar funding cut to public housing, Tasmanian housing authorities are now providing tents and sleeping-bags to homeless people, including people with disabilities and mental illnesses?

Prime Minister, after eight years in office, why does Australia’s homelessness problem continue to worsen?

**Mr Howard**—I say to the Leader of the Opposition that there has not been a $1 billion cut. I reject that claim completely. There has been no such cut. I have not had an opportunity of reading the Senate report being released today. I have received some briefing on it. I understand the majority report is written according to the views largely of the Labor senators, but there is a minority report. It deals not only with issues of homelessness but also with issues of poverty in the Australian community.

I think all Australians recognise that, even though our nation is going through a period of unparalleled national prosperity, there are people in the Australian community who are missing out on that. It is true—to use the vernacular—that the rich have got richer. But it is not true that the poor have got poorer. This is a point that is illustrated time and time again by reference to many surveys that have been carried out and the very fact that there have been 1.3 million more jobs in Australia over the last eight years, the fact that the per capita GDP has risen, the fact that real wages have risen and the fact that benefits for families are substantially better.

I quote, for example, the NATSEM research that was commissioned by the *Sydney Morning Herald* and *Age* newspapers in 2001, which indicated that families with children had been the big winners under our family assistance scheme. The most interesting finding of this research—and this research was not commissioned by the Liberal Party or by the government; it was commissioned by the two Fairfax broadsheets—was that NATSEM found that the changes to government benefits saw resources poured into poorer families, with some receiving increases of over 75 per cent in government assistance. The result, according to economists who examined the NATSEM data, has been to greatly reduce the numbers of children formerly living in poverty. They are the findings of an independent body.

Let me provide the Leader of the Opposition with one specific cameo to illustrate the point, and this compares the situation from January 1996 to July 2003. It speaks of a family with two children aged four and eight years, with one parent fortunately in work earning the federal minimum wage of $23,381—which, by any measure, is a very
low wage. Interestingly, it found that, compared with January 1996, that family was about $88 a week better off in real terms in terms of disposable income. That family was $88 a week better off.

Ms Macklin—What about the homeless?

Mr HOWARD—This is a family that is earning the federal minimum wage, and it is very directly relevant to the work of the Senate inquiry.

Ms Macklin interjecting—

The SPEAKER—The member for Jagajaga defies the chair.

Mr HOWARD—It also found that that family was paying almost $4 a week less income tax in real terms and that that family was entitled to receive over $76 a week more in real terms in family assistance payments. If we want to have a debate about poverty—

Mr Swan—What about the GST?

The SPEAKER—Order! The member for Lilley!

Mr HOWARD—I am very pleased that I am Prime Minister of a country that has seen

Mr Swan—You’re a disgrace!

The SPEAKER—The member for Lilley is defying the chair.

Mr HOWARD—a very strong growth in opportunities and real incomes—

Mr Swan interjecting—

The SPEAKER—I warn the member for Lilley!

Mr HOWARD—for middle- and upper-income earners. But I am also proud of the fact that that has not been at the expense of social justice for the poor. The figures that I quoted illustrate that very strongly indeed, and I am very proud of those comparisons.

Employment: Statistics

Mr BARRESI (2.15 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the results of today’s labour force figures? What are the factors that have led to this strong result?

Mr COSTELLO—I thank the honourable member for Deakin for his question. I acknowledge all the work he does in his own electorate on labour market programs and industrial relations issues. The labour force figures for February showed unemployment below six per cent for the sixth month in a row, at 5.9 per cent. They also show that 1,300 new jobs were created in February. There was a fall in full-time jobs of 13,100, offset by a rise in part-time jobs of 14,400. This comes after exceptionally strong rises in full-time jobs over previous months, with 257,000 new full-time jobs being created in the last two years. As I said in question time on Tuesday—I think it was Tuesday—compare that with the last six years of the previous Labor government, where 53,100 full-time jobs were created in six years. In the last six months, 257,000 new jobs were created. That will give you some idea of the dimensions.

I should note in passing that there were compositional changes to the labour force figures. The bureau first of all fed in the population from the 2001 census, which was larger and therefore affected the calculation of the rate, and in addition introduced a refinement to the definition of ‘unemployed’ which means that, if you have a job but you
are not taking it up for four weeks or less, you are now counted as unemployed. You actually have a job, but you are waiting to take it up. It is estimated that these compositional changes will add about 0.1 per cent to the figures. That could be the explanation of why the figure this month was 5.9 per cent rather than 5.8 per cent. The compositional change would explain all that.

I am asked what the factors that lead to low unemployment are. Remember, this is the sixth month where unemployment has been below six per cent. There are essentially two factors. The first is cyclical—that is, unemployment will fall during periods of strong economic growth and will rise during recessions. When Labor put the economy into recession at the end of the 1980s, that was the principal reason Labor put one million people out of work and took unemployment to 10.9 per cent. The first thing that we have to do if we are really worried about those people who are looking for work in Australia is to keep the Australian economy growing.

The second factor is what we call a structural factor, which is that at any given point in the cycle, as the cycle moves up or down, if you have a better structure in your labour market the unemployment rate will be lower. It is structural policy that could yield additional results for Australia in terms of getting people back to work. The most important structural change that we could make in Australia to improve job opportunities would be to reform our labour market, to take away the unfair dismissal laws which make employers hiring-averse and to give confidence and flexibility back to wage fixing.

I understand that the unfair dismissal laws have now been defeated by the Australian Labor Party on 39 occasions in the Senate. On 39 occasions, the Australian Labor Party has voted against changes which would increase employment in this country. There is no justification for Labor standing in the way of reform which this country needs. We say to the Labor Party: get out of the way and let the structural reform take effect, and let’s get more Australians back into work.

Medicare: Reform

Ms GILLARD (2.19 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware that yesterday, when asked how the new Medicare package would be funded, the Minister for Health and Ageing replied, ‘The Treasurer will provide; he always does’? Prime Minister, given that the Commonwealth has just revised the wage index to strip as much as $400 million from the Australian health care agreements, isn’t the Treasurer providing for the health minister’s backflips and bribery by taking funds from public hospitals?

The SPEAKER—I do not believe that the term ‘backflips and bribery’ would normally be sustained in a question. I ask the member for Lalor to rephrase it.

Ms GILLARD—Mr Speaker, I ask: isn’t the Treasurer providing for the health minister’s backflips and electoral bribery by taking funding from public hospitals?

The SPEAKER—The member for Lalor has been invited to rephrase that, rather than me ruling the question out of order, and I invite her to do so.

Ms GILLARD—Isn’t the Treasurer providing for the health minister’s backflips and pork-barrelling by taking funds from the public hospitals?

Mrs Crosio interjecting—

The SPEAKER—Let me remind the member for Prospect that the standing orders that apply to questions are quite different from the standing orders that apply to answers. In an effort to recognise that the member for Lalor has a question that is caus-
ing her concern, I have allowed the question to stand. On two occasions I asked her to rephrase it so it did not contain imputations such as would normally be ruled out of order in questions—I do not believe that she has been in any way unreasonably constrained by the chair—and I invite her to do just that.

Mr McMullan—Mr Speaker, I rise on a point of order. I am amazed by your ruling if you are saying that the word ‘backflip’ or the term ‘pork-barrel’ have now become unparliamentary or an imputation that cannot be used in a question. ‘Backflip’ was used yesterday in a question and in the Treasurer’s answer.

Mr Costello interjecting—

Mr McMullan—I think you rather did.

Honourable members interjecting—

The SPEAKER—Order! The member for Fraser!

Mr McMullan—It is the Treasurer’s excitement I worry about, Mr Speaker. The word ‘backflip’ was used yesterday in a question without demur and in the answer to that question without demur, and the word ‘pork-barrel’ has been in common parlance in Australian political discussion for a century. I cannot understand by what precedent you consider those words carry any meaning that is not appropriate for questions or which has not been used in questions before.

The SPEAKER—The member for Fraser will be well aware that there is absolutely nothing new about the chair’s determination that the word ‘bribery’ is inappropriate, and I asked the member for Lalor to rephrase it. I felt the term ‘pork-barrel’ was simply an implication of precisely the same thing, and for that reason I did not allow it to stand. I am inviting the member for Lalor to rephrase the question or, alternatively, I will rule it out of order. I am endeavouring to be as accommodating as possible. I am running out of both time and patience.

Ms GILLARD—Perhaps I may use a term that was used yesterday and ask: isn’t the Treasurer providing for the health minister’s backflips and electoral sweeteners by taking funds from public hospitals?

Mr HOWARD—The answer is no for the very simple reason that no money has been taken from public hospitals. We have provided more money to public hospitals; we have provided a 17 per cent real increase. The wage cost index formula to which the member referred was the very formula that the Premier of New South Wales signed up to when he signed the health agreement and knew that he was signing up to. His bleating on that subject is an attempt to divert the attention of the public of New South Wales from the way in which the public hospital system of that state is falling around his ears. The public hospital system in New South Wales is under extreme pressure, not because of lack of federal money but because of the maladministration of the New South Wales Labor government.

Education: Teachers

Mrs GASH (2.25 p.m.)—My question is addressed to the Prime Minister. Has the Prime Minister’s attention been drawn to claims that the Catholic Education Office might have utilised certain provisions of the Sex Discrimination Act in order to provide gender specific scholarships for teachers?

Mr HOWARD—My attention has been drawn to a claim made on radio station 2UE this morning by the Leader of the Opposition, when he said that it was not necessary to amend the Sex Discrimination Act in order to achieve the purposes of the Catholic Education Commission. Specifically, he based that claim on a reference to the so-called ‘special measures’ clauses of the Sex Discrimination Act. Under the subheading ‘Spe-
cial measures intended to achieve equality' the special measures clauses say:
A person may take special measures for the purpose of achieving substantive equality between:
(a) men and women; or—
and then it goes on to list other situations which are clearly not relevant to this.

Mr Speaker, may I say, through you to the Leader of the Opposition, that the Catholic Education Commission was not seeking substantive equality between men and women on this issue; it was seeking in a commonsense way the permission of the Human Rights and Equal Opportunity Commission to a proposition that it should offer gender specific scholarships to encourage men into teaching. The issue of the application of section 7D was in fact addressed by the human rights commission when it made its decision.

Ms Roxon—No, it wasn’t.

The SPEAKER—Order! The Prime Minister has the call.

Mr HOWARD—This is what the Sex Discrimination Commissioner had to say—

Ms Roxon interjecting—

The SPEAKER—The member for Gellibrand now deliberately defies the chair. The Prime Minister has the call.

Mr HOWARD—This is what the Sex Discrimination Commissioner had to say in her ruling, the very ruling which has brought about the decision of the government to seek a commonsense amendment to the act:
... the Commission doubts whether it could be said that it would be reasonable for the CEO—
and she is referring there to the CEO of the education commission—
to conclude that the scholarship scheme would further the purpose of achieving substantive equality between those classes of people.

I am constrained to say that a plan to provide gender specific scholarships for men could hardly be argued as something seeking substantive equality between men and women. It was designed to help the students of the Catholic schools, not to achieve the substantive equality. The commissioner then goes on to say:
In those circumstances, the Commission considers that it would be arguable that section 7D of the Act does not apply to the scholarship scheme on the basis of any substantive inequality said to be suffered by male primary school students.

In other words, it was based upon the interests of the students. The only opportunity that was available for the Catholic Education Office was an exemption under section 44. The reality is that the Leader of the Opposition, having run around the country and expressed his concern about male role models, being presented with an opportunity to do something practical, has run away from that. In other words, those who have a zealous commitment to the Sex Discrimination Act have more power in the Labor Party than those concerned about male role models for boys.

We on this side of the House stand behind commonsense. We on this side of the House believe that the Human Rights and Equal Opportunity Commission should have granted the exemption in the first place. I have to say with all due respect to those placed in authority in the Human Rights and Equal Opportunity Commission that it does strike me as odd that the Human Rights and Equal Opportunity Commission made the decision it did on this issue, yet on a number of previous occasions exemptions in not entirely dissimilar circumstances have been granted.

There have been three exemptions that are similar in concept to the exemption that the government now feels necessary to legislate.
In August 1991, HREOC granted an exemption to allow the University College Australian Defence Force Academy to offer a prize for female students completing a postgraduate degree or diploma at the college. In October 1992, HREOC approved an exemption to allow the ANU to offer re-entry scholarships to women wishing to resume academic studies after a significant absence. In March 1993, HREOC granted an exemption to the University of New South Wales to allow them to offer an engineering research award to women to increase the number of women in engineering research and academic positions. Can I say that they were entirely commonsense decisions.

What we are doing now is responding to the call of commonsense. Commonsense requires that in a situation such as this the attempt of the Catholic Education Commission to get a few more men into teaching in Catholic schools ought to be accommodated. The human rights commission has ordained that it is contrary to the act. We have to accept that. The only commonsense alternative is to legislate to change the act. We on this side of the House are prepared to do it. It is an exercise in commonsense. Through you, Mr Speaker, I appeal to the Leader of the Opposition to get out of the way and facilitate this commonsense change that will help the cause of providing more male role models to Australian boys.

**Education: Funding**

Mr BARTLETT (2.34 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House of the Howard government’s recent announcement on funding for Australian schools and its efforts to ensure that our children are able to achieve through choice and opportunity?

Dr NELSON—I thank the member for Macquarie—he has given a lifetime of commitment to education in particular in the electorate of Macquarie. Today the Prime Minister has announced on behalf of the government a record investment by any Australian government in school education in Australia. $31.3 billion will be invested by this government over the next four years. That represents an $8 billion increase on the preceding four years.

It also means that the Australian Catholic Education Commission will receive $12.6 billion and, as the Prime Minister announced with His Eminence Cardinal Pell recently, a...
$362 million real increase to the 607,000 students in Australia’s 1,610 Catholic schools. There will also be a $9.8 billion investment in Australia’s government schools, which are primarily funded and run by state governments, and another $7.8 billion will be invested in Australia’s 1,043 independent schools. A $2 billion program will be run for literacy and numeracy and students with learning difficulties, in addition to a $1.5 billion investment in the capital infrastructure of Australia’s schools.

In addition to that, apart from resources the thing that parents want most from education—we are all concerned to know who is teaching our children—is to know that their children can read, write, count and communicate when they finally leave school. We also understand that character, as has been said in the past, is higher than intellect.

The government will be requiring state governments and Catholic and independent schools to meet a number of criteria in order to receive this funding. It will be necessary for all state governments to report to parents the results of literacy and numeracy benchmark testing in years 3, 5 and 7. For example, in the state of Queensland one in five boys cannot pass a basic—and I mean basic—year 5 reading test, yet the only people in the state who do not know anything about it are their parents. What we are determined to do is to see in every part of the country that national benchmark testing results in reading, writing and numeracy will be reported to parents.

In addition to that, it will be a requirement of the funding that school reports, particularly in primary school, provide plain language information to parents about how their children are actually progressing through the education system. We should not have the situation which exists at Walgett High School where Aboriginal parents—to their disgust, disappointment and dismay—discovered that their children, having got through primary school with so-called good reports, were then barely literate at the age of 15.

We will also be requiring schools to report the participation of teachers in ongoing professional development and training. As parents, we also want to know something about absenteeism in schools. We as a government are also determined, preparing young Australians to be Australian and global citizens, to drive national consistency in education. At the moment we have eight different starting ages for school across Australia. By the year 2010, in every part of the country, children will begin school at the same age, and we will have a common testing process for reading and writing, science, information communication technology and civics and democracy. At the moment, when 80,000 school-aged children move from one state to another, their parents feel that they have moved to a different country. This information will be provided to parents through the Internet, newsletters, brochures, annual reports and perhaps signs in schools. Perhaps some schools might even use the signs at the front of their schools to provide this kind of information.

The government has also today released a consultation paper for Australian parents to ask parents what they think about and want for life skills in education, basic skills in schooling, attracting good quality teachers into schooling, and what kinds of values they want to inform the education of their children.

**Education: Funding**

Ms MACKLIN (2.39 p.m.)—My question is to the Minister for Education, Science and Training and refers to today’s schools funding announcement. Minister, isn’t it the
case that under the government’s unfair funding system the wealthy—

**Government members interjecting**—

The SPEAKER—The member for Jagajaga will start her question again and use the term ‘schools funding system’. Delete the word ‘unfair’.

Ms MACKLIN—Minister, isn’t it the case that under the government’s schools funding system the wealthy King’s School will receive an extra—

**Government members interjecting**—

The SPEAKER—The member for Jagajaga has the call.

Ms MACKLIN—Minister, isn’t it the case that under the government’s schools funding system the wealthy King’s School will receive—

Mr Entsch interjecting—

The SPEAKER—I warn the member for Leichhardt!

Ms MACKLIN—an extra $2 million from the Commonwealth from 2005 to 2008, while Fairvale High School, which serves a disadvantaged community, will receive just $750,000 more? Doesn’t this comparison show that the government is just continuing—

Mr Downer interjecting—

The SPEAKER—The Minister for Foreign Affairs is warned!

Ms MACKLIN—Doesn’t this comparison show that the government is just continuing its unfair schools funding system that gives such large increases to the schools that need it least? Why has the government refused to fund schools on the basis of need?

Dr NELSON—I thank the member for Jagajaga for her question. The reality in relation to school funding is that, firstly, state government schools are the primary responsibility of state governments. In fact, 68 per cent of Australia’s school students attend state schools and receive in total 76 per cent of all of the public funding. In fact, that is 2.2 million students, and they receive $20 billion in public funding. But the 1.1 million students in the Catholic and independent schools do not get $10 billion—they do not get half of that money; they do not get $9 billion or $8 billion or $7 billion—but get $6.2 billion, and parents pay $4 billion in fees and make sacrifices to send their children there.

In fact, the Labor Party obviously has difficulty with learning this particular message. The last time the member for Jagajaga asked me a question, she asked me about a fact sheet, and I would like to refer to another fact sheet. This particular fact sheet, by Brother Kelvin Canavan, Executive Director of Schools in the Archdiocese of Sydney, says:

To get the full story about how governments fund schools you need to take into account both Federal and State funding as well as contributions from parents.

In other words, the Catholic Education Commission and every educated person in the education sector is reminding the member for Jagajaga of the facts in relation to school funding. Today, the government announces a $31.3 billion program to fund Australia’s schools for the next four years—

Ms Macklin interjecting—

The SPEAKER—The member for Jagajaga was given the protection of the chair and she will respect it.

Dr NELSON—and there are 1,043 independent schools in the sector. So what does the member for Jagajaga do? She goes to the list. She goes to the 1,043 schools and she is looking for the King’s School. She starts at No. 1, which is Southside east Education Centre in Sunnybank; No. 2, Eastside Christian School in Lindisfarne, $2,264; North
West Christian School in Penguin, Tasmania, $2,231. She gets on to page 2, then page 3, page 4, page 5, page 11, page 22 and goes on and on. She finally gets to page 48, to school No. 861, and she finally finds the King’s School. Let us be clear about it: inherent in the question is the argument that the Labor Party will be cutting money to this school and every school from No. 861 to No. 1043. That is what is behind the question. Our idea is that at the end of 2008, four years from now, these students will have received an additional $740 per student above and beyond what they get now.

So what comes after school No. 861? Let us have a look at that. No. 868 is the Lowther Hall Anglican Grammar School. Under Labor, they are going to lose money. Then we go to the Esperance Christian Primary School in the electorate of Kalgoorlie, which is No. 886. They are going to lose money. Then we have the Byron Community Primary School. They are going to lose money under Labor. Then we go to the Perth Montessori School in Victoria Park. They will be losing money under Labor. What the Labor Party has discovered from this document which I have released today is that we started with the poorest schools getting the largest increases and the last school was the school that was getting the least increase.

No. 971 is the Aboriginal Community College at Gnangara and it is going to lose money under Labor. I would also add that Labor’s hit list includes the Calvary Christian School in Hamilton Hill. What have those 59 students and their parents done to upset the Labor Party? The fact is that, under our scheme, every student in this country will receive support according to the means of the family from which they come. The question that Australian families ask is: why is the Labor Party against you sending your son or daughter to a non-government Catholic or independent school?

Ms Macklin—Mr Speaker, I ask the minister to table the document from which he was quoting.

The SPEAKER—Was the minister quoting from a document?

Dr NELSON—Yes.

The SPEAKER—Was the document confidential?

Dr NELSON—I am very happy to table it. It has been published. It is on our departmental web site.

The SPEAKER—I thank the minister.

Medicare: Reform

Mr JOHN COBB (2.47 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister inform the House of the benefits of the changes to MedicarePlus to people living in rural and regional Australia, as in my electorate of Parkes?

Mr ANDERSON—I thank the honourable member for his question. I would like to begin by congratulating the Minister for Health and Ageing on the magnificent work he has put in. While I am at it, I thank the provider as well. It is much appreciated. I see that the package is now being described as MedicarePlus-plus. Who called it MedicarePlus-plus? Dr Sue Page, President of the Rural Doctors Association, did on the AM program this morning. She went on to say that the feedback was that the package will make a real difference to bulk-billing rates in regional Australia because it recognises the increased cost of providing health care in rural and regional communities. Indeed, the new $7.50 incentive payments for bulk-billed GP consultations for children under 16 and concession card holders in regional areas recognise the significant extra costs of providing medical services in the bush. Dr Page said, ‘An initial response from our member-
ship indicates that these measures are likely to make a significant difference to bulk-billing. For the first time, in addition to the increased incentive payment recognising the higher cost of providing those services in regional areas, there will be an MBS item for allied health services delivered for and on behalf of a GP as part of an endorsed health care plan. That is going to be very important to people, particularly in remote and isolated communities. Coupled with it is the provision that, where dental problems are exacerbating chronic medical conditions, a further MBS item will be available for up to three dental consultations. These measures will be coupled with the safety net. The safety net is very important. I cannot for the life of me understand why the Leader of the Opposition baulked at it. What on earth he thought he was ever going to gain electorally by opposing something as important and as beneficial to people as a safety net is beyond comprehension. These measures together unquestionably represent— and again I quote Dr Sue Page—‘a great leap forward for rural doctors and for rural communities’.

**Telstra: Privatisation**

Mr TANNER (2.50 p.m.)—My question is also to the Leader of the National Party, the Minister for Transport and Regional Services. I refer him to statements made today by the Liberal member for Hume, prior to his abstention from the vote in this House to sell Telstra. The statements made by the member for Hume were:

I don’t think Telstra should be sold and neither do my constituents.

And:

The infrastructure is so old that it is breaking down at an ever-increasing rate.

Minister, isn’t it the case that the member for Hume’s statements are confirmed by the leaked Telstra report I tabled yesterday? Don’t these statements confirm Labor’s position that instead of selling Telstra the government should ensure that Telstra gets back on the job?

Mr ANDERSON—I thank the honourable member for his question. I wish he would ask more, just like I wish the press would publish every single bit of the puerile drivel that he puts out as telecommunications policy. I really do. Let me come first of all to the—shock, horror!—leaked document. It always pays to be a little circumspect when they raise these sorts of claims in this place. He quoted from six pages of a 17-page document. That is pretty selective.

**Opposition members interjecting—**

Mr ANDERSON—When you check with Telstra, it emerges that Telstra rejects any suggestion that faults have arisen because of network deterioration or declining staff numbers. It states quite clearly that bad weather caused the problem—

Mr Crean—Bad weather!

Mr ANDERSON—Thank you for that. We have from the member for Hotham a laugh which reflects that he does not understand that the weather has a huge impact on the reliability of telecommunications in regional areas.

**Opposition members interjecting—**

Mr ANDERSON—It does. Here is a personal invitation: come out to Gwydir with me and see some of the terrain that these lines have to cover, and you will recognise that a flood does actually create a problem. The test is how quickly they fix it.

The SPEAKER—The Deputy Prime Minister will resume his seat! The Deputy Prime Minister will be heard in silence, as provided by standing order 55, or I will take action against interjectors.

Ms Plibersek interjecting—

The SPEAKER—The member for Sydney will excuse herself from the House.
The member for Sydney then left the chamber.

Mr ANDERSON—I reiterate that floods and lightning strikes, for example, can lead to breakdowns. It is as simple as that. The question then becomes how quickly repairs are made, and Telstra has already committed additional funding to address the problem. What the member for Melbourne asked in his question and invited us to do was to effectively join Labor in his policy. His policy, of course, is to micromanage Telstra in a way that would see Telstra told what it could invest in, what business sectors it could be involved in and how many people it should employ—in short, he wants to take over the running of Telstra again. There is a problem in doing that, and it is pretty basic—and this is why I wish that his apologies for policies that he releases in his press statements every other day were more widely published—and it is that to do that he needs to first recognise that it was Labor who corporatised Telstra and, in the case of a corporatisation like that, you cannot instruct the board or interfere with its responsibilities and act against the interests of shareholders.

In reality—I do not know whether the people behind the member for Melbourne know it—the opposition spokesman’s proposition is that Telstra should be decorporatised. He wants to turn it back into the old publicly run PMG. The Treasurer should really add that to the unfunded promises—that is about $30 billion—because you will have to buy out the Telstra shareholders. Since this is old Labor, and old Labor is plainly winning, when you have finished with Telstra, you can go back to Qantas and the Commonwealth Bank as well.

Health and Ageing: MedicarePlus

Mrs DRAPER (2.55 p.m.)—My question is addressed to the Minister for Ageing. Would the minister advise the House how the government’s MedicarePlus package will provide older Australians with better access to quality care?

Ms JULIE BISHOP—I thank the member for Makin for her question and I acknowledge her deep and abiding interest in health and aged care issues. In congratulating the Minister for Health and Ageing on the $2.85 billion package which will protect and strengthen Medicare, I can confirm to the member for Makin that it will greatly benefit older Australians needing health care. Over 90 per cent of pension aged Australians hold some form of concession card. MedicarePlus is increasing incentives to doctors to bulk-bill concession card holders in rural and remote areas, in metropolitan areas and in Tasmania, which has the oldest aged demographic of any of our states.

Over two million Australians of pension age eligible for concession cards will benefit. Specifically, older Australians with concession cards will have 80 per cent of their out-of-pocket expenses for medical services outside hospitals covered once the annual threshold of $300 per individual or family is reached. The small percentage of older Australians who are not eligible for some sort of concession card will also be covered once the threshold reaches $700 per individual or family. It is a fact that the services that generate a high out-of-pocket expense level tend to be specialist consultations. It is a fact that older Australians tend to use these services at a higher rate than the rest of the population. More than 80 per cent of the illness burden in Australia is caused by chronic conditions, and these are more prevalent in people over the age of 55. So older Australians suffering from chronic conditions will benefit from the allied health and dental health MBS measures. These measures will build on the new initiatives that we announced last year under MedicarePlus, which were specifically targeted to improving access to GP care for
residents in aged care facilities—specifically, a new MBS item for comprehensive medical assessments in residential aged care facilities and grants to GPs to work more effectively with aged care facilities.

The contrast between the government and the opposition could not be more stark than in our respective approaches to caring for older Australians. The government has a vision for older Australians needing care—high-quality, affordable, accessible care—and that is evidenced by the fact that we have increased funding in aged care from $3 billion to $6 billion. It is evidenced by the fact that we have released 55,600 new aged care places across Australia, and we will fulfil the aspirations of Australians who want to age at home in the community by increasing funding for community aged care packages by over 820 per cent for community aged care packages. Just contrast that with Labor: it neglected aged care when it was in office. There was a 10,000-bed deficit. It was underfunded and ignored. Nothing has changed: no policies; not even a thought bubble on aged care. Labor just does not care.

The SPEAKER—The Treasurer will resume his seat.

Mr Rudd interjecting—

The SPEAKER—If the member for Griffith persists with his interjections I will simply move to the next question.

Mr COSTELLO—Yes.

Workplace Relations

Mr CAMERON THOMPSON (3.01 p.m.)—My question is to the Minister for Employment and Workplace Relations. Would the minister inform the House how the Howard government’s workplace relations policies have increased jobs and prosperity? What alternative policies would damage the Australian economy and the benefits which flow from the government’s agenda?

Mr ANDREWS—I thank the member for Blair for his question and remind him and the House of the good news again today that, for the sixth month in a row, Australia’s unemployment rate is below six per cent. This has come about because of two fundamental priorities of this government: firstly, the good economic management that this government has brought to the Australian economy and, secondly, the series of workplace reforms which have brought about more flexibility in the Australian work force.

The member for Blair asked me about any alternatives to that. Those alternatives are precisely the Australian Labor Party’s policy to take Australian workplaces backwards. It will do this by a heavy-handed regulatory approach which will cost jobs, attack casual employment, attack independent contractors and abolish Australian workplace agreements. One may ask: why is this being done? Simply because the unions have donated some $40 million to the Australian Labor Party and now are seeking a return payment for that money. As small business has said, small businesses throughout Australia should
be afraid—very afraid—of the Australian Labor Party’s propositions in this regard.

So it was interesting when this document dropped into my hands recently. This document is a summary of the amendments and resolutions endorsed at the recent Labor Party conference—a document that has yet to see the light of day through any official Labor Party source. It is a little like the document that the Treasurer came across on the secret tax plans of the Australian Labor Party. We now have this document, which the Labor Party have hidden until now, on the resolutions from their conference. This document shows, contrary to what the Labor Party have been saying, that, for example, a long service portability tax is on the Australian Labor Party’s agenda—another way in which small business right throughout Australia will be slugged should the Labor Party ever be elected to government.

This document also shows that the Australian Labor Party want to go back to their unfair dismissal laws. The Australian Labor Party want to say to business, both big and small, right throughout Australia: ‘Should we ever be elected to government don’t bother applying for government contracts unless you have a unionised work force.’ All of this is in this document from the Australian Labor Party. It also indicates that it will give unprecedented rights to union officials throughout Australia to put their foot in the door of small businesses, every inch and every breadth of this land, under the guise of employee entitlements—something, I note in passing, that the Australian Labor Party failed to provide to workers of Australia for 13 years. This government, by contrast, has paid out some $500 million in employee entitlements, which is something the Labor Party failed to do.

I note that, in the document, the Labor Party even admit that there will be additional cost burdens placed on employees—an admission in their own document that there will be additional cost burdens placed on employees—this, of course, being dictated to them by the very union bosses who have donated $40 million to the Australian Labor Party. This is not just hollow rhetoric; this is a Labor Party document and we know that it is binding on all members of the Labor Party. The Leader of the Opposition himself said that once the platform is adopted it is binding on everyone in the party—from the new greenhorn recruit out in the branches of my electorate right through to the federal parliamentary leader. These are resolutions which are binding—resolutions which, if the Labor Party were elected to government, they would enact and slug small business with right throughout Australia.

What we see here is a Leader of the Opposition who once said that union bosses were industrial dinosaurs, but he is now taking his instructions from those same union bosses. We see a Leader of the Opposition who just three weeks ago talked about greater flexibility in the work force, yet he is endorsing a Labor Party plan to do the very opposite. We see a Leader of the Opposition who says there is a ‘crisis of masculinity’, yet when presented with the opportunity to do something about it he walks away from it. We see a Leader of the Opposition who talks about ethics in politics, yet he is presiding over a $36 million rort where the Australian taxpayers are providing $36 million to the Australian Labor Party.

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

Mr ANDREWS—The lesson of all of this is: do not listen to what the Leader of the Opposition says; look at what the Labor Party do and what they will do. That is the lesson out of this document and these other incidents. This document proves that the
Australian Labor Party is bad for business, is bad for jobs, is bad for workers and is bad for Australia. I table it.

**Australian Broadcasting Corporation:**

**Radio National**

Mr ORGAN (3.07 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts.

Mr Billson interjecting—

Mr ORGAN—Is the minister aware of press reports that ABC management is likely to consider axing its Radio National network?

Mr Billson interjecting—

Mr ORGAN—Does the minister share my view that Radio National plays a vital role in reflecting Australian culture and society?

The SPEAKER—I am not sure whether the minister could hear the question. I was certainly struggling, and I was getting no assistance at all from the member for Dunkley, who was persistently interjecting. The member for Cunningham will start his question again.

Mr ORGAN—Thank you, Mr Speaker. Is the minister aware of press reports that ABC management is likely to consider axing its Radio National network? Does the minister share my view that Radio National plays a vital role in reflecting Australian culture and society?

The SPEAKER—I am not sure whether the minister could hear the question. I was certainly struggling, and I was getting no assistance at all from the member for Dunkley, who was persistently interjecting. The member for Cunningham will start his question again.

Mr ORGAN—Thank you, Mr Speaker. Is the minister aware of press reports that ABC management is likely to consider axing its Radio National network? Does the minister share my view that Radio National plays a vital role in reflecting Australian culture and society to all Australians at a time when there is an increasingly narrow window on world events? Does he agree that suggestions that the network be closed down demonstrate a fundamental misreading of the needs and aspirations of Australians? If not, why not?

Mr WILLIAMS—I thank the member for Cunningham for the question. Let me start by saying that the ABC is set up as a statutorily independent organisation and makes its own decisions about its operation. Having said that, I am aware of the reports that Radio National is about to be axed. The ABC has advised me that there is absolutely nothing in those reports. In fact, the Director of Radio, Sue Howard, described them as outrageous. As to the member’s comments on the contribution of Radio National to culture, different people will have different views on that. For my own part, I listen to Radio National sometimes when I am able to and I enjoy the programs I listen to, but they are my choice.

**Immigration: People-Smuggling**

Mrs MAY (3.09 p.m.)—My question is addressed to the Minister for Foreign Affairs.

Mr Crean interjecting—

The SPEAKER—The member for Hotham is now treating the House as the member for Dunkley was treating it. The member for McPherson has the call.

Mrs MAY—Would the minister inform the House of the economics of the global trade of people-smuggling? What is the government’s response to this criminal activity? Is the minister aware of alternative views?

Mr DOWNER—I thank the honourable member for McPherson. I know that people in her electorate are impressed with the representation she provides for them, including her representation on these issues. I am sure the honourable member would be appalled to hear that the global trade in people-smuggling, which is a massive trade, is estimated to be worth somewhere in the vicinity of $15 billion to $20 billion a year, with an estimated four million people smuggled every year. It is important to understand that people-smuggling is run by hardened criminals—syndicates. These are people who have no regard for human life or human rights; they are in this game just to make money. It is a lucrative trade—there is high demand. That means that the most effective tool you have to stop it is deterrence.
As one of those countries which are targeted by people smugglers, we have to have in place a policy that deters people from being brought illegally to Australia. That is why we have offshore processing and that is why we have had the policy of excision. It also explains why we have the Royal Australian Navy patrolling our maritime borders, particularly to the north and north-west. It also explains why we have a policy of turning boats back where it is practical, making sure people do not land in Australia in the first place. Once they land, the people smugglers have got their way and can sell their success to future clients.

I was asked whether there are any alternative views. I was asked a similar question yesterday about the Labor Party’s approach. As we know, the Labor Party wants to get rid of offshore processing and excision. It wants to scrap the Navy from the patrolling of our maritime borders for the purposes of stopping people-smuggling. It will not turn people back; it will allow people to land here in Australia. It does have alternatives, and I mentioned to the House yesterday that its alternatives are three coast guide motor boats that will bring the people into Australia, 10 water taxis and a couple of helicopters with snipers on them. I said that the Labor Party spokesman, the member for Barton, had told the Sydney Morning Herald that the Labor Party would spend $32 million over four years to buy the 10 water taxis.

I must admit that I reflected on that for a bit, because I do not know quite how far $32 million for 10 water taxis would go. I got my office to get in touch with the Department of Defence and Customs to see what you could get for $32 million. The $32 million is over four years, so that would be $8 million a year. You would not have a lot of crew on each water taxi, so I made the most reasonable of assumptions: you would have two crew per water taxi, because they are only water taxis. But remember—this is according to the Labor Party’s own costings document—those two crew would cost $2½ million a year for the 10 water taxis. Whoops! We have only got $5½ million a year and all we have got is two crew per water taxi. I was wondering how much it would cost to run a water taxi. You would have to buy fuel for it, it would depreciate and you would need spare parts and so on—

Mr Costello—Will you have to pay a fare?

Mr Downer—The Treasurer asks whether you would have to pay a fare; I can assure you that by the time I get to the end of this you will see why you do have to pay a fare if you are an illegal migrant—to make the costs add up!

The cheapest boat the Australian Customs Service have run in recent times was a 15-metre boat, and this boat cost $1 million a year to run. That is for one boat. So what do we have here? We have $1 million and two crew. What are the two crew doing? One is driving the water taxi and I assume the other one is looking around for illegal migrants and talking on the phone to the helicopter pilot and the sniper. That is it. That is the end. That is all there is! We have got the money now for maintenance—we have got some diesel, oil and grease. We are in the red, by the way; we have gone over our $8 million a year. The one thing we have not got so far is the water taxi itself. There is no money for the actual purchase of the water taxi, but there is money for the two crew and, of course, there is money for a bit of diesel and equipment.

Do not get me wrong, Mr Speaker. This policy could work but I think it is highly unlikely. The tragedy of this policy, of course, is that it is completely risible; obviously the figures do not add up. It makes an utter mockery of the Australian Labor Party...
to be putting forward such nonsense. But behind the understandable ridicule, you have to appreciate, is a very serious issue, and that is that we have to stop these people smugglers and these people-smuggling syndicates and we have to be tough about it. This policy obviously does not work. It is obviously a complete fraud. It does sum up the style of the Leader of the Opposition, which is all about symbols. It is all about getting out there with the Dick Morris symbols. But there is no substance behind the symbols. The problem for the Labor Party is that this kind of policy that has been put forward—the policy of the coast guides, the water taxis and the snipers in the sky—insults the intelligence of the Australian public, and the public are gradually becoming wise to the triumph of symbolism over substance in the opposition.

Aborigines and Torres Strait Islanders: Health

Mr SNOWDON (3.15 p.m.)—My question is to the Minister for Health and Ageing. I draw the minister’s attention to an editorial in the Medical Journal of Australia on 6 October 2003, which reads:

In quality of life measured by life expectancy, Australia ranks number two in the world, but in healthcare equality we rank number 17. If all Australians had the same health experience as Aborigines, we would rank number 140 in the world, alongside Bangladesh.

I also remind the minister that eight years of the Howard government’s practical reconciliation has seen a decline in both male Indigenous life expectancy and the percentage of Indigenous people over the age of 55 relative to the rest of the Australian population. Minister, why are you refusing to confront this national emergency?

Mr ABBOTT—I thank the member for Pearce for her question. Let me point out to the House that every day the rort goes on and every day the fleece metre ticks up by $6,721 so that by the end of the current term of the Centenary House rent rort rip-off it will be $36 million, and it will be $74 million if the Leader of the Opposition ever has a chance to renew the lease.
What does the rent rort mean? It means that Labor get the goldmine and taxpayers get the shaft. We all know that, compared to the rents paid by government departments in the Barton area, the Centenary House deal is a rip-off. Compared to the rents paid for prime office real estate in the most expensive cities in the world, it is still a rip-off. Prime office space in Hong Kong costs $607 a square metre; prime office space in Washington DC, $682 a square metre; prime office space in Seoul, $745 a square metre; prime office space in midtown Manhattan, $749 a square metre; prime office space in Geneva, where diplomats drive up the price, $798 a square metre; and Centenary House, the daddy of them all and the most expensive real estate in the world, $871 a square metre. My source is the CB Richard Ellis publication The 50 Most Expensive Office Locations in the World. There is Hong Kong, there is Washington, there is Seoul, there is midtown Manhattan, there is Geneva, there is Rome and there is Barton. Thanks to the Labor Party, the Australian taxpayer is paying more for a nondescript office in suburban Canberra than people are paying for the most expensive real estate in the world. Just to help members opposite, I will table Labor’s rent rip-off.

Today I thought: ‘Just what do people get for their money in all of these expensive locations?’ So I went to the Internet to find out what your rent would buy you in downtown New York. I found this:
The 101 Park Avenue Building systems are state-of-the-art and meticulously maintained. With a parking garage, bank, full service, newsstand, restaurant, private dining room offering immaculate service and discreet privacy, concierge and white-gloved elevator attendants, tenants’ needs have been anticipated and exceeded.
You would expect to pay a lot for that kind of service, and you do. That is $931 a square metre, just exceeding the current rent of $871 a square metre in Barton. But, come September this year, the nine per cent ratchet clause will take effect and the ALP will be getting $949 a square metre, which is more than you would pay for 101 Park Avenue in New York.

We have seen quite a few backflips from the member for Werriwa since he became the Leader of the Opposition. He supported gay marriage and then he did not. He supported selling Kirribilli House and then he did not. He supported euthanasia and now he is not so sure. He thought George Bush was flaky and dangerous and now he reckons he is his best mate. He was going to deregulate higher education and now he is not. I say to the political acrobat opposite: please, just one more backflip! This is the real test, is it not, for the Leader of the Opposition. What is more important—the $6,721 he is trousering every day or his alleged commitment to ethics in politics? I challenge the Leader of the Opposition to prove that he is a real leader and not just a politically correct poseur by ending the rent rort rip-off now.

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

PERSONAL EXPLANATIONS

Mr TANNER (Melbourne) (3.24 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr TANNER—I do.

The SPEAKER—The member for Melbourne may proceed.

Mr TANNER—Thank you, Mr Speaker. During question time the Deputy Prime Minister alleged that I wish to take over the running of Telstra. I do not wish to take over the running of Telstra; I just want to sack the majority shareholder.
Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (3.25 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr ANTHONY—Yes, I do—most grievously.

The SPEAKER—Please proceed.

Mr ANTHONY—You will recall that the House was rather rowdy last Tuesday and, as a result, I was excused over an objection I had to the member for Corio, who was questioning the Minister for Agriculture, Fisheries and Forestry regarding banana imports. It has come to my attention that the Hansard has misrepresented my interjection. For the record, my interjection was not regarding Centenary House; my interjection was on the lack of credibility the ALP has on the banana issue following their acceptance of a $25,000 donation from a Philippines food exporting company. This company stands to benefit greatly from a decision to allow the import of bananas.

The SPEAKER—The minister has indicated where he was misrepresented and will resume his seat.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Employment: Statistics

Mr COSTELLO (Higgins—Treasurer) (3.26 p.m.)—Mr Speaker, I seek leave to add to an answer.

The SPEAKER—The Treasurer may proceed.

Mr COSTELLO—During an answer earlier in question time, I said that 257,000 new full-time jobs had been created in six months. I should have said it was 257,000 new full-time jobs in two years, which is five times—I may have understated it—the number of full-time jobs created by Labor in the last six years it was in government.

PERSONAL EXPLANATIONS

Mr CAUSLEY (Page) (3.26 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr CAUSLEY—I do.

The SPEAKER—The member for Page may proceed.

Mr CAUSLEY—This morning the member for McMillan in the Telstra debate said:

When you look at ministers like the member for Gippsland and the Minister for Children and Youth Affairs and the Deputy Prime Minister what do you see—

The SPEAKER—Order! The member for Melbourne has drawn my attention, I believe, to a matter that I just need to clarify—that is, your use of the dispatch box for this purpose. The member for Page has the call and I will, of course, recognise him. I understand that the member for Page, having come to occupy the chair at 3.30 p.m., may well for that reason have gone to the dispatch box. But it is appropriate that he take this particular matter—

Mr Sercombe interjecting—

The SPEAKER—If the member for Maribyrnong continues, he will find himself on an early plane and the people of Maribyrnong without a voice in the House. The member for Page has the call.

Mr CAUSLEY—This morning in the Telstra debate the member for McMillan said:

When you look at ministers like the member for Gippsland and the Minister for Children and Youth Affairs and the Deputy Prime Minister what do you see? Let me quote the member for Page: ‘Liberals in gumboots.’ That is what he said about them, and I could not agree with him more.
I have never made that statement. If the member for McMillan would like to check the Hansard he will see that it is not correct. If he is referring to media, I take very little notice of media.

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services and Parliamentary Secretary to the Minister for Trade) (3.28 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr Gavan O’Connor interjecting—

The SPEAKER—If the member for Corio believes that sitting behind the member for Melbourne means that I cannot identify him, he is sorely mistaken. The member for Corio will observe standing order 55.

Mrs DE-ANNE KELLY—The Proserpine Guardian of 31 December said:

Allegations levelled at her—implying me—by the shadow minister for sustainability and the environment, Kelvin Thomson, and Whitsunday Shire Council Mayor, Mario Demartini—

Mr Melham—Mr Speaker, I rise on a point of order. At the beginning of her personal explanation, the member for Dawson quoted an article dated 31 December last year.

The SPEAKER—Yes, I noticed that.

Mr Melham—With the greatest respect to her, Mr Speaker, she should take her personal explanations at the first opportunity.

The SPEAKER—I understand that.

Mr Melham—This is not the first available opportunity.

The SPEAKER—The member for Banks has a valid point of order. I was conscious of the date. However, I was uncertain as to when the member for Dawson had been alerted to the article or had come across the article. I need an explanation from her as to why the matter was not earlier raised. Of course, she is welcome to correct a misrepresentation, but it ought to be done at the earliest possible opportunity.

Mrs DE-ANNE KELLY—Mr Speaker, as I proceed, it will become obvious that I needed a third party. In fact, I received a letter from that third party to verify a discussion. I would have come here at the first opportunity and this is in fact the first opportunity.

The SPEAKER—The member for Dawson may proceed, and I ask her to come quickly to the misrepresentation.

Mrs DE-ANNE KELLY—Thank you. The article said:

... that she—implying me—had interfered on behalf of commercial anglers in the Mackay region and directed the Great Barrier Reef Marine Park Authority to lift the proposed yellow zone from Repulse Bay.

The article went on to say:

A statement issued by the shadow environment minister on December 4 said the chair of GBRMPA had advised Mr Thomson Repulse Bay was originally zoned yellow because of the presence of dugong but was rezoned blue after a meeting involving the member for Dawson, De-Anne Kelly, and Minister Kemp.

I wrote to the chair of the Great Barrier Reef Marine Park Authority and have only just received a response. That response said—

The SPEAKER—The member for Dawson must appreciate that this is a much longer than normal personal explanation. I invite her to come to the matter in which she has been misrepresented.

Mrs DE-ANNE KELLY—The response said:
The chair of the Great Barrier Reef Marine Park Authority confirmed that she had not reached the conclusion that zonings were changed simply to appease you—referring to me. The allegations in the paper were therefore false.

**PAPERS**

*Mr ABBOTT (Warringah—Leader of the House) (3.32 p.m.)*—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following paper:

Export Market Development Grants—List of recipients for financial year 2002-03

Debate (on motion by *Ms Gillard*) adjourned.

*Mr ABBOTT (Warringah—Leader of the House) (3.32 p.m.)*—I present papers on the following subjects, being petitions which are not in accordance with the standing and ses-sional orders of the House:

Objecting to the proposed demolition of Cape Jaffa light house—from the member for Barker—896 Petitioners

Relating to a Defence Recognition medal—from the member for Higgins—18 Petitioners

Relating to international trade of dog and cat fur products—from the member for Bennelong—15 Petitioners

Relating to the ABC—from the member for Page—54 Petitioners

**SPECIAL ADJOURNMENT**

*Mr ABBOTT (Warringah—Leader of the House) (3.33 p.m.)*—I move:

That the House, at its rising, adjourn until Monday, 22 March 2004, at 12.30 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.

**MATTERS OF PUBLIC IMPORTANCE**

**Poverty**

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

The urgent need to address the unacceptably high level of poverty in Australia

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) (3.34 p.m.)*—What we have seen in the parliament this past fortnight is a government with just two tactics. The first of those is to spend money and desperately try to buy their way into the next election. The government say that they have found new issues and problems. The government have been in office for eight long years and they have had plenty of time to solve these problems, and they have failed. They have had eight years to address the problems of disad-vantage, inequality and poverty in this country, and they have failed. What we are seeing in this spending spree is a sad old story. Prior to the 1998 and 2001 elections, it was a spending spree of more than $20 billion—and now they are at it again. The truth is that they only care every three years—caring about votes, not people.

Of course, their second tactic is the politics of fear—the politics of trying to scare people about same-sex couples, trying to scare people about asylum seekers, trying to scare people about the Sex Discrimination Act, trying to scare people about taxation policy. That is the rotten, miserable existence of the modern Tories in the Australian parliament. It is the worst of the old politics: the
politics of fear; the politics of trying to scare people.

The truth is that this is a fine country. Ours is a great nation, but it is a country with many entrenched problems. As I have moved around the nation over the last three months as the Labor leader, I have seen and heard about these entrenched problems: the difficulties that communities have with health and education services, the difficulties that young people have with opportunities in life with employment and the difficulties that families have in trying to make ends meet. This is a fine country of ours but there are many entrenched problems that this government has neglected and that this government has ignored. Essentially, people do not want the negative politics of fear. They do not want a government that has become one big horror movie trying to scare people. They want solutions—the Australian people want solutions. They want a new politics of positive solutions and answers. They want a bit of problem-solving. They want leaders who are willing to add value to the debate. That is what Labor are all about. We are about the future, not the past. We are about hope, not fear. We are about opportunity, not division. We are about a positive approach, not the tired old negativity of the Howard government.

If we are going to be positive in this parliament and in the leadership of Australia, what is the most important thing we can do for the fairness of our society? What is the most important thing we can do as parliamentarians to live up to the great Australian ethos of a fair go for all? The answer is to tackle poverty and the punishing disadvantage that so many Australians face on a daily basis. The Senate Standing Committee on Community Affairs report entitled A hand up not a hand out: renewing the fight against poverty, which was tabled today, shows the way forward. It also shows the sorry record of the Howard government over the last eight years. It reports, with chilling statistics, that between two million and 3.5 million Australians are living in poverty. It reports that 21 per cent of Australian households try to survive on less than $400 per week—less than the minimum wage. It reports that 700,000 Australian children live in homes without a parent, without an adult, in full-time work. We also know from the government’s own departmental figures that there are more than 370,000 Australians long-term unemployed—a bigger figure than when they came into government in 1996.

Any fair and caring person would be struck by these figures. Any person with a heart and a bit of Australian compassion would want to do something about the human tragedy of poverty in this nation. What do these figure tell us? They tell us something important about Australia. Yes, we have the economic wealth, but we do not have the social fairness. It has to be prosperity with a purpose. They tell us that growth is good. We want more economic growth. Labor are committed to policies for economic growth and productivity. But growth alone is not enough; there also has to be social fairness and there needs to be a government with a national plan to tackle poverty and disadvantage in this country. Only then will we truly be a prosperous nation. Only when we have a fair go for all and we have all Australians climbing the ladder of opportunity can we regard ourselves as a prosperous nation, a prosperous economy and a prosperous society.

So what are the solutions? The solutions lie in fixing the policy failings of the Howard government. The first of those failings is in the basic question of public administration and governance. The Senate report makes an important point. It emphasises the importance of cooperation between federal, state and local government. It emphasises the im-
portance of cooperation between all levels of government and local communities in solving poverty. In this regard, I have been struck by two pieces of research. The first points to the importance of place management. It is the research that says that, if you take the individual characteristics of people who live in a poor neighbourhood—a public housing estate or an Aboriginal community—and you aggregate all those individual characteristics, they still do not explain the poverty and disadvantage of the place, of the neighbourhood itself. There is something about these places, about these neighbourhoods, that adds to and compounds the problems of poverty and disadvantage. So you have to manage the place. You have to get all levels of government and community working together with one integrated, coordinated plan to break the poverty cycle. You have to have an intensive strategy to end the disadvantage. You need place management.

The second piece of research, supporting the first, says that you are much better off having intensive coordinated government effort than having government heading off in all different directions. If a government department comes in in year 1 and says that it wants to fix up the local school and then it is not until year 2 or 3 that the health department comes in and does something, you get nowhere near the scale of results that you would get if all levels of government put their programs in simultaneously and worked with the community to put their initiatives in concurrently—worked together in a coordinated local way to beat the poverty cycle.

That is what Labor will be doing in government to improve public administration in tackling poverty. We will be listing at our first COAG meeting—we will be putting this at the top of the agenda—a new coordinated, integrated approach to beat poverty in Australia. We will also be working with all the great welfare and community organisations to get results. This is an approach that is particularly relevant to ending Aboriginal disadvantage—the point that the member for Lingiari was making in question time. The problems are so bad and the disadvantage is so extreme that we cannot afford for a moment in Aboriginal communities to have a lack of coordination, to have governments moving in opposite directions and to have differences of opinion about the direction of public policy and community effort. We have to get these regional and community plans in place. Get the services in, yes; demand responsibility, yes; but also have all levels of government working together in a great national task to tackle the crippling problem of Aboriginal disadvantage in this country.

Another strategy, another Labor approach, is early childhood development. Over the last couple of months I have perhaps achieved a couple of things, but the thing I am most proud of is that early childhood development is on the national agenda, where it deserves to be—that we have got the basic commonsense proposition that investing early is the best way of beating poverty. Investing early in our children is the best way of building a fair society. Investing early in the next generation of young Australians is the best way of guaranteeing opportunity for all.

This is the key to beating poverty. You can see it in the little ones. You can see it in their family circumstances. The different pathways of life are opening up at age five. The pathways of advantage and disadvantage are opening up at age five. We need government programs to give all young Australians fair opportunities in life. That is why Labor have their national reading program. That is why we regard early childhood development as the missing link in lifelong learning. It is the foundation stone of a fair society.

Our second strategy is needs based funding for our schools—something this govern-
ment never cared about and never remembered. Needs based funding is the best way of helping struggling schools and ensuring that all schools in Australia are high-achievement schools. For the poor, there is a special commitment. For the poor, we have to recognise the reality that their passport out of poverty, their ladder of opportunity, lies down the street. All they have is their neighbourhood government school—their best hope in life to get ahead. It is those schools that need additional resources and teacher programs and support to get results. Yes, there are struggling non-government schools that need extra assistance. But, for the poor, it is the neighbourhood school, the government school down the road, that is their best chance in life. It is all they have when it comes to educational opportunity.

Another of our strategies is for a dental program. The sad truth under the Howard government is that we have seen a 30 per cent increase in decayed teeth among adult public dental patients. We have more than 500,000 Australians—most of them elderly—waiting to get their teeth fixed. What sort of prosperity is that? What sort of government leaves more than 500,000 Australians—most of them senior citizens who have served their nation well—waiting and waiting to get their teeth fixed? Labor have a plan, a national dental plan, for an additional 1.3 million new treatments to clear the backlog and substantially reduce the waiting list.

Beyond that, in the health system we need to improve bulk-billing. Again, it is all the poor have in terms of primary health care. The bulk-billing doctor is all-important for fixing up the needs of their children, for ensuring health care and opportunity for all. Under this government, we have had a collapse in bulk-billing—it is down from 80 per cent to just the mid-60s. The truth about this government’s strategy is that you only need a safety net if you have turned Medicare into a highwire act where the families are going to fall off.

The government might have given up on Medicare, it might have given up on bulk-billing—it is raising up the white flag—but I give this commitment: Labor will never give up on bulk-billing rates. We will never give up. We will never give up on the potential of Australians to access a bulk-billing doctor in their local community. That is why we have a plan to save bulk-billing, why we have to plan to save Medicare. Let us put the incentives in—the Medicare teams and the other support—to say we are never going to give up on the universality of Medicare and the need for available bulk-billing doctors in the community.

Beyond that, there are other big priorities, such as in housing, with the shame that I raised in question time of housing authorities in Hobart having to dispense tents to the needy, to people with disabilities and mental illnesses. The $1 billion cutback in public housing by this government, with authorities and communities having to dispense tents to people in need—that is the shame. How prosperous can we be as a nation as long as those things are happening around our great land? It is a sad thing. It defies the sort of potential we have as a nation. We need to correct it. We need to correct the public policy failing.

This $1 billion cut in public housing has another bad effect in terms of good public policy, because the states are forced to cut down on public housing. They push people out into the private rental sector and it comes back to federal rent assistance. So public housing cuts do nothing to improve the federal budgetary situation and just move the problem of housing affordability around like musical chairs. It is bad public policy. It is a
bad outcome for the federal budget. It is a bad outcome for Australians in need.

Beyond that, there is the policy failure of the Job Network—the crisis of the Job Network around this country. Only one in five long-term unemployed today finds full-time work after participating in the Job Network’s customised assistance programs. It is not good enough. We need to do a lot better. We need jobs through growth—sure. But we also need jobs through employment services and community based programs that get results for people in need. We need to develop that comprehensive approach to cure the curse of long-term unemployment in this country.

We have a government with a strategy of throwing money at problems in an election year. Labor’s strategy is to solve problems, through good public policy. This is a government that needs to adopt our strategies. If you want to be serious about solving poverty and tackling issues of disadvantage in Australia, the Labor strategy is by far the best: the COAG strategy for place management governance, the early childhood emphasis and programs that we have been announcing and advocating, the needs based funding approach for our schools, our Aim Higher strategy for post-secondary education, our dental program and our bulk-billing plan. I say to the Prime Minister: if it is good enough to adopt our policy on parliamentary superannuation, it is good enough to adopt our plan to tackle poverty and disadvantage in this country. If it is good enough to abolish NOIE, it is good enough to sit on the floor in schools because I told you to, it is good enough to adopt our plan and strategy for ending poverty.

The member for Warringah, Mr Abbott, raised a point in question time a few days ago. He quoted me as saying that you need to be true to yourself in public life; you need to be true to yourself and go to sleep at night knowing you have lived up to your beliefs. I am proud to stand here and say that we in the Labor Party are true to ourselves and to our commitment to tackle poverty. We are true to our commitment to end the disadvantage in this nation. We are true to our commitment to improve social justice for all Australians. We are true to our commitment to a fair go for all. We are true to our commitment to ensure that all Australians—not 70, 80 or 90 per cent, but all Australians—are climbing the ladder of opportunity, with hard work, good government services and the opportunity to do better for their families in the future.

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.49 p.m.)—From the Leader of the Opposition, we have just heard 15 minutes which were absolutely big on rhetoric and totally bereft of detail. Once again, we had a long-winded rhetorical speech from the Leader of the Opposition, with not one aspect of real detail—not one itemised, detailed, costed proposal from the Leader of the Opposition. It gets back to what we have been saying and will continue to say: do not listen to what the Leader of the Opposition says; look at what the Labor Party do. Look at what they have done in the past, look at the policies and the platforms that they have in place now—I will come to some of those—and look at what the Labor Party will do in practice.

Anyone can stand here and give a rhetorical speech, as the Leader of the Opposition does, full of compassion. No-one in this place has a monopoly on compassion. About the only thing that the Leader of the Opposition did not repeat was Bob Hawke’s famous saying of a few years ago that no child should live in poverty by a certain date. Anybody can say that, but driving forward the detailed policy and the programs to achieve that is an entirely different thing.
What we have once again from the Leader of the Opposition is rhetoric. He talks about good public policy. Anybody can spout good public policy—but what about the programs and the actual detail of what will deliver good public policy?

This comes on a day on which this government has delivered a record $31 billion extra in funding to schools throughout Australia—an additional 25 per cent increase in funding to schools throughout Australia. That is delivering a social dividend because of the good economic management of this government over the last eight years. The Labor Party has stood in the way of that economic management day after day in this parliament and voted against measures that would actually enable more people to get into jobs—measures that are still being blocked in the Senate at the present time. It is this management and this detail that have allowed this government to deliver, for example, a 25 per cent increase—$31 billion—for Australian schoolchildren and their parents right throughout this country.

It is a question not of what the Labor Party say but of what they do and what they will do in government, compared to what we are actually delivering at the present time. This comes in a week where this government has also delivered some $2.85 billion extra in Medicare funding in the MedicarePlus program. So there is $31 billion to schools in a social dividend to the people of Australia because of the good economic management of this country, and $2.85 billion in a social dividend to the people of Australia because of the good economic management of this government. Last year, for example—as the Leader of the Opposition mentioned health and other matters—there was a $10 billion increase in payments to the states to run the state public hospital system throughout Australia.

These are real, detailed programs that will deliver benefits to Australians today and in the future. What do we hear from the Leader of the Opposition? We hear rhetoric—fine, compassionate rhetoric. We can all stand here and deliver fine, compassionate rhetoric, but the test for the Leader of the Opposition is what the Labor Party are actually going to do in government. We can judge some of the things that the Labor Party might do in government by looking at what they have actually done in the past.

The Leader of the Opposition spoke about poverty. The NATSEM survey, which was not commissioned by this government but by the Sydney Morning Herald and the Age, showed that average families were much better off as a result of the combination of policies delivered by the Howard government over the last six or seven years. In fact, according to the economists who examined the NATSEM data, the result was to greatly reduce the number of children formerly living in poverty in Australia. Those are real results flowing from real programs from a government that is not only prepared to manage this economy properly and for the benefit of all Australians but, in doing so, is able to deliver what Australians want: health and education. The Leader of the Opposition now leaves the chamber.

Look at what the opposition did when it was in government. It left us with a legacy of high unemployment, peaking at 10.9 per cent. Nearly one million Australians were unemployed when the Australian Labor Party was last in government federally in Australia. We have brought that figure down. The unemployment rate averaged 9.2 per cent during Labor’s last two terms in office. The latest figures from the Australian Bureau of Statistics indicate that, for the sixth month running, unemployment in Australia is at under six per cent. The best thing that we can do in this country, the best thing that a gov-
ernment can do to relieve and alleviate pov-
erty in Australia, is give as many Australians
as possible a job—something which never
occurred under the Australian Labor Party;
something which is occurring at the present
time under this government.

It is a fact that 1.2 million or more extra
jobs have been created in Australia since this
government came to power. There are not
just extra jobs but higher wages as well. We
had a situation where there was an increase
in unemployment under the Labor Party.
Remember the famous accord that actually
drove down real wages in this country and
compare that to what has happened in the
last seven years under the Howard govern-
ment: 1.2 million extra jobs in Australia and
an increase in full-time jobs at a substantial
rate. As the Treasurer said, more full-time
jobs were created in Australia in the last five
or six months than in the last five or six
years of the Labor Party when they were in
government. Look at the effect in terms of
wages. Real wages under the Australian La-
bor Party, when they were in government in
Australia, increased by about $10 per week
for full-time male employees. That is one
measure of real wages. Under this govern-
ment, real wages have increased by more
than $90. So we have not only got more jobs
and created the conditions for businesses to
employ more Australians but those busi-
nesses are paying those Australians more
money.

On top of that, we have the lowest level of
industrial disputation in this country since
the records have been kept, which is for
about a century. On top of that, we have
mortgage interest rates at the levels at which
they are now. Who can remember when La-
bor was in government and mortgage interest
rates were driven up to 14 per cent and 15
per cent? If you had a small business, you
were paying 20 or 22 per cent. On top of
that, inflation was running at record levels
under the Labor Party when they were in
government. We are saying that what you do
is important, not what you say. Anybody can
stand up in this place or in the Senate or any
other part of Australia and say: ‘This is what
I do. I care for the people of Australia.’ I do
too; we all do. That is why we are trying to
ensure that we have an economy that moves
forward in this country, so that we can con-
tinue to create more jobs, pay higher wages
and bring about economic and social security
for the men and women of Australia and
their children. That is what this is about, and
rhetoric is no answer. Sure, the Leader of the
Opposition can indulge in some rhetoric for a
while. He is new to the job—he is not new to
parliament, of course—and he can indulge in
some rhetoric for a while, but he has been
there long enough now to say some of the
things that he would do if the Labor Party
were in government. He will not talk about
that.

Let me tell you some of the things that the
Labor Party propose to do in government—
some of the things which would lead not to a
growth in employment in this country but to
a growth in unemployment. One can look at
some of the Labor Party’s policies which are
all set out now. The Labor Party had a na-
tional conference at the end of January and
that national party conference passed a series
of motions and resolutions, which even the
Leader of the Opposition admitted are bind-
ning on all members of the Australian Labor
Party. Let us look at some of the things they
would do so far as workplaces in Australia
are concerned. They would abolish Aus-
tralian workplace agreements. More than
440,000 Australian workplace agreements
have been entered into. Presumably these are
going to be abolished overnight. These are
agreements to which there can be only one
kind of objection, and that is ideological,
because these are agreements entered into
individually between employees and em-
ployers. What is missing from those agreements and those arrangements? What is missing is the third party, namely the union interference in these sorts of arrangements. The Labor Party say, 'No, we don't trust you to make your own workplace agreements.' It is the Big Brother approach that we get from the Leader of the Opposition: 'We'll tell parents how they should parent their children. We'll tell employees and employers what precise arrangements they should enter into in order to make their own contracts so far as employment and those arrangements are concerned.' It is this top-heavy, 'we know better', Big Brother approach which has been made manifest on a number of occasions by the Leader of the Opposition. Also, they will force small businesses to provide part-time jobs to mothers returning from parental leave, regardless of whether there is a capacity to do that—

Mr Swan—That's a lie.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Lilley will withdraw that.

Mr Swan—I withdraw that, Mr Deputy Speaker.

Mr ANDREWS—regardless of the regional opportunities or the particular circumstances of the businesses in question. The Australian Labor Party say that somehow casual employment is bad. So for the tens of thousands of young people who work in supermarkets such as Coles, who work in McDonald's, who do part-time jobs, for university students who are doing some work while they are studying their courses, for the mothers returning to work who want flexibility and casual employment and even for older workers—potentially more so in the future—who want to enter into these sorts of casual arrangements the ALP say, 'No, we will not have that at all.' In fact where casuals have an opportunity to convert from casual employment to permanent employment, as they can under the metal trades industry awards and the manufacturing industry in Australia, less than two per cent have taken that opportunity. In other words, 98 per cent of workers who have that opportunity to make that conversion have said, 'No, we are happy as we are at the present time.' So casual employment stands the great risk of being destroyed by the Australian Labor Party.

They want to increase third party intervention. They want to give unions the control of the workplace. They want to say the union bosses can walk in the door of every business in Australia, even the mum and dad business at home that does not operate with an office or a factory or whatever. The unions are going to be in the door. If you want to see proof of that, have a look at some of the legislation that the Labor Party are proposing to introduce—legislation, for example, in the South Australian parliament at the present time. As I say, do not listen to what they say; look at what they do. There is plenty of evidence not only of what they have done in the past but also of what they are doing now and therefore what they will do in the future.

In private sector Australia only 17 per cent of workers today are members of unions. People have walked away in their droves from unions, yet an industrial relations policy—a platform—was moved, amended and resolved at the national conference of the Australian Labor Party just a few weeks ago binding every member of the Australian Labor Party. And, in the words of the Leader of the Opposition himself, that policy will introduce third parties, namely unions, into every workplace in Australia to inspect the books, to walk in the door under the guise in this instance of giving workers some entitlements.
I recall, by the way, that for 13 years the Labor Party did nothing about workers' entitlements in Australia. This government introduced the workers' entitlement schemes that have under the various schemes paid out something like $500 million in workers' entitlements to workers in Australia. That is something the Labor Party had 13 years to do and did nothing about, yet under the guise of some changes to that unions will be given entry in the door of every workplace in Australia.

So one cannot simply listen to the rhetoric of the Leader of the Opposition. One has to look at what the Labor Party will do if the Labor Party are elected to govern in Australia. We saw what they did last time. We can see what they are doing in Labor states around the country. In Victoria there is industrial mayhem because of the inability of the Bracks Labor government to stand up to the unions in that state. In South Australia there are disputes and a bill is being introduced by the Labor Party in that state to do a number of the things that I have been talking about this afternoon. In Western Australia similar moves were made and legislation enacted by the Labor Party which brought about a situation where workers who had the opportunity fled in their droves from the state industrial relations system to the federal industrial relations system and the flexibility that that gives.

All of these proposals when looked at and examined in detail are bad for workers, bad for business, bad for jobs and bad for Australia. Do not listen to the rhetoric of the Leader of the Opposition. Do not listen to what he says. Look at what the Labor Party have done, what the Labor Party are doing and what the Labor Party will do if they are ever elected again.

Mr SWAN (Lilley) (4.04 p.m.)—The report of the Senate Standing Committee on Community Affairs entitled A hand up not a hand out: renewing the fight against poverty, tabled today in the Senate, catalogues how the gap between the rich and the rest in this country has turned into a chasm, and it is widening at an accelerated pace. In many ways, even when we are looking at this report, or when we are looking at figures from the Australian Bureau of Statistics, or when we are looking at material provided by the great social welfare agencies in this country, we are looking at the growth of inequality in this country through a rear-vision mirror. All of the available evidence indicates that that gap is accelerating at a pace.

What is most disturbing is the fact that the Howard government will not even accept that growing inequality is occurring in the society, that it is a problem. In fact when we have asked the Prime Minister in this House about that question in the past he has simply said he thinks it is a good thing. We heard more of it today. We heard the Prime Minister concede that the rich were getting richer, but we did not hear him concede that low and middle-income earners are being squeezed, nor did we hear him concede the real fact that the poor are falling further behind. The more this gap grows, the more unfaithful we are as a nation and as a society to our national ideal of a fair go. The truth is he will not concede this growth in the gap because he would have to concede that it is a direct result of many of the policies that this government has implemented over the last eight years.

Last year in this parliament you could not even get this government to concede that they should be funding some basic vaccinations for young children. They said it was too much to ask, too much for families to ask; it could not be afforded. This year there are rivers of gold flowing from the national Treasury. The Prime Minister and the Treasurer are down there ransacking the Treasury.
They have this great big vacuum cleaner sucking money out, throwing $100 bills to anyone walking past, without there being any real relationship to a prioritisation of what must be done in this country to solve some of the basic unfairness that is catalogued in this report.

In an election year this Prime Minister has now become a river to his people. He has cancelled the last two Christmases and now he is gearing up for a very big one, a big handout. But sadly you do not solve structural, deep-seated problems in a society by having a handout twice in eight years, which is basically what their governance has amounted to—a handout twice in eight years.

Of course, when this tactic is suddenly discovered and we in the opposition highlight it, they become experts. They have only really one policy and one tactic: when they are ratting the till, as they are at the moment, they are out there in diversion mode. So we have had all the tactics—the gay baiting, the bashing of disability support pensioners, the red herrings of scholarships here and there; nothing about substantial long-term structural reform in our economy which in the years ahead will have a dramatic impact on the development of inequality, because this is a government that is not interested in lasting solutions.

Last week was the eighth anniversary of the election of the Howard government, and that is why this document catalogues and says so much about this government. That is why this government cannot concede that its policies are directly responsible for many of the social ills that are described in this document—the social consequences that are emerging from the harsh economic and social agenda which is opening up that gap. Under the Howard government, the rich are getting richer, low- and middle-income earners are being squeezed and the poor are being left behind.

They want us to believe that a rising tide lifts all boats. This report and the Australian Bureau of Statistics show that the rising tide has lifted a few yachts, but it has left a lot more people behind. That is what you see when you look at the figures. But they are great believers in the trickle-down effect. One of the senators from the conservative parties said this morning, ‘But at least there’s some trickle-down.’ Andrew McCallum from ACOS hit that on the head. He said, ‘Yes, but it all evaporates before it gets to the bottom.’ And ain’t that the truth when it comes to the record of the Howard government.

When you look at some of the figures, you see they are quite astounding. But I will not speak from the figures just yet. I will quote from the churches of this country who have taken the process of this committee very seriously. This morning the Uniting Church and the Anglican Church of Australia wrote to the Prime Minister and they said this:

While the Australian economy may grow, people are becoming more insecure in their ability to value and hold on to a decent life. Our charitable services in particular, see daily the effect of poverty on families and on older people and intergenerational effects that now increasingly affect children and young people’s life chances.

I think that says that society is getting more unfair, even if the Howard government cannot say it. Last year, nine prominent Australians from the great churches of this country sent a letter to the Prime Minister. I will not run through the signatures, but they said this: Australia has, perhaps because of the characteristics of the economy, seen one of the sharpest growths in the incidence of poverty, to the point where it now stands fourth on the OECD list of percent of population living in poverty.

Once again, that is a complete repudiation of our Prime Minister and the Treasurer. And is it any wonder that the letter would be saying
that? Just look at some of these figures: 3.5 million Australians are now surviving on incomes below the minimum weekly wage. That is where the growth has been. That is the growth they will not admit in this House: the growth in the working poor, let alone the desperately dispossessed, whom they cannot talk about either. We heard the Prime Minister’s pathetic response to the question on homelessness in the House today. And this wealth gap is set to widen. The Prime Minister quoted NATSEM. I will quote NATSEM back. According to NATSEM, the percentage of wealth owned by the wealthiest 20 per cent of the population will increase from 64 per cent today to 70 per cent by 2030, and the percentage of wealth owned by the poorest 50 per cent of Australians will decline from the current seven per cent to just 4.9 per cent. That is a very big problem. We will not know this country in 20 years time unless we address this problem now, treat it seriously and change some of our social and economic policies.

Just look at the social fallout that is occurring from the inequality we are living with at the moment. In the last six years, the number of children removed from their parents by child protection authorities has increased by 45 per cent, and hospitalisations of young people for mental and behavioural disorders have risen by 28 per cent. In the last decade, the number of adults imprisoned in this country has doubled. Indigenous children born today will on average live 20 years less than other Australian children. And the list goes on.

So what did we get from the Prime Minister today? The Prime Minister came in and quoted NATSEM, claiming that over a period of five or six years there was some absolutely massive increase in the incomes of some people at the bottom end of the scale. What rot. He was not quoting pure ABS figures. The latest ABS figures say that, while the bottom 20 per cent saw their weekly incomes increase by just $3 between 1996-97 and 2000-01, the top 20 per cent saw their weekly incomes surge by $109 over the same period. I will quote the footnote from the ABS report, because it directly repudiates the Treasurer. It directly repudiates the Prime Minister. It is very unusual for the ABS to write this. They must have copped a real flogging from the Treasurer after they did. This is what they said:

... the increases in the inequality indicators can be regarded as statistically significant with a higher degree of confidence, further supporting a conclusion of some increases in inequality— that word would not pass the Treasurer’s lips but it comes from the official body which this government quotes and uses to frame policy. Some years ago the new candidate for Wentworth said the Howard government had broken the heart of Australia. It has not just broken the heart of Australia; it has broken its spirit. We are now the land of selective opportunity. If you have enough in the bank, you can get ahead—and ain’t that the case in the modern Liberal Party. It is not surprising that it is now possible to buy a seat in this parliament, as the new candidate for Wentworth has said the Howard government had broken the heart of Australia. It has not just broken the heart of Australia; it has broken its spirit. We are now the land of selective opportunity. If you have enough in the bank, you can get your seat over there; now you can buy your way into university. It does not matter where you come from or what your ability is—if you have enough money, you can buy your opportunity. This really sums up the approach of the Howard government. In this society we are not the land of a fair go any more; we are the land of whatever it takes, of every person for themselves. We are becoming a nation where opportunity is now a marketable commodity—something that can only be bought and sold. It is a bit like a preselection in Wentworth.

Despite the overwhelming evidence of the growing gap, all we get in this House is de-
nial. The Leader of the Opposition today outlined a coherent, serious program that Labor is putting together to combat growing inequality in this community. It starts with early childhood. It starts with dealing with the causes, not the symptoms, of problems. It starts from the philosophy of not putting band-aids over the system but dealing with it from the very beginning, and there will be a lot more to come. *(Time expired)*

**Mr ANTHONY SMITH** *(Casey)* *(4.14 p.m.)*—The previous speaker and, before him, the Leader of the Opposition tell you a lot about Labor’s approach, not by what they said in their 15 and 10 minutes of ranting and raving but by what they left out. The Leader of the Opposition says he is about the future and not the past. It is obvious why he would want everyone to forget Labor’s past: because Labor’s past is their future. What Labor did is something that the member for Lilley and the Leader of the Opposition desperately want to ignore. They desperately want the Australian people to forget it. What they cannot escape, what they cannot squirrel out of, is that what Labor did in the past is exactly what they would do again if ever they had the chance.

No-one on either side of the House would claim that poverty is not a problem or that many of our fellow Australians do not suffer hardship and disadvantage. But to claim that all poverty in Australia is the creation of the Howard government, as the Leader of the Opposition and the member for Lilley did, let alone condemn their failure in so many areas, reveals the low level of their credibility. How could you not mention Bob Hawke? How could you not mention, ‘No child will live in poverty,’ that famous promise at the 1987 campaign launch? He said, ‘No child will live in poverty by 1990.’ That was 14 years ago. The member for Werriwa was probably even in the audience at that famous campaign launch by Bob Hawke, when he came across Sydney Harbour like Moses on a float to declare that by 1990, in just three years time, no child in Australia would live in poverty. No-one on the other side mentions that. Imagine what would have happened if Bob Hawke had been telling the truth—which of course he was not—and Labor had been true to their word. We would now be in our 14th year of having no child living in poverty. What that sorry saga tells you—that false dawn that you get so often from the Labor Party—is that what they did before they would do again.

That brings me to the other great example of Labor’s hypocrisy which never gets a mention, and that is their record. The member for Werriwa, the Leader of the Opposition, said that while economic growth had been important it was not the only thing. Listening to those opposite, not just in the debate today but in previous debates, you would think that somehow poverty and economic hardship were totally unrelated to economic management. You would think that
somehow the relative level of poverty or inequality was completely divorced or separated from the economic management of the day. The fact is that under Labor more people did it harder and poverty increased purely because of Labor’s economic mismanagement. Skyrocketing interest rates which drove families and businesses out of their homes and their workplaces massively increased poverty and hardship in this country. Labor’s thumping recession and the massive social dislocation in the late 1980s and 1990s did not improve poverty; they worsened it dramatically.

When all this was happening, when a million people lost their jobs, when countless small businesses went to the wall and people’s lives were destroyed, where were those members opposite? How many times did they come into this House, when unemployment was at 11 per cent, a million people were out of work and poverty was increasing, and make a single speech about it? Not once. The reason I mention this is that those opposite would, with some kind of twisted logic and muddle-headed approach, believe that somehow the economic growth, the success of falling interest rates and the massive increase in employment over the last eight years have been rather bad instead of being good. They would believe that somehow low interest rates and low home mortgage rates do not matter and that giving someone a job who did not have one before is immaterial. They would believe that somehow the economic strength and capacity of a country is totally divorced from and unrelated to the level of poverty or hardship of the day.

Economic growth, growing job opportunities and combined economic stability—the things Australia has experienced in the last eight years, during the recovery from the dark days of Labor—have been critical in restoring the livelihoods of hundreds of thousands of Australian families and small businesses. We do not say that economic growth, economic strength, is the only solution. But for those opposite to argue that it has not been a help and assistance and that it has not somehow reversed their utter failure that led to the worst recession since the Great Depression is simply dishonest, unbalanced and a severe case of scaremongering.

I also want to take the time to address another related misrepresentation made by the previous speaker, the member for Lilley, on the question of relative income equality. Like all those opposite, he seeks to imply that, while the rich are getting richer, somehow the poor must be becoming worse off and going backwards at a fast rate. He seeks to imply that somehow, if someone is experiencing an income growth, someone else must necessarily be experiencing an income decline—that if a group of people receive an improved income it must be at the direct expense of another group. Not only is this completely wrong and dishonest, it is deeply cynical and typical of the member for Lilley. We have seen it from him time and time again. Despite his selective quoting, it defies all independent analysis of income equality over the last eight years or for that matter the last decade.

Evidence from the ABS and comprehensive analysis from academics who specialise in this field, unlike the member for Lilley, show that no group has gone backwards. Certainly—and the Prime Minister indicated this earlier today—some groups have moved ahead and some groups have moved ahead rapidly, but no group has gone backwards. Why is that important? The reason is that that is in stark contrast to what happened under the Hawke and Keating governments. The bottom line is that, under Labor, the bottom 20 per cent—the lowest income earners the member for Lilley now preaches such concern about—went backwards. Their wages fell. It is an inescapable fact: from
1983, for 13 consecutive years, incomes for the lowest income groups in Australia fell. Their take-home pay was reduced and life became tougher. Labor did not deny it; in fact, they bragged about it and said that it was a critical ingredient of their management of the unions. What they do not own up to and acknowledge is that fact.

In the brief time left to me, I would like to point out to them that there is a left-winger who is honest. Unfortunately, he does not sit with them; he does not sit in this House. His name is Clive Hamilton. I have quoted him before and I will do so again. In 2002 he said:

Difficult as it may be to admit, social democrats and democratic socialists have a psychological predisposition to believe that the mass of people are suffering from material deprivation. In real terms, Australians today are at least three times better off than their parents were after the war, and the distribution of income is about the same. Unpalatable as it is to concede, inequality is not substantially greater—(Time expired)

Mr ORGAN (Cunningham) (4.24 p.m.)—I welcome the opportunity to speak in support of the Leader of the Opposition’s motion highlighting the poverty crisis facing this country. We are here to talk about poverty, despite what we have heard from the government. They hardly ever mentioned the word; instead they talk about industrial relations and lots of other issues. Despite the comments by the Prime Minister during question time, there is no doubt that the rich are getting richer. Of his assertion that the poor are not getting poorer, the reality is otherwise—a reality denied by the Prime Minister and by the minister in this debate. I have spoken recently with people in my electorate of Cunningham who were forced to turn their hot water service off to save electricity, who can barely afford to send their kids to school, who are not eating properly and who have rotten teeth in their mouths and cannot afford to go to the dentist.

The Senate Community Affairs References Committee report on poverty, tabled yesterday in the other place, is an important document and one which the government must respond to. I would like to commend the members of the committee for producing this report, for it highlights the poverty crisis currently facing this country—a crisis directly brought about by the policies and neglect of this government. The committee’s report found that current levels of poverty in Australia are unacceptable and unsustainable, and that there can be no denying the growth in poverty throughout the last decade. The committee found that the number of Australians living in poverty generally ranges from two million to 3½ million—that is about 20 per cent of the population. One study found that one million Australians live in poverty, despite living in a household where at least one adult works. In addition, there are now over 700,000 children growing up in homes where neither parent works, and there is a great risk that many youths will never find employment. What disgraceful figures.

The committee found that the cycle of poverty demonstrates how poverty is becoming more entrenched and complex. This is evidenced by the fact that the kind of economic growth Australia is achieving has been unable to lift many Australians out of the poverty cycle. The rich are getting richer, and the gap between rich and poor is increasing. The committee clearly identified the rapid widening in the income gap over recent years. I believe that the level of poverty in this country and the marked difference between groups of people in terms of their capacity to access opportunities have become a national crisis. It is something that this government wishes to ignore—and we heard the Prime Minister’s denial in question time—
but it will be its legacy. I call on both sides of the House to address this crisis immediately in their policies and election commitments. The committee concluded rather shamefully:

The Commonwealth’s indifference to, or acceptance of, increasing poverty and inequality as the inevitable by product of a market economy in a globalised world, is out of step with the views of Australians who believe in a fair go for all.

Evidence to the committee and a range of studies into poverty over the last couple of years have shown that certain groups within our community are particularly susceptible to disadvantage. These are groups who require urgent attention by the government. They include Indigenous Australians; unemployed people; people dependent on government benefits; sole parent families and their children; families who have three or more children; people on low wages; people with disabilities or those experiencing a long-term illness; aged people, especially those renting privately; young people, especially in low-income households; single people on low incomes; people who are homeless; and refugees. Also included in that list should be students, and the Senate report highlights that. At the same time that many university students have two, three or four jobs, if they are lucky enough to find them, this government is increasing fees by 25 per cent. If the government has its way, students in this country will be paying some of the highest university fees in the world and lumbered with debts ranging from $30,000 to $100,000. This is unacceptable for people trying to improve themselves and get ahead in life.

This report clearly shows that a national strategy needs to be developed to address poverty in this country, and the Greens strongly support this call. The committee’s report is a damning indictment of the last eight years of Howard coalition government.

The committee clearly believes that a strategy needs to be developed in close consultation with key stakeholders, including welfare sectors, unions, state governments and the business community.

During a recent Radio National report on poverty in Australia, guest speakers presented various views, and a lot of those are also highlighted in the report before us. They spoke about how 28 per cent of Australian households have an income of less than $500 a week. This means that 4.5 million people in Australia are living on the margins. They talked about how 20 per cent of Australian households, or 3½ million people, earn less than $400 a week and must be described as being in real trouble. At any one time, 1.2 million people are looking for work, while there are only about 100,000 jobs available. As well as there being very few jobs available, given the demand there is a substantial issue of underemployment for those people who find work. For example, 86 per cent of jobs created in the nineties generated income of $26,000 or less per annum. It is quite clear from this Senate report that we do have a poverty crisis in this country. It is something that the government cannot continue to bury its head in the sand about. It is a major crisis and it affects everyone in this place.

ADJOURNMENT

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

That the House do now adjourn.

Mr Abbott—Mr Speaker, I require that the question be put forthwith without debate. Question negatived.

HEALTH LEGISLATION

AMENDMENT (MEDICARE) BILL 2003

Consideration of Senate Message

Bill returned from the Senate with an amendment.
Ordered that the amendment be considered forthwith.

*Senate's amendment—*

(1) Page 2 (after line 2), after clause 3, add:

4 Review of the operation of Act

(1) The Minister must initiate, by the third anniversary of the day on which this Act commences, a review of the operation, effectiveness and implications of this Act.

(2) In selecting a person to conduct the review required by this section, the Minister must seek and select a person from nominations received from independent academic institutions.

(3) The Minister must cause to be tabled in both Houses of the Parliament a copy of the report of the review within 15 sitting days of receiving the report.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (4.31 p.m.)—I move:

That the amendment be agreed to.

Ms GILLARD (Lalor) (4.31 p.m.)—Clearly this amendment and the matter before the House relate to the Medicare package, which has been the subject of a great deal of discussion here and in another place. Obviously, the Labor Party have opposed this package. We opposed it in the Senate. We opposed it in the House earlier today. We remain opposed to it. We now believe the best way of demonstrating that opposition is not by further votes in this place but by having the argument in the community in the lead-up to the next election.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (4.32 p.m.)—I am certainly happy to oblige the member for Lalor and shadow minister for health and have that argument in the community in the lead-up to the next election. I am very confident to pit the illusion of universal bulk-billing against the reality of a strong new Howard government safety net.

Question agreed to.

**COMMITTEES**

**Publications Committee**

Report

Mr RANDALL (Canning) (4.32 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.


**BUSINESS**

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.33 p.m.)—by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent debate on the question—That the House do now adjourn—continuing for a period not exceeding 30 minutes after the motion is moved.

Question agreed to.

**ADJOURNMENT**

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.34 p.m.)—I move:

That the House do now adjourn.

Insurance: Public Liability

Mr ADAMS (Lyons) (4.34 p.m.)—I was very disappointed with the use by the Minister for Small Business and Tourism of my letter of 17 December 2003 when he waved it around in the House to criticise the Australian Labor Party for not supporting the amendments to the Trade Practices Act in the Senate. The letter did not relate to that act; it actually related to government and opposition sitting down and sorting out the problems of public liability for community groups and to do that without scoring points. The letter was addressed to the Treasurer, and neither the Treasurer nor whoever else
he sent it to has responded. The letter has not even been acknowledged. I do not think they understand what I am trying to do. That is a great indictment of them, since it is such an important issue especially in country areas.

Using this act was a cheap shot at the ALP, who oppose the amendments to the Trade Practices Act because they propose to remove an individual’s ability to commence proceedings to recover damages for personal injury and death. This means that an individual who has suffered physical harm will be unable to commence legal proceedings to recover damages from a company that has engaged in misleading and deceptive conduct or has made false and misleading representations. This is a hideous invasion of the rights of injured workers, and should not be there, but it has nothing to do with public liability. The alternative is to put a cap on general damages, damages for loss of earning capacity et cetera for personal injury under part V, division 1 in the same manner as the cap on damages payouts for negligence which has, in the most part, been put in place by the states and the territories.

Just for the record, the Ipp report has 61 recommendations, which have been picked up in the most part by the states, and the proposed amendments to the TPA aim to implement only one of those recommendations. The government makes it seem as though these amendments are a central pillar to law reform when in fact the amendment is one in a series of 61—and it has nothing to do with community public liability. This legislation is to do with business and trading entities; it has nothing to do with a group of women sitting in a hall doing embroidery.

So we can do something federally to deal with public liability. We need a nationwide approach. Last month public liability insurers announced record profits: IAG made a half-year profit of $302 million; QBE, a $572 million profit; Promina, a full-year profit of $298 million; and Suncorp an interim profit of $281 million. They are all making a strong underwriting profit on their public liability lines of business.

Mr Sidebottom interjecting—

Mr ADAMS—I agree with the member for Braddon. The ACCC report, released in February, showed that, while personal injury claims costs had fallen by 14 per cent, premiums had continued to rise. Some firms are saying that they will put premiums up by 15 per cent this year.

In September 2002 Labor introduced a private member’s bill which would have given the ACCC the ability to ensure that the benefits of state and territory tort reform were passed on to consumers. The government failed to debate this bill; that is why I wanted to have some discussions with the government to try and overcome those problems. The government has control of the ACCC and could help. The government could set up a national fund through which public liability could be developed. It has not done anything along those lines. The government could also look for avenues offshore to find suitable public liability insurers and sponsor a company to be in Australia; it has not.

I condemn the Minister for Small Business and Tourism for doing absolutely nothing about public liability and demand an apology for his accusations against my party about their support for the development of public liability strategies. All the states have tried and the Commonwealth has done nothing. It is no wonder everybody is calling this minister ‘blame someone else’ Hockey.

Paterson Electorate: TAFE fees

Mr BALDWIN (Paterson) (4.39 p.m.)—I rise tonight to inform the House about a TAFE teachers strike against the increase in fees by the state Labor government in New
South Wales. It is not very often that TAFE teachers take this sort of action. New South Wales Teachers Federation organiser Malcolm Ogg organised it, together with the president, Maree O’Halloran.

But why did they go on strike? They went on strike because in New South Wales, and in particular in the TAFEs in my area, the fees have gone up by between 112 per cent and 188 per cent. I will go through some of the courses for which fees have risen. In the Hunter we have identified a large skills shortage, and one of the ways you address skills shortages is through training and apprenticeships. It is important to understand that the difference between HECS and TAFE fees is that TAFE fees are paid up front by people who generally will earn a lower income. I will list the courses that concern me. Fees for the Children’s Services Certificate III course went from $260 to $550—that is $550 that has to be paid up front—fees for the Aged Care Work Certificate III course went up from $260 to $550; fees for the General Construction-Carpentry Framework Certificate III course, for those that want to get into the building industry, rose from $260 to $550. But it gets better: fees for the Building Studies Residential Certificate III course went from $260 to $750; fees for the Seafood Industry (Aquaculture) Certificate III course—the seafood industry is growing in my electorate—went from $260 to $550; and fees for the Aged Care Work Certificate III course—one of the areas that it is getting hardest to get people into—went up 112 per cent.

This is a disgrace. What do we hear from Labor members opposite? We hear them say that fee increases are terrible and should never occur, but when it comes to the state Labor government they obviously have a different point of view. Remember—this is a fee that is paid prior to people entering the work force. This is money up front. It is not a percentage of the income that they earn afterwards. To show you how consistent the Labor Party are, I would also like to point out that Newcastle University put their HECS fees up by 25 per cent on some courses. Who did they garner support from when they put the motion to Newcastle University council members? None other than one of the state parliamentary members, the Hon. John Price, the member for Maitland. Did he abstain from voting? No. Did he vote against the increases? No. The state Labor member sitting on the Newcastle University council voted for the 25 per cent increase.

What we see is hypocrisy from the other side. Furthermore, I would say that the idea of teachers on strike is not something that I welcome, because I believe they should be in the classroom providing the education that they are paid to provide. One of the quotes that I thought was quite good was from Malcolm Ogg. He said:

Hopefully we’ll see some commonsense from the government in their rationalising approach to fees—

that is from a NSW Teachers Federation organiser—

While we’re led to believe from the department and institutes that they have more students than ever enrolled, this is misrepresented because they’ve also got more shorter courses than ever before.

If the Labor Party were serious about their approach they would talk to the Carr state Labor government about the TAFE fee increases. But no, they are absolutely silent on this. What we see is the backflip flip-flop approach, where in this chamber they will say one thing and then outside they will do nothing. To sum it up, they have the ability to talk the talk but they will never ever walk the walk when it comes to being consistent on education fees.
Veterans: New Recognition of Service Medal

Mr SIDEBOTTOM (Braddon) (4.43 p.m.)—As far back as May 1999 I was speaking in this House about the need for a medal to recognise the service of thousands of men who served in national service between 1951 and 1972. It took until mid-2001 and a looming federal election for the government to act on some form of recognition of conscription for those who did not see overseas service. The Anniversary of National Service 1951-1972 Medal was the result, and many have deservedly received this national recognition of their service and are proudly wearing it today.

The National Servicemen’s Association of Australia fought hard, on the principle that its members were conscripted to serve during a time of conflict and were trained and prepared to serve overseas. Their lives were affected, although the official line at the time was that it was ‘part of your obligation to the nation’ and that there was ‘no danger or risk above the ordinary’. It took some time to see an official response which recognised a mutual obligation in this matter—namely, an obligation to the former conscript. The NSAA endeavours, through the ‘It’s time to counterattack’ campaign, led by Earl Jennings, paid dividends and I was pleased to play a small role in this publicly and in the federal parliament. Indeed, I think I was the only member in this House to advocate the cause.

The NSAA’s success has led to others seeking formal recognition of their service in the name of the nation. Indeed, the NSAA’s campaign and success is now the template for a new thrust to recognise the Defence Force service of others. In fact, when I was campaigning with the many nashos to secure a national service recognition medal, I was approached by others who had served in a voluntary role in the ADF to lobby for and secure similar recognition for them. Their campaign is now under way. The new recognition medal campaign, by the New Medal Group, is based on the argument that 700,000 service people have missed out on medal recognition since 1 January 1946. The proposed new medal is to be given to members of the forces who have placed themselves in readiness to be called for operational service at any time during their service. The campaign brochure says:

… this period of commitment is to be 2 years whether part-time or full-time service. The commitment to that period is what counts.

Under existing rules, medals other than gallantry awards can only be awarded for overseas service or 15 years long service. Observers of the NSAA’s campaign know these arguments well because they were put up to deny recognition of their campaign to secure a service medal. There is a defined process to secure a defence medal, and 10 principles were laid out in the last review, conducted in 1994 under the chairmanship of General Peter Gratton. In relation to this, the review noted:

Normal service in the defence forces does not in its own right warrant a medal ... medals should be reserved for those who have done something special.

Further, it said:

Recognition of service medals (other than medals for long service or special occasions) should only occur when that service has been rendered beyond the normal requirements of peacetime ... normal duties such as training and garrison duties should not be recognised by the award of a medal ...

This was at the heart of the reason why a service medal per se was not awarded to former national servicemen. Instead, a medal of recognition of service was devised to commemorate the 50th anniversary of national service. Because of this example, the
cause of the medal for recognition of commitment to the defence of the nation has taken root and has a precedent. Principle 3 of the Gratton review I mentioned earlier says:

To maintain the inherent fairness and integrity of the Australian system of honours and awards, care must be taken that, in recognizing service by some, the comparable service of others is not overlooked or degraded.

Clearly, the principle which the New Medal Group need to establish and argue first is the same one which the National Servicemen’s Association of Australia did—that is, recognition of service to the nation. Formally and officially there is none unless this is achieved through a medal for gallantry, overseas service in an area that a medal is awarded, or after 15 years service—when today’s average length of service is less than eight years. Whilst most ADF personnel volunteer for overseas service, the fact remains that only a selected number will be called upon to do it, thus depriving many, through no fault of their own, of recognition of service. This was one of the key arguments the NSAA members were able to make and finally win, as the nation recognised in the medal which they so proudly wear today.

This new recognition of service medal campaign has merit and the cause is worth supporting. I hope that Minister Mal Brough, the Minister Assisting the Minister for Defence, will now go ahead and name the members of the committee he has formed, what the terms of reference will be and when it will report. Nothing less is required.

The SPEAKER—I trust that the member for Braddon will have noted that the clock had stopped some time before and that his earlier indigation about timing may have been inappropriate.

Mr SIDEBOTTOM—I did. I acknowledge your graciousness.

**National Breast Cancer Foundation**

**Mr JOHNSON** (Ryan) (4.49 p.m.)—I am delighted to speak in the parliament once again. It is always a great privilege to speak in the chamber of the Australian House of Representatives. I want to take this opportunity today to talk about the great work that the National Breast Cancer Foundation does on behalf of all Australians and, of course, in particular on behalf of Australian women. I had the great pleasure on the Wednesday morning just passed to attend a breakfast that celebrated 10 years of the National Breast Cancer Foundation’s existence and, correspondingly, 10 years of progress in the research for a cure for breast cancer. The breakfast was attended by the Minister for Health and Ageing, the Hon. Tony Abbott, and by the shadow minister for health. It was a bipartisan breakfast, in the sense that there were many members of the parliament there to support the worthy cause of the National Breast Cancer Foundation.

It is important for members of parliament to speak out and speak strongly in support of worthy causes and worthy charities. I know that members on both sides do this often and I certainly encourage that. Each year more than 10,000 women are diagnosed with breast cancer. Ten thousand women is of itself a huge number of our fellow Australians. But it goes further than this because, for every woman that is diagnosed with this shocking cancer, there may also be a spouse, a mother, a father, children, relatives and friends who are affected. This is a shocking disease for women in particular. Survival rates are increasing, thanks to research that has identified better methods of detection and improved treatments. However, clearly more can be done and the National Breast Cancer Foundation, based in Sydney, is one organisation that strives very strongly to do something about this—to raise awareness and improve education, specifically amongst...
women in our community, to try to address this challenging issue for our community and our country.

On Wednesday my wife had the opportunity of assisting the National Breast Cancer Foundation in Brisbane with the establishment of a Brisbane based chapter. As a member of the Australian parliament, I thank her very much for her work in this community minded operation. She was able to get the former Lord Mayor of Brisbane Sally-anne Atkinson AO to be the guest speaker. There were 100-odd people there. The function was at Parliament House in Queensland and it had the very generous support of those from the Queensland parliament. A significant number of Ryan residents attended the event to support it. I know that they all found it to be very important and interesting. Many of them, in fact, were not even aware of the National Breast Cancer Foundation’s existence. They were enlightened about the work it did and the history of it and, of course, they are looking forward to playing a very important role in its future.

I speak in the parliament today also because the wife of one of my good friends has been recently diagnosed, only a matter of a week ago, with breast cancer. To the Ramani family in my electorate of Ryan—to Kumar and Nina—my thoughts and those of my wife and all of the friends that we have mutually are very much with you. We know that you are a very close and strong family and you have the full support of all those who are very dear to you. I know that, with the close support of Kumar, Nina will be well cared for. I just want to say in the parliament of Australia that it is a great privilege to know the Ramani family because they are the heart and soul of the people of Ryan in the sense that they are wonderful people. They ask of nothing from this country; they only give. Nina is a doctor and Kumar is a teacher in one of the schools in the electorate. I just want to extend my very personal thoughts to the Ramani family.

I encourage everyone to support this foundation. Today, perhaps it is not our wives, our daughters or our neighbours, but tomorrow perhaps it may well be. I thank the patron of the National Breast Cancer Foundation, Sarah O’Hare, who, of course, with the high profile that she has in our country, does a tremendous amount of work. I know that all of those sitting in the chamber here today would join with me in supporting the work that the foundation do and wish them every good luck for raising funds and awareness amongst our fellow Australians.

Environment: Greenhouse Gas Emissions

Mr MURPHY (Lowe) (4.54 p.m.)—Mr Speaker, I congratulate you on your generosity to the member for Braddon and I congratulate the member for Ryan for his speech on breast cancer. I am very proud in my electorate of Lowe to have Strathfield Breast Centre, which is one of the best centres in the world, under Professor David Gillett.

I again wish to raise the issue in this House of greenhouse gas emissions. Despite the Howard government’s continual assertion that the cost of reducing greenhouse gas emissions, mainly carbon dioxide, is too high to contemplate, recent developments in energy technology have shown that it is possible to reduce emissions and save money at the same time.

Two of the largest sources of carbon dioxide in Australia are coal-fired electric power stations, at 48 per cent of total emissions, and the motor vehicles sector, at 18 per cent of total emissions. In both cases, recent developments have the potential to greatly reduce emissions at a realistic cost. Advances in engine technology have produced new hybrid petrol-electric vehicles such as the Toyota Prius, which have double the fuel economy of conventional cars while remain-
ing within the price range of the average new car buyer. If new vehicle sales were to be dominated by hybrids like the Prius, carbon dioxide emissions from motor vehicles could be halved over a 15-year period.

There is no good reason why the Howard government should not introduce policies that favour the manufacture of hybrid vehicles in Australia—none except for the tired and dated thinking of the government. In the United States of America, purchasers of hybrids recently received a 15 per cent tax concession from the federal government and from some state governments. Why not in Australia, I ask? Shifting the Australian government’s 10 per cent import duty subsidy for imported four-wheel drives to hybrids would make a significant impact on the uptake of this new technology and make a real and affordable impact on Australia’s greenhouse gas emissions.

Although emissions are presently the main concern, there is growing evidence that world oil production is approaching the maximum possible output. Once this point is reached, possibly within the next few years, output will begin to decline and prices will inevitably rise sharply. According to the Australian Petroleum Production and Exploration Association, 65 per cent of oil refinery feed stock is currently imported and this proportion is increasing. The CSIRO predicts that this growing demand will produce a negative trade imbalance of $7 billion to $8 billion per annum by 2010.

Spending on road projects dominates the transport budgets of Australian governments while the much more energy-efficient railways are left to struggle against massive subsi dies to road users. Electric railways are more than five times as energy efficient as road transport, yet 90 per cent of freight in Australia now travels by road. Until all governments realise that they have to commit to a large expansion in the electrified rail network and a substantial shift of freight to rail, freight transport will be a growing source of emissions and increasingly dependent on imported fuel.

I would now like to mention some recent developments in power station technology that have been occurring, despite the funding cuts of this government, in Australian universities. While electricity supplies only 20 per cent of the final energy used because power station efficiency is relatively low and coal produces the largest amount of carbon dioxide of the fossil fuels, nearly half of Australia’s carbon dioxide emissions come from coal-fired power stations. Australian researchers are at the point of demonstrating practical and cost-effective solar thermal power station technology that can be used either to displace coal as a heat source in existing power stations or as the primary energy input for new power stations. Very large cuts in carbon dioxide emissions are possible if new power stations are built using these Australian designed solar thermal generators.

The enabling condition for the development of this breakthrough technology has been the federal government’s Mandated Renewable Energy Target or MRET scheme that had been threatened by the Parer committee, a group dominated by coal interests. Fortunately, and for once, the national interest was put before sectional interests and the MRET scheme has survived. In concluding, I say that it is scandalous that such an important national objective—that of reducing greenhouse gas emissions—should have been put at risk by this government when the evidence for greenhouse gas induced climate change grows daily.

Small Business: Opposition Policy

Mr CADMAN (Mitchell) (4.59 p.m.)—I want to say a few things about the opposi-
tion’s policy for small business. Members of the opposition want to force small businesses to change their casual employees to permanent employees by imposing extra costs; they want to give union access so that they can organise and recruit in small businesses; and they want to stop payments to small business where the victims of unfair dismissals are involved. In a recent Bentley’s MRI survey, 500 small and medium sized businesses indicated that they thought unfair dismissal was ill defined and too complex. I think that the small business policies of the opposition are terrible.

House adjourned at 5.00 p.m.
Thursday, 11 March 2004

STATEMENTS BY MEMBERS

Western Australia: State Emergency Service

Ms JANN McFARLANE (Stirling) (9.40 a.m.)—I would like to speak today about a group of people who risk their lives for us every day, a group of people whom we in Western Australia rely upon in our darkest times—the State Emergency Service. It is nearly time for the leaves to turn brown and for the onset of winter. In May last year, storms hit Perth with unusual ferocity. Around 21,000 homes in Stirling were left without power or suffered damage. That clean-up job would not have been possible without the efforts of the State Emergency Service.

For years now West Australians have trusted the familiar orange uniforms of the SES staff and volunteers. These are people who are always ready to go out into the harshest conditions and the most dangerous places in order to keep our community safe. We hear a lot of talk of the great and the good, and that is all very well. But in the State Emergency Service we have a group of volunteers from all walks of life who get out there and get things done when it really matters. They perform a whole range of services, from disaster relief to searches, from education to logistical support. They are trained in a broad range of skills and we all feel the benefit of their strength and dedication.

In my electorate of Stirling we have a great group of people out there helping the community. I would like to send a message of support to the Stirling SES unit’s local manager, Steve Perrie, and the 55 active volunteers in the unit. I would like to express the gratitude of everyone in Stirling for the risks they take and the time they put in. We are all better off for their efforts, even if at times we forget to say so!

I would also like to mention the City of Stirling here as well. Our local SES are located in premises in Nollamara. Mayor Tony Vallelonga and the councillors and staff of the City of Stirling deserve our thanks for providing resources and support to our brave volunteers. The cooperation of the City of Stirling and the Stirling unit of the State Emergency Service is a fine example of so much that is best in our community: people quietly working together, getting on with the job, providing services and making our community a stronger, safer and better place. I thank them all. If people in Stirling want to become volunteers and contribute to our community, they should contact Steve Perrie and they will be welcomed warmly by Steve and his team.

I hope that no damage is caused by this winter’s storms. However, if there is, I encourage people to ring the Stirling SES and Western Power or AlintaGas if their public utility supply is interrupted. It is best not to ring the police, because they are usually busy sorting out traffic and other things. So my message is: the Stirling SES are there, they are there to help us all and they are there in times of need. Do not forget them; put their number on your fridge. Like me, if you see them, thank them.
Liberal Party: Wentworth

Eastern Sydney: Infrastructure

Mr KING (Wentworth) (9.43 a.m.)—Since the Wentworth preselection, which was conducted by the New South Wales division of the Liberal Party on 28 February, I have been asked numerous questions about the process adopted by the returning officer and the methods of my erstwhile opponent. At some stage before long I will tell the story of what happened. Nonetheless, I have commended my opponent and again am bending my back doing my best for the people of Wentworth whom I have the honour of representing in this place.

The most significant concern that I have for the people of the eastern suburbs of Sydney today is the prostituting of those people by an arrogant Bob Carr and a corrupt state Labor government. Everywhere one looks at the moment one finds the people of Sydney’s east neglected by a lazy Premier and an inept government that has forgotten what public administration is all about: the service of the people. My greatest concern is for an ageing and inadequate infrastructure, ignored by a treasury whose coffers are full of GST moneys from the Commonwealth and revenues from land deals particularly, if I may add, from a large number of transactions involving capital and land in my area, which is rather expensive. What is happening with all these moneys? Where are they being spent? They are not being spent in the eastern suburbs of Sydney, because everybody accuses—wrongly—people in that area of being silver spoons and, therefore, not needing any of those facilities. The exact opposite is the case, because it is the most densely populated part of Australia and the facilities are woefully inadequate.

The rail system is the most recent and glaring example, with trains frequently late or cancelled. But worse in the longer term are the roads, which are literally crumbling, such as Glenmore Road in Paddington, Old South Head Road, Carrington Road, Bondi Road, and the list goes on. The roads are too narrow. There is no parking. The parking facilities are packed wherever you go. Daily it gets worse. We have a woeful and disgraceful situation in the eastern suburbs of Sydney so far as all the infrastructure is concerned. Down at Bondi Beach on a daily basis on streets and footpaths there are mattresses and all the debris of backpackers—the backpackers themselves are in substandard facilities. Schools are underfunded or being closed. Vaucluse High School recently closed. Community services are run down. Hospitals are full and there is inadequate space and care in those facilities for the large number of patients. It is a disgrace. Our infrastructure is beyond a joke. Something needs to be done about it now by those responsible. Tomorrow is too late.

Foreign Affairs: Taiwan

Mr ORGAN (Cunningham) (9.46 a.m.)—On 23 May last year a motion supporting the entry of Taiwan into the World Health Organisation was debated in the House. Speakers from both sides rose in support of the motion. The Chief Government Whip said at the time:

… this is not a political issue; it is a health ... issue.

Well, I would go further and say that this is a humanitarian issue. Support for the motion came in the context of the outbreak of SARS in Asia and a large number of deaths in Taiwan, China and Korea. The SARS epidemic killed about 800 people around the world, including 349 in China, with a similar number of cases and some 30 deaths in Taiwan. It brought Asian tourism and air industries almost to a halt and had major impacts upon the economies of Hong Kong.
Taiwan and Singapore. The SARS threat remains, and countries in the region are now faced with bird flu alongside increasing health problems associated with the unchecked spread of HIV-AIDS, tuberculosis and the various strains of hepatitis. Taiwan’s entry into the WHO has been vetoed seven times by China, and when the vote was taken last year Australia abstained.

The various epidemics mentioned above require a solution from the world community. With the increasing mobility of the world population, it is likely that Australian citizens will be affected by some of these modern-day plagues. We have an obligation as a modern and rich democracy to assist our neighbours in dealing with these issues and to play our part on the world stage in finding a solution. Support for Taiwan’s entry into the WHO would be in the best interests of the people of Australia. It would help to stem the tide of some of the aforementioned harrowing afflictions and it would ensure the WHO had easy and early access to a country which not only suffers from these outbreaks but also has a real problem—like other countries in the region—in containing outbreaks within its borders.

Taiwan is a democracy with some 22 million people and our eighth largest trading partner. We have many economic and cultural ties. It is a friend and ally, despite the fact that we do not have official diplomatic relations. We should therefore assist Taiwan, as we do other nations in the region, in dealing with the various health crises it currently faces. As I said, Taiwan is in a special circumstance because it is not a member of the WHO and is therefore unable to gain access to the much-needed assistance that that organisation is able to provide in dealing with these new, fast-spreading diseases. More than 11 countries passed resolutions in 2003 supporting Taiwan’s entry, including the United States, Great Britain, Canada, the European Union and the Philippines. It is only the Chinese veto which is forestalling the ability of the world community to help the people of Taiwan deal with SARS and other pandemics.

The Australian government can and should use its special relationship with the People’s Republic of China to advance the cause of Taiwan’s admission to the WHO. The abstention of the PRC would most likely result in consensus and subsequent admission. The news just last month that the Chinese cabinet had agreed to set aside differences and cooperate with Taiwan in dealing with the bird flu outbreak is undoubtedly a good sign. I hope that at the 57th WHO general assembly in May admission will take place, enabling us all to work together in combating the various health crises currently facing the planet.

Financial Services

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.49 a.m.)—Today is a historic day for financial services in Australia with the commencement on 11 March 2004 of one national licensing code for the entire financial services industry in Australia. It is a journey that began in 1996 with the election of the Howard government. Treasurer Costello resolved that it was of critical importance that Australia have a globally competitive financial services sector. So he commissioned Stan Wallis to begin the financial systems inquiry which has become one of the most influential inquiries undertaken in the life of the government.

Stan Wallis has referred to the fact that the financial sector, across the whole gamut of financial service providers—retail banking, merchant and investment banking, insurance, credit unions, trustees, friendly societies and financial planners—is very fragmented. There are different codes of practice in place—some of which are self-regulated, some are regulated by the Commonwealth, some are regulated by the states and some are completely unregulated—and
consumers are participating in the economy at considerable risk and hazard. So we embrace this idea of a single homogenous national regime, from the financial planner working at home out of a study to the great global investment banks, and today that licensing regime commences.

I want to acknowledge the vision of the Treasurer, who set us on this course in the first place. I also want to acknowledge two of my other parliamentary colleagues who have played a very significant role. The then Minister for Financial Services and Regulation, my colleague Joe Hockey, the member for North Sydney, was instrumental in the carriage of the draft bill; and, likewise, my predecessor in this job, now the Minister for Local Government, Territories and Roads, Senator Ian Campbell was a custodian of this measure for much of its life. So I am merely the midwife—I stand on their shoulders—I was not there at the moment of conception but I recognise what an important moment it was. If you look at just my electorate of Parramatta, 4,000 of my constituents are employed in banking and insurance. Every day, 18.5 per cent of people travelling to the city of Parramatta are travelling to a financial services employer. This has involved higher standards of training, it has involved higher levels of disclosure to customers, it is improving the quality of the financial services product, it is making the industry more competitive and hopefully it is giving a better value proposition for Australian consumers. It is putting us at the forefront of the world in financial services. I commend the measure.

**Lilley Electorate**

Mr SWAN (Lilley) (9.52 a.m.)—I want to pay tribute to north-side locals who gave up their time on the weekend to clean up our local environment as part of the Clean Up Australia Day campaign. Some 10,000 people across Brisbane participated on the day, and a fair percentage of them would have come from our local community on the northside and would have worked at many local sites. On behalf of our local community, I want to thank all the local volunteers who put in an effort—volunteers like Pat Fawcett, Howard and Rebecca Gorton, Frank McLoughlin, Stephen Neve, Gino Giuliano, Brian Coates, Sandra Papas, Gerard Sommon, Anthony Hitzke, Kerrina King, Ken White, Jan White, Mick Walker, Ian Kubler, Margaret Klucis, Diane Bence, Suresh Balasingham, Catherine Cleary, Graeme Hughes and, of course, the very well known Harry Johnson.

In the northern suburbs we really are blessed with an attractive and diverse natural environment—from Sandgate’s lagoons and Shorncliffe’s magnificent foreshore, to the remnant bushland at Chermside Hills and our local creeks that flow into our beautiful Moreton Bay. If you look at a map of the area, one of the most striking features is the 1,200 hectares of saltmarsh bush, ti-tree wetlands and mangrove forests that have been saved from development right in the middle of the north-side community. This of course is known as the Boondall Wetlands, and it can now be enjoyed by a new bikeway. It is satisfying to see locals—walkers and cyclists—enjoying this land. As a local member, in 1996 I was able to persuade the federal government to add 500 hectares to the reserve on which the bikeway is now built.

Of course, in the past we did not always think about caring for the environment, but it is pleasing to see the Brisbane River come back to life and to see the extensive revegetation efforts at Seventh Brigade Park and Marchant Park and along our creek banks. Locals are doing wonderful things in our area through organisations such as the Shorncliffe bushcare groups, the Bennelong Park Association, the Downfall Creek Bushland Centre, the Keep Sandgate...
Beautiful Association, the Lutwyche Reach Revegetation Project, the work of the Noonga Reconciliation Group, the Koobara Community Group and the Wildlife Preservation Society with its branches at Boondall Wetlands, Tinchi Tamba and Kedron Brook.

Our environment is important to all of us, because it is literally about the air we breathe, the water we drink and the food that we eat. That is why it is important for the government to follow Labor’s initiatives in combating salinity, restoring environmental flow to our once-great Murray River, and ratifying the Kyoto protocol on greenhouse gas reductions. I am pleased to see that there are literally hundreds of people who are active in their local communities and are doing their best to make sure that we leave a quality environment to subsequent generations.

Health: Dubbo Region

Mr JOHN COBB (Parkes) (9.55 a.m.)—Dubbo is becoming a centre of excellence for health services, and this is mainly because of Commonwealth initiatives in recent times. Dr Peter Regg-Smith is an example of someone who recently forsook practising in Sydney to go and settle in Dubbo as an anaesthetist at the Dubbo Base Hospital. Another example is Dr Newton, who went to Tullamore—with his wife, Barbara, who is a registered nurse—some time ago. We can attract very good, qualified health professionals in our area, and there are quite a few reasons for that.

The Commonwealth established the Dubbo Clinical School, which is now in its second year of operation. The school enables medical students and graduates to come to Dubbo from Sydney or other areas, and they find that it is very rewarding to practise medicine in an area such as the central west. The Commonwealth has outlaid an enormous amount for the establishment of a university at Dubbo, which last year had its first set of graduate registered nurses. The Dubbo area is getting together its own combination of people who can deliver health—and it is not just doctors and nurses but the allied services as well. Because we have got a university and a clinical school, we are providing an enormous centre of health.

The Royal Flying Doctor Service base, one of the best bases in Australia, is now established in Dubbo, and the base also contracts for the air ambulance in New South Wales. The centre still needs an MRI, but Dubbo is certainly the obvious place in western or north-western New South Wales to service most of our region with an oncology centre for whole of cancer treatment. With its positioning, Dubbo is the obvious place where people as far west as Tibooburra and Bourke can come for health services. They can stay with or without relatives, and it is a very good place to stay without having to spend a fortune. There is nowhere else at all remotely close to this region that is providing cancer services now. The Royal Prince Alfred Hospital in Sydney is very keen to work with our region in providing those services.

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

FISHERIES LEGISLATION AMENDMENT (COMPLIANCE AND DETERRENCE MEASURES AND OTHER MATTERS) BILL 2003

Debate resumed from 11 February.

Second Reading

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.58 a.m.)—I move:
That this bill be now read a second time.

The Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003 is the second part in a package of amendments to the Fisheries Management Act 1991 (the act) that has been developed by the Howard government. It reinforces the government’s efforts to put in place a more effective deterrence and compliance regime, improve the operating efficiency and effectiveness of AFMA and promote the ecologically sustainable management of Commonwealth fisheries.

Most importantly, the bill includes measures to help deter illegal, unregulated and unreported, or IUU, fishing—underscoring the seriousness with which the government views this problem. In addressing illegal fishing, it emphasises Australia’s commitment to, and leadership in, international efforts to deal with this problem.

IUU fishing is a significant problem for the Australian community and is likely to continue to grow due to declining fish stocks in the Northern Hemisphere, excess global fishing capacity and increasing fish prices. It threatens Australia’s sovereign interests in our southern and northern waters, particularly the sustainability of fish stocks and the unique sub-Antarctic environment in the waters surrounding Heard Island and McDonald Islands. Unless we can adequately protect Australia’s waters from illegal fishers, future generations will not benefit from these valuable resources.

Strengthening the Commonwealth’s fisheries legislation is a key means of further protecting Australian waters from illegal fishing. This bill contains two important measures that will help deter foreign operators from illegally fishing in Australia’s waters. These are an increase in penalties for foreign fishing offences and strengthening the bond arrangements for foreign fishing vessels that have been seized.

The bill increases the maximum penalty available under the act for foreign fishing offences committed in the Australian Fishing Zone. This measure is particularly important because custodial penalties are not available for fishing offences due to international law. Currently, the maximum penalty in the act is 5,000 penalty units, which equates to $550,000. This bill increases the penalty to 7,500 units or $825,000—sending a clear message to offenders, the courts and the international community that the Australian government views illegal fishing as a very serious crime.

The government recognises the inherent difference between the scale of illegal fishing carried out by organised industrial operators and small artisanal fishers. Consequently, the penalty increase will only apply to foreign boats that are 24 metres or above in length. This ensures that the higher penalties will apply to any illegal operators in the Southern Ocean and also captures the larger pair trawlers that occasionally fish illegally in our northern waters.

Another sign of Australia’s determination to ensure illegal fishers are brought to justice are the amendments enabling the government to include the costs it has incurred in pursuing and apprehending a foreign boat in any security, or ‘bond’ placed on an apprehended boat. Under the United Nations Convention on the Law of the Sea, the Australian government is obliged to promptly release boats seized for suspected fishing offences. The aim of the bond is to allow expensive vessels to return to fishing while a prosecution is under way; the bond provides the government with security in case the boat absconds before legal proceedings are complete. The amendments will give the government the capacity to include all reasonable costs that the
government has incurred in the pursuit and apprehension of the vessel. This includes costs to return the boat to Australia for processing and those incurred by foreign governments that have assisted Australia.

The bill also allows the government to choose to recover the costs of pursuit and apprehension from the owner of the foreign illegal fishing boat. The costs of pursuit and apprehension will be incurred in the form of a debt to the government that is recoverable, provided the boat is deemed forfeited and the boat owner does not successfully contest the debt in the Federal Court.

The new provisions relating to the recovery of pursuit costs and bonds will apply only where a foreign boat is suspected of fishing illegally and pursued and apprehended after the master of the boat fails to obey certain commands of a fisheries officer. The debt to the Commonwealth will start accruing when the master fails to comply with a command from a fisheries officer to stop the boat to allow an officer to board it or to bring the boat to a specified place. The debt will stop accruing when the boat arrives at a port for processing. The bill provides a general outline of costs that may be included in the debt and that regulations may set out principles for calculating the Commonwealth’s pursuit costs.

The bill allows the boat owner to challenge the debt in the Federal Court on the grounds that the debt is not payable because the master of the boat obeyed all commands of the fisheries officer or because the amount is not reasonable and/or was not correctly calculated. The costs will be payable as an administrative penalty by the boat owner. This measure provides the government with a mechanism to pursue, in a foreign jurisdiction, the owners of the seized boat for payment of the debt.

The other amendments in this bill are a result of ongoing refinements in fisheries management practices and changing circumstances in Commonwealth-managed fisheries. They will improve the operating efficiency and effectiveness of the AFMA in its management of Commonwealth fisheries resources. These amendments have been prepared in full consultation with industry through AFMA’s well-established management advisory committee process, and have been considered and approved by the AFMA board.

Currently under the act, fisheries officers have certain powers to stop and detain vehicles and aircraft, examine equipment, enter premises and make other requirements. In exercising these powers, the officers must produce written evidence of their identity, such as an identity card. An exception arises when an officer requires the master of a boat to stop and allow the officer to board.

This bill allows for a fisheries officer not to have to immediately produce an identity card where it is impossible to do so—for example, when an officer on a patrol vessel directs the master of a fishing boat over the radio. Nonetheless, it requires that officers make all reasonable efforts to identify themselves and present their ID card at the first available opportunity after exercising their powers. There are no exceptions to this requirement—it will apply in all circumstances.

The bill also enables AFMA to give, by notice published in the Commonwealth Gazette, directions regarding the closure or partial closure of a fishery. This provision will only be applicable in circumstances where:
AFMA is satisfied that such action is necessary and is consistent with the pursuit of its objectives;
there is no plan of management for the fishery; and
AFMA has consulted with the relevant management advisory committee and all fishing permits holders.

Currently under the act, where there is no plan of management for a fishery, closures are effected mainly through varying permit or licence conditions. While this is generally effective in circumstances where there are multiple activities permitted by permit or licence, it is not satisfactory where the variation of the condition has the effect of negating any use at all of the permit or licence. Such use of permit and licence conditions may be ultra vires. This bill will ensure that the permit system is as effective as possible and that AFMA has the authority to ensure the Commonwealth fisheries are managed in a sustainable manner.

The bill provides a measure to reduce the latent effort in fisheries by giving AFMA the authority to waive the levy payment, and any penalty for nonpayment of the levy, if a fishing permit is surrendered. This will only apply in circumstances where the permit holder has not fished at all during the period to which the permit applies, despite holding a permit. It will not apply if any fishing activities have been undertaken under the permit.

In addition, the bill contains provisions requiring the holder of any fishing right, permit or licence to return the original document to AFMA as soon as practicable after giving AFMA written notice that it has been surrendered.

Under part 4 of the act, AFMA must keep a register of statutory fishing rights issued under plans of management. The register facilitates the trading of fishing rights and the efficient management of fisheries. However, as many fisheries are managed via short-term permits, the bill requires AFMA to establish and maintain a fishing permits register. The register will contain information relating to each fishing permit and will be available for inspection in accordance with regulations and on payment of a small administrative fee. Appropriate penalties will apply to parties found falsifying information provided to the register or purported to have been generated from the register.

Finally, consistent with existing provisions for the chairperson of a management advisory committee (MACs), the bill contains amendments to the Fisheries Administration Act 1991 to allow the Remuneration Tribunal to set remuneration and allowances for other members of management advisory committees. This is consistent with the findings of an independent report into the performance of MACs, which recommended that MAC members be remunerated for their duties.

In summary, I consider that the initiatives contained in this bill should support Australia’s efforts to combat IUU fishing, strengthen our domestic fisheries management arrangements and help to protect valuable Commonwealth fisheries resources. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Quick) adjourned.

**FISHERIES LEGISLATION AMENDMENT (HIGH SEAS FISHING ACTIVITIES AND OTHER MATTERS) BILL 2004**

Debate resumed from 16 February.
Second Reading

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.11 a.m.)—I move:

That this bill be now read a second time.

The Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004 will make a number of important amendments to the Fisheries Management Act 1991 and the Fisheries Administration Act 1991, and is comprised of two major elements:

• the first contains the necessary amendments to enable Australia to give legal effect to our domestic obligations under the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas of the Food and Agriculture Organisation of the United Nations; and

• secondly, the bill contains a number of miscellaneous amendments to improve the operating efficiency and effectiveness of the Australian Fisheries Management Authority (AFMA) in undertaking its management of the Commonwealth fisheries resources.

This bill, which is the first part of a package of fisheries amendments that is currently being developed by the government, will give effect to Australia’s international fisheries obligations and improve on the general management of Australia’s living marine resources.

Schedule 1—The FAO Compliance Agreement

As already mentioned, schedule 1 of the bill contains the necessary amendments to the Fisheries Management Act 1991 and Fisheries Administration Act 1991 to enable Australia to give legal effect to its obligations established under the FAO Compliance Agreement.

The compliance agreement is a major component in the framework of internationally agreed measures for the conservation and management of fisheries. It is consistent with the United Nations Convention on the Law of the Sea and forms a central element of the FAO Code of Conduct for Responsible Fisheries, which sets out the principles and standards of behaviour for responsible fishing.

The compliance agreement was developed as part of the international response to the increasing levels of illegal, unreported and unregulated (IUU) fishing on the high seas. In particular, it aims to combat the practice of vessels avoiding compliance with international fisheries management measures by ‘re-flagging’ to countries unable or unwilling to comply with those measures.

It also encourages improved international cooperation and compliance by requiring flag states to implement appropriate systems for the authorisation and recording of high seas fishing vessels, whilst also requiring them to share information collected on the activities of those vessels on the high seas.

The Australian government and the commercial fishing industry have a strong interest in supporting such international measures. The recent pursuit and arrest of the Uruguayan flagged vessel Viarsa has highlighted the need for countries to work together to combat the illegal operators that put their own personal gain ahead of the future of our valuable marine resources.

The government remains strongly committed to regional and international efforts to regulate fishing activities to ensure the future sustainability of global fish stocks whilst, at the same time, expanding and protecting Australia’s national interests on the high seas. We are
determined to maintain our strong and uncompromising stance in the fight against such de-
structive and unsustainable fishing practices.

The Joint Standing Committee on Treaties considered the compliance agreement in mid
2003 and recommended that Australia accept it. However, Australia cannot formally deposit
its instrument of acceptance with the FAO until the compliance agreement has been fully en-
acted in Australian law.

Whilst Australia already abides by the essential obligations contained within the compli-
ance agreement, suitable amendments to our domestic law are required to provide for addi-
tional statutory functions and objectives for AFMA. The amendments set out in schedule 1
will specifically provide for:

• the creation of additional statutory functions and objectives for AFMA to enable the au-
thority to ensure that fishing by Australian flagged boats on the high sea is conducted in a
manner that is consistent with Australia’s international obligations. These new functions
will also ensure that AFMA is able to give effect to the information exchange obligations
established under the compliance agreement;

• a requirement for AFMA to authorise Australian flagged boats to fish on the high seas
only where it is satisfied that to do so would be consistent with Australia’s obligations
under international agreements;

• a power for AFMA to make suitable background checks on any boats applying for a high-
seas authorisation and, where appropriate, to refuse a boat nomination. This amendment
will also expand on AFMA’s existing discretionary powers with regard to the nomination
of vessels to permits within the Australian fishing zone;

• an extension in the powers of AFMA to cancel a boat’s authorisation to fish on the high
seas if the vessel ceases to be entitled to fly the Australian flag; and

• the establishment and maintenance of a register of all Australian flagged vessels author-
ised to fish on the high seas, including appropriate penalty clauses for any party found to
be falsifying information provided to the register or purported to have been generated
from the register.

Passage of the amendments in this bill will allow Australia to join with the other responsi-
ble nations who have already ratified the compliance agreement.

Australia’s acceptance of the compliance agreement will help demonstrate to other coun-
tries, particularly to those not yet a party to the compliance agreement, that we are serious
about our efforts to combat IUU fishing. It will also have the benefit of helping protect the
Australian fishing industry and the communities that are dependent upon this important natu-
ral resource for their economic wellbeing. The industry, in 2001-02, was worth approximately
$2.41 billion per annum to the Australian economy.

Schedule 2—AFMA’s operating efficiency

The second schedule of the bill contains a number of miscellaneous amendments to the
Fisheries Management Act 1991 that will improve AFMA’s overall ability to deliver and en-
force effective fisheries management in Commonwealth fisheries.

These amendments cover a diverse range of subjects and are a result of the continuing re-
finement of fisheries management practices that has occurred since the initial introduction of
the legislation in 1991.
The amendments have been prepared in full consultation with industry through AFMA’s well-established management advisory committee process, with the proposed amendments being considered and approved by the AFMA board in February 2002.

I will now briefly outline the purpose of each of the amendments.

The first amendment in schedule 2 will provide AFMA with a power to determine logbooks for the Commonwealth managed fisheries. Until recently, this power was provided to AFMA through a delegation from the Governor-General. However, in late 2001 the Tasmanian Supreme Court found that this system was invalid on the basis that it was contrary to the power granted by parliament.

Since this decision, AFMA has continued its logbook program through the use of conditions on fishing concessions, a course which was approved by the Supreme Court. However, as the completion of logbooks is central to effective fisheries management, a more formalised structure is needed. This amendment will provide AFMA with the capacity, though written determination, to ensure that holders of fishing concessions keep and maintain appropriate logbooks.

The next amendment, and one that has been given serious consideration by the government, will provide officers operating under the Fisheries Management Act 1991 with a limited power to stop and detain vehicles and aircraft without a warrant or the consent of the owner.

Currently, under section 84(1)(e) of the Fisheries Management Act 1991, officers have the power to stop and detain vehicles and aircraft either under warrant or with the consent of the owner. However, where there is reason to suspect that a vehicle may be carrying fish which is not correctly documented, there is not always time to get a warrant and, if the suspicion has foundation, consent may not be forthcoming.

To overcome these difficulties and to ensure that there are minimal leakages from AFMA’s system of catch accountability, the bill will amend the Fisheries Management Act 1991 to enable officers to exercise those powers in the absence of consent or an appropriate warrant.

To ensure that the amended power remains consistent with the government’s overall approach to stop and detain powers, the amendments will also impose a number of important safeguards.

Firstly, the use of this power will be strictly limited to those situations where consent is not forthcoming and the officer has reasonable grounds to believe that a vehicle or aircraft contains evidence of an offence under the Fisheries Management Act 1991. Even then, this power can only be exercised in those situations where the time taken to obtain a written, telephone or electronic warrant would frustrate the effective execution of the warrant.

In using such a power, an officer is obliged to notify the owner or person in charge of a vehicle or aircraft (if practical) that they will be conducting a search without a warrant and the reasons for doing so. Added to this, the officer must, as soon as practical, record the reasons for exercising the powers without a warrant and, if requested, provide these reasons to the person affected by the exercise of the powers.

The third amendment will give charter fishing a similar but separate status under the Fisheries Management Act 1991 as recreational fishing. This was an outcome of the recent ‘Looking to the Future’ review of Commonwealth fisheries policy.
Charter fishing sits somewhere between commercial fishing and recreational fishing, being a commercial activity that provides a platform and local knowledge for recreational fishing but does not involve the take of fish for sale.

At present, the act provides that a charter boat and the person in charge of a charter boat are engaged in commercial fishing. This is in direct contrast to the Australian and state governments’ in-principle agreed policy on the management of recreational and charter fishing, which sees the day-to-day management of such fishing delegated to the states and territories.

Given the current definition of ‘charter boat’, it is unlikely that charter fishing could be effectively managed without de facto management of recreational fishing. Accordingly, the bill will amend the act to give charter fishing a similar but separate status to that applying to recreational fishing.

Lastly, an amendment will be made to the Fisheries Management Act 1991 to allow Australia to more effectively implement any amendments made to the Treaty on Fisheries between the Governments of Certain Pacific Islands and the Government of the United States, more commonly known as the US treaty.

Under this treaty, US tuna vessels are licensed to fish in the exclusive economic zones of the member nations of the South Pacific Forum Fisheries Agency. In Australia, US treaty licensed purse seine fishing may be conducted in the north-eastern part of the Australian EEZ well off the Queensland coast.

At present, any amendment made to the treaty (which is included as schedule 1 to the Fisheries Management Act 1991) has no effect on Australian domestic law until it is declared by regulations to have effect. This can often be a time-consuming process and, if the amendment has no effect on Australia, is a relatively inefficient use of the government’s resources.

The bill will amend the act to ensure that any amendments to the US treaty which do not affect Australia can proceed without parliamentary involvement. However, those amendments to the treaty that have the capacity to impact on Australia will continue to be promulgated by regulation.

Such an amendment will ensure that the Australian government does not waste valuable time and resources preparing regulations that will not have a direct impact on our country’s interests.

In summary, I consider that the initiatives contained in this bill build on the government’s commitment to delivering efficient, cost-effective and most importantly sustainable fisheries management both now and the future. I present the explanatory memorandum.

Debate (on motion by Mr Quick) adjourned.

FISHERIES LEGISLATION AMENDMENT (COMPLIANCE AND DETERRENCE MEASURES AND OTHER MATTERS) BILL 2003

Cognate bill:

FISHERIES LEGISLATION AMENDMENT (HIGH SEAS FISHING ACTIVITIES AND OTHER MATTERS) BILL 2004

Second Reading

Debate resumed.
Mr GAVAN O'CONNOR (Corio) (10.25 a.m.)—I agree with the sentiments that have been expressed to debate these bills together. The Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003 is a bill that the opposition will support. It proposes to amend the Fisheries Administration Act 1991 and the Fisheries Management Act 1991 to put in place a more effective deterrence and compliance regime, particularly in relation to illegal, unreported and unregulated fishing. It also proposes to improve the operational efficiency of the Australian Fisheries Management Authority—AFMA—and to promote the ecologically sustainable management of Commonwealth fisheries.

The bill proposes a strengthening of the existing regime for policing foreign boats in Australian waters by allowing the Commonwealth to recover the cost of pursuing boats fishing illegally and to increase the penalties for such activity. The bill also promotes amendments to the AFMA management regime including: creating a national register for fishing permits, giving AFMA direct control over closure and partial closure of fisheries, and relaxing the requirement of Commonwealth officers to identify themselves when making orders to vessels, with the qualification that identification must be produced at the first available opportunity. It also allows AFMA to waive levies for fishing permits that are surrendered before they are used and provides for remuneration and allowances to be paid to members of AFMA’s management advisory committees.

As I stated, Labor will support this bill. We have been concerned for some time about the government’s failure to respond to illegal fishing in the Southern Ocean. This region is extremely valuable, both in a commercial and in an environmental sense. While the minister seems to have made some progress in getting some arrangements in place to limit illegal fishing in the area, the same cannot be said for the previous ministers Tuckey and Truss. Under the Howard government this fishery has largely been left to the illegal fishers to exploit, while the government has imposed very tough—and appropriate, I might add—controls on those Australian operators in the region. So we have a tough regime on Australian operators and we let the international pirates in this fishing zone roam free.

This management regime for the Heard and McDonald Islands fishery is now one of the most sophisticated in the world. You may have a sophisticated management plan but it is worth nothing if illegal fishing is not controlled. There is no doubt that there has been a considerable amount of fish stocks taken from this area in recent years and that the government has largely failed to address the issue. These amendments are a step in the right direction and that is the reason we support them. We also support the amendments to the AFMA regime. The government has advised that these amendments have been prepared in consultation with the industry and have been supported by the AFMA board. Let me say to the government that that process of consultation is extremely important in these matters, not only with AFMA but with the industry, and we are pleased to see that that consultation has taken place.

The Australian fishing industry is an enormous generator of wealth for this country, and I will have a little more to say about that. If it is managed properly it can be an enormous generator of wealth for the national economy and for regional economies—and I note the presence in the Main Committee today of the honourable member for Corangamite, whose electorate spans a significant section of the Victorian coastline. The fishing industry is of course very important to the economic development of Geelong and the surf coast region. Labor sees

MAIN COMMITTEE
this generation of wealth as the key policy objective and will continue to work with the industry to develop ways of achieving that goal.

The second bill being debated in this committee is the Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004. This is the second bill being presented which relates to Australia’s fishing industry. The purpose of this bill is to amend the Fisheries Administration Act 1991 and the Fisheries Management Act 1991. This bill has two parts. The first part is to ensure compliance with the United Nations Food and Agriculture Organisation’s Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas in preparation for Australia’s acceptance of that agreement. This agreement was approved by the FAO in November 1993 but only came into effect in April last year. The government has advised that Australia has not yet accepted the compliance agreements because its laws do not at this point in time comply with the agreement’s requirements. The government has indicated to us and to the parliament that it will accept the agreement once this bill has been passed through this chamber and by the parliament. The compliance agreement was created in response to concerns about the depletion of fish stocks in the high seas as a result of increasing illegal, unreported and unregulated fishing. The Joint Standing Committee on Treaties has recommended that Australia should participate in this agreement.

The second part of the bill makes amendments to the Fisheries Management Act that are intended to improve the efficiency and effectiveness of AFMA itself. The most significant amendment is an increase in the power of AFMA and other agencies, including the Australian Federal Police, Defence and Customs, to intercept, detain, board and search vehicles and aircraft without the consent of the owner or a warrant. Currently, these powers can only be exercised with the consent of the owner or operator or with a warrant. The government argues that this additional power is necessary because there is not always sufficient time to get a warrant if the suspicion has foundation and, of course, if consent is not forthcoming. Other amendments include changes to the management of logbooks relating to the use of a fishery, and charter boats are to be classified as recreational vehicles rather than as a commercial activity. There are also amendments contained here that will not require regulations to be made every time there is a change to the Treaty on Fisheries between the Governments of Certain Pacific Islands and the Government of the United States of America.

Labor also are prepared to support these amendments. However, we do note the significant increase in power extended to officers to stop, detain and search boats without warrant or consent. We notice in this current political climate that the government has, not only in this piece of legislation but also in other areas of its legislative program, sought to expand the powers of Commonwealth officers and others in these matters, and I think a note of caution should be made here—governments of any political persuasion ought not be expanding these powers without full consideration of the import of that extension.

I note that such actions can be taken if there are reasonable grounds to believe there may be something in the vehicle or aircraft that may be evidence of an offence and if a warrant simply cannot be obtained in a timely manner. In the practical policing in this area we believe this amendment is an appropriate one. The Senate Standing Committee for the Scrutiny of Bills considered the issue of extending powers in this way back in 2000. The committee concluded that such an exemption from the general principle that consent or a warrant should be required...
could be justified on the grounds that it was impracticable to obtain that warrant, and on that basis we are prepared, after consideration, to support this amendment.

I am required in the other chamber to speak on another matter but I will make some further comments. The fishing industry continues to be a major generator of wealth in this country. We produced $2.3 billion worth of seafood in 2002-03 but the value of our exports did fall by 12 per cent. The value of the dollar and the impact of SARS in Asia appear to be two factors that have influenced that outcome.

I note in the chamber today the honourable member for Corangamite, who has joined us in the debate on fisheries. I must say there is something fishy when the honourable member for Corangamite, a squatter from the Western District, turns up to a debate on fisheries. He would not know a piece of flake from a fish patty. That is the truth of the matter. But it is good to see that he has taken an interest in the fishing industry, because it is an important one to the Geelong region and to Surf Coast Shire. The member for Corangamite is a veteran athlete of some note and we all in this House have a genuine admiration for his achievements. It looks as though he has turned his back on beef and mutton and he is coming over to fish. We know what is prompting the changes in his latent interest in the fishing industry. Be that as it may, we do welcome the honourable member for Corangamite into this very important debate. We will be supporting these two pieces of legislation.

Mr McARTHUR (Corangamite) (10.37 a.m.)—Before the member for Corio leaves, I make the observation that we now have the shadow minister for everything and everyone. He is now an expert on potatoes, dairy, TCF, sheep, cattle and the Albion football club. I am delighted that the member for Corio did acknowledge the importance of the fishing industry to the electorate of Corangamite, and my particular interest stems from concern over the formation of the marine parks by the Bracks government and the poaching activities of some individuals, particularly of abalone. As the member for Corio has said, the southern part of the electorate of Corangamite does encompass large fishing zones, both offshore and deep sea, from Queenscliff to Portland. I have had a personal interest in the sustainability of fish stocks both domestically and internationally. My personal ability in fishing would be very questionable and I am sure the member for Corio would be pleased to note that. He might even beat me in that particular activity.

This bill, the Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003, addresses poaching in Australian waters by illegal foreign vessels. The parliamentary secretary has alluded to that, as has the shadow minister. Poaching has become a serious problem in Australian waters, with some local fishers stating they have no option but to cease their operations. The first fisherman to legally pioneer Australia’s high Antarctic waters is pulling out of the region and has warned that ‘the rich toothfish resource is being strip-mined by pirates’. That is a very colourful description of international pirates attacking our deep sea waters. Queensland based fisherman Dave Williams said he had decided to pull out his state-of-the-art longline fishing boat halfway through the second season in the ice, stating that the high Antarctic’s toothfish fishing is in the history books already.

The fact that local fishers are ceasing their operation highlights the seriousness of this poaching issue. This legislation forms part of the federal government’s plans to get tough on offenders caught poaching in our local waters. Specifically, the bill allows the Commonwealth authorities to recover chasing and apprehension costs from owners of vessels suspected of
fishing offences that do not stop for officers when directed and that are foreign boats sus-
pected of fishing or having fished illegally in Australian territorial waters that require pursuit
involving the boat arriving in a place other than Australia. We have the situation, that most of
the Australian public understand, of this farce in the southern waters where boats are being
pursued, with lack of legal capacity by the Australian authorities to handle them on the high
seas.

The legislation increases penalties, for illegal foreign fishers with vessels over 25 metres,
from $550,000 to $825,000. At least some of these penalties are becoming more realistic for
international pirates who are upsetting our fishing industry. The legislation also directs powers
to the AFMA to close or partially close a fishery, creating a more direct mechanism for control
over the use of fisheries. I will talk more in a minute about the problem of sustainability of
Australia's fishing industry. Hopefully the AFMA can, along with gaining control of poach-
ing, help to make sure the fishing industry remains sustainable.

The legislation also creates a fishing permit register to provide a central record for permits
and licences. Again, some of these activities have been undertaken by the states, but the
AFMA will do this at a federal level. The bill also creates a requirement that permits, licences
and other instruments be returned to the AFMA on the surrender of those rights. The bill al-
 lows the waiver of levies payable on fishing permits where no fishing has taken place under a
permit, encourages the return of unused licences, issues new permits in place of unused per-
mits and maintains a strict quota for fishing activity. Interpreted, that means that the authority
is looking very carefully at the number of fishermen, the amount of fish stock and the impor-
tant issue of fish licences being maintained both in number and the ability of those fishermen
to take a catch.

The legislation allows for a fisheries officer not to have to immediately produce an identity
card where it is impossible to do so—for example, when an officer on a patrol vessel directs
the master of a fishing boat over the radio. There is an interesting problem on the high seas as
to the ability of the enforcement authorities to deal with so-called fishing pirates. The legisla-
tion makes remuneration allowances to members of the AFMA management advisory com-
mittee to emphasise the importance of their function and to make some compensation for time
lost in which they would otherwise be fishing.

The legislation is a significant step in signalling to the world that international illegal fish-
ing operatives will not be tolerated in Australia. I think the legislation has general support. I
am sure—and the member for Franklin who is closer to these fishing activities than I am
could verify this—that across Australia people are upset that these international poachers can
come into our waters and basically move away without any challenge.

I am concerned about the link between poaching and overfishing in our waters. In the
Northern Hemisphere, fish stocks have been considerably depleted. There is great debate
about the ability of those stocks to regenerate. That encourages northern operators, some of
them out of Asia, to come down to our more lucrative and better stocked southern deep sea
fishing zone. Several studies have illustrated the examples of fisheries that have collapsed
entirely, while other seem to have survived prolonged fishing activity. I would like to quote
some of these studies.

In late 2002 the European Council of Fisheries Ministers was criticised for implementing a
subsidy policy that supported the modernisation of fishing vessels rather than addressing the

MAIN COMMITTEE
implication of dwindling fishing stocks in European waters. We have had a similar problem in Australia, where fishing vessels improve their technology and their ability to catch great tonnages of fish. On one hand, the numbers of vessels were reduced, but, on the other hand, their technical ability to locate stock and fishing grounds meant that the objective of maintaining a sustainable fishing industry was sometimes jeopardised. Facing increased public pressure, later in 2003 the European Council of Fisheries Ministers stopped short of imposing a ban on cod fishing, advocating a long-term recovery plan instead and implementing a measure of quotas and tighter policing measures similar to those measures being taken in Australia. Quota restrictions are directed towards curbing overfishing. In some countries, such as Canada, trial bans have been imposed to prevent further fishing activity.

Studies reveal that overfishing is deemed to have a substantial impact on fisheries. That is self-evident. An excerpt from the second World Fisheries Conference, which was compiled by the CSIRO, quoted a journal submission by a consortium in the US who defined two types of overfishing: growth overfishing, which is fishing in such proportions that it exceeds the maximum growth potential of the fish—that is, the actual size of the fish in the fish stock; and recruitment overfishing, which affects the reproductive potential of the fish and leads to extinction. In my view, that is the real problem—the reproductive potential of the fish stock—so that some fish in certain fishing grounds become totally extinct, as I will mention in a minute. Recruitment overfishing is deemed to be a significant problem, as the spawning capability of the species suffers long-term impairment and may lead to the extinction of the species.

The situation in North America compounds the argument. The Newfoundland Dogger Bank collapse—according to an excerpt from the technical paper of the CSIRO entitled Developing and Sustaining World Fisheries Resources—highlights three factors that have been identified as contributing to the collapse of the cod stocks in North America. The member for Franklin and others who have been interested in the fishing industry know that the collapse of the Dogger Bank was an ecological and fishing disaster—that that wonderful fishing ground could be so overfished by commercial fishermen that villages are a stark reminder of their former selves. Nobody is there; there are no fish left. It is a great lesson to all of us that if you overfish a stock, even though it seems abundant in supply, there will be a day of reckoning not far around the corner.

This technical paper indicated three factors: the level of fishing activity; complex environmental factors such as ocean currents, complex circulation patterns and weather patterns; and the seal predation of cod. Those factors are said to have had an impact on the collapse of cod stocks. However, it is difficult to assess the relative importance of fishing practices, environmental change and the natural predators of stocks. As the member for Franklin would understand, if you overfish those valuable areas such as the Dogger Bank and the North Sea, inevitably the stock will be reduced to almost nothing.

In turn, the scallop industry in North America suffered similar difficulties with the Science Magazine of May 2002 claiming that the scallop industry off the coast of New England requires a bigger population to sustain the current harvest. It stated:

In 1998, scientists at the Northeast Fisheries Science Centre ... Massachusetts took on a huge challenge. They helped to calculate the mass of Atlantic scallops needed to support a stable and productive scallop industry.
Their answer: It would take a fivefold increase over the recent depressed mass of scallops ... to bring back what had once been the continent’s most product scallop fishery.

Again, we see in the scallop area—we have had similar problems in our waters around Port Phillip Bay and along the coast of Corangamite—that if it is overfished it will inevitably be reduced to nothing. Across the Atlantic, in Britain an article in the New Scientist magazine states:

Britain’s love of fish and chips means cod stocks have probably been battered beyond recovery.

The stock is being harvested outside safe biological limits.

The article concedes that natural variation may have played a role in the cod stocks’ decline. However it is interesting to note that the British have compared their plight to the closing of cod fishing in Newfoundland, where stocks have failed to return. Some scientists warn that the same fate awaits other fisheries around the world, including Australia. With the dwindling stocks in the Northern Hemisphere it appears that illegal boats may be pursuing Australian waters. The general sentiment in Australia is that illegal boats are coming to our waters at a time when the Australian authorities and both sides of politics are pursuing policies to maintain the stocks in a sustainable way. We are pleased that the parliament is agreeing to this bill and supporting the general sentiment that, if we do the right thing in fishing, illegal poachers should be dealt with in no uncertain terms.

Fisheries are capable of diminishing rapidly in the absence of controlled and sustainable fishing operations. Again, that is self-evident. While it is possible to limit licensed fishing operations, the real threat to sustainable fishing operations is uncontrolled, illegal poaching. Again, as an aside, two of the problems in setting up marine parks around Australia, be it the Great Barrier Reef Marine Park or the marine parks off the Victorian coastline, are poaching during the hours of darkness and the ability of state authorities to handle poaching operations not only in the international field but also in the domestic field. I am very concerned about that.

Illegal fishing and poaching, especially in large and modern international vessels, poses a significant threat to the sustainability of our fisheries. Again on the international field—and this bill deals with this problem—these big and well-equipped international pirates are difficult to deal with. This government has set about reducing the poaching of Australia’s patagonian toothfish, most recently with a new patrol vessel which will provide a full-time armed service in the Southern Ocean. An article by Christopher Jav in the AFR put it this way:

The Government’s tough approach is designed to avoid any further ridiculous episodes, such as having to pursue a suspected poacher for 21 days across the Indian Ocean, even handing it advice on navigating among the icebergs in extreme weather, and still having to rely on South Africa to supply the armed force necessary to halt the ship.

As the member for Franklin and other members would be aware, this was an amazing situation where the Australian government really did not have the power to apprehend these international poachers. I think the public at large were surprised that we lacked the legal capacity. The armed vessel will have a 0.5 calibre machine gun and a Customs boarding party with handguns and will specifically target illegal fishing vessels that are targeting toothfish.

This bill, along with others, makes it clear that the Australian government and the opposition are committed to handling this problem of international piracy of our fishing stocks. It also sets a framework within which the government and the people of Australia are committed
to sustainability of the fishing industry and where disasters such as those of the Dogger Bank and the North Sea will not be part of the Australian fishing scene. I commend the legislation. I thank the member for Corio, the shadow minister, for his support, and I am confident that the member for Franklin will likewise support this legislation.

Mr QUICK (Franklin) (10.52 a.m.)—I congratulate the member for Corangamite on his speech today and for the enthusiasm with which he supports this legislation. As the member for the southernmost electorate in Australia, I can go back and historically look at the way Australian fishermen have decimated the fishing stocks in and around Tasmania and in the Southern Ocean, below Tasmania. I rise to support the two fisheries amendment bills, the Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003 and the Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004. I open my remarks with a review of some of the reasons why Australia’s laws need to conform to the United Nations Food and Agriculture Organisation’s Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas.

As people have stated already today, the FAO conference first approved the agreement in November 1993. It does worry me to a little bit that it took until 24 April 2003 for it to come into effect. I was talking with my colleague the member for Corio about why this was so, why it has taken so long. Governments of both persuasions have had the opportunity to deal with this. It is partly a north-south issue, where you do not realise the potential of the fishing industry in the Southern Ocean until you suddenly have a collapse of the fishing industry in the Northern Hemisphere and people come down here and make huge amounts of money—tens of millions of dollars. So governments of both persuasions, our government and the Howard government, in that period between the FAO agreement in November 1993 and 24 April last year when things started to move, basically thought it was not going to happen in our neck of the woods. Then suddenly it is an issue and we have a legal problem where the Tasmanian Supreme Court can negate some Australian laws. We needed to get our house in order, and I think it is wonderful that we have actually done that. The good thing about it is that there has been huge consultation with the industry to try to sort the mess out.

It was the expense of the great chases that finally convinced the government that it was necessary to comply with the FAO agreement. As the honourable member for Corangamite said, I am sure all members will remember the drama of the chase in 2001. Day by day almost, as we monitored the media, we were thrilled with the adventures of the South Tomi, a Togo registered fishing vessel—and I wonder what the Togo fishing industry is like—which, with a load of patagonian toothfish, was being chased by the Southern Supporter, an Australian fisheries patrol vessel.

It was real Boys Own stuff as the Australian vessel attempted to apprehend the South Tomi and its cargo, which had been gathered illegally from within our exclusive economic zone. As the member for Corio said, two weeks of pursuit ended with the capture of the vessel off the coast of South Africa in a joint operation between the Australian and South African naval forces. That was not the first time illegal fishing had been detected in Australian waters but it was the first time a vessel of this size had been pursued and captured with its load intact. Australia paid for another chase in 2001, again using the Southern Supporter, until after 13½ days low fuel supplies forced the pursuit to end.
Five boats have been seized, most recently the *Viarsa*. The *Lena* has been sunk to become a diving wreck, which is making good use of an old fishing vessel, and I have been informed that the *South Tomi* will meet the same fate. These exciting chases and captures have, I am sure, fastened the government to introduce this legislation to bring our laws into compliance with the FAO agreement. I am pleased that this legislation is finally before us.

The most significant change to the Fisheries Management Act proposed by the *Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003* would allow the Commonwealth to recover pursuit and apprehension costs from owners of vessels suspected of fishing offences that do not stop upon request by an officer. The legislation allows AFMA to impose a penalty equal to the pursuit costs where, firstly, a foreign boat fails to stop or move to a certain place on the requirement of an officer; secondly, the boat is in an Australian fishing zone or an Australian territory or the officer has reasonable grounds to believe that it has been or will be used to fish in the AFZ; thirdly, pursuit of the boat is required as a result of its failure to stop or move to the required place; fourthly, the pursuit results in the boat arriving at a place in Australia or an external territory; and, finally, the boat is automatically forfeited under section 106A of the Fisheries Management Act.

The parliamentary secretary’s second reading speeches on these bills both mention officers having the power to stop and detain vehicles and aircraft. One assumes that ‘vehicles’ means ships. It worried me a bit, as a layman, when in his second reading speech on the *Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003* the parliamentary secretary said:

Under the United Nations Convention on the Law of the Sea, the Australian government is obliged to promptly release boats seized for suspected fishing offences.

I know we are proposing to belt them with $825,000, up from 5,000 penalty units to 7,500 penalty units, but I am wondering whether any discussion is taking place in the UN in light of the increase of these incidents—we have consistent offenders and there are issues of reflagging, repainting and renaming—in the Southern Ocean and oceans off other countries, especially in the South American region. I wonder if anything is being done to change that; as a layman, it seems a bit silly to me. I would be interested to know how our penalties relate to those of other countries which have to go through the same thing. Are we leading the way in increasing the penalties to $825,000? Is there an average internationally? Are we setting the benchmark? Hopefully we are.

The other question when it comes to providing people with powers, and in relation to the chase across to South Africa, is: was power given to the Navy to be a sort of subsection of the fisheries industry, and what is the relationship between the Navy and the industry? I know the member for Corangamite stated that we now have a vessel with a weapon on it, but I do not know how that compares with some of the naval vessels. I do not think it is of the size and capacity to lay waste to someone who decides that they are not going to stop. So I would be interested when the honourable parliamentary secretary comes back—I will not necessarily be here; I will be doing other things—in his comments on that relationship and how that power is delegated.

As other speakers have said, there is a great temptation to poach patagonian toothfish from Australian waters. The hundred-tonne cargo of the *South Tomi* was valued at almost $2 million and, with the decline of the fishing potential in the Northern Hemisphere, this is why
poachers are coming down here. I congratulate the government on introducing this legislation. As the honourable member for Corio said, it is long overdue. We totally support it. It is going to give some real backbone to the Australian Fisheries Management Authority as it polices our Australian fishing zone. As I said before, there has been huge consultation with the industry and the AFMA board is supporting it. Hopefully some of these little remote countries—these mickey mouse countries—that take advantage of their capacity to register vessels will get the message and there will be less and less of this poaching going on and our fishing stocks in the Southern Ocean will be protected. Previously, we did not even know some of these stocks existed. Just a few years ago we had never heard of the orange roughy and suddenly it flooded the Tasmanian market and the Australian market. We now have the patagonian toothfish.

Mr Randall—They are fishing it out now.

Mr QUICK—I know—this is one of the things. We talk about what is happening in other parts of the world. Tasmanians have a few scars on their backs, especially with the scallop industry, which is now, thankfully, coming back. I remember when I first went to Tasmania in 1961 you could take your bucket to the wharf at Hobart and for a shilling you could fill it with scallops—they were that plentiful. But we decimated the fishing stocks and are now in a process of rehabilitation. I welcome and support these two bills. I congratulate the minister on introducing them and look forward to getting couple of answers to a couple of questions I raised today. I congratulate the Australian fishing industry for the work that they have done to ensure that this is up and running and implemented.

Mr RANDALL (Canning) (11.03 a.m.)—To begin, I thank the member for Franklin for his contribution and support for this legislation, because it is very important that these measures are adopted. They are very important from both an Australian sovereignty point of view and an environmental point of view. So we appreciate the support of the opposition for the measures proposed in the Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004 and the Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003 [2004].

This is a very important issue, as I initially said, which goes to the sovereignty of Australia. We can talk about border protection to our north and we can talk about border protection in our economic zone, but a lot of people fail to register that our economic zone extends to the Heard and McDonald islands. That is a very large fishing zone and we need to protect it. The member for Franklin was quite correct: in the Northern Hemisphere and in other parts to our north, fishing stocks have been depleted because there have not been measures like this put into legislation to protect the resources.

To give you an example, I was fortunate enough to be a guest of the Kiribati government, which has a huge economic zone. The Kiribati government has one patrol boat, which the Australian government donated. Strangely, it is not used for patrolling their waters; it is used as an inter-island taxi. As a result, many nations are fishing out the valuable resource of a small nation like Kiribati, and the country gets little or nothing for it. We have to stop this plundering of our fish stocks.

I will deal with the nub of the legislation before us today so we can get onto some detail. First of all, the purpose of these bills is to ensure that we give effect to the United Nations FAO agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas—the government has indicated that it will accept
the agreement once this legislation has been passed; in other words, we cannot enter into the agreement until we have our own domestic legislation; secondly, to promote the efficiency and effectiveness of the Australian Fisheries Management Authority and give it extra powers to do its job et cetera; thirdly, to put in place a more effective deterrence and compliance regime as it affects illegal, unreported and unregulated fishing in our territorial waters; and, fourthly, to promote the ecologically sustainable management of the Commonwealth fisheries.

It is great to see that we have the support of the opposition on this matter. The member for Braddon has spoken on this matter previously, and the member for Pearce introduced a private member’s motion into the House last year to deal with this matter, which had bipartisan support—so we are getting somewhere. This process has evolved, but it could have evolved a bit faster. We are finally going to do something about protecting this very valuable resource.

I have had a personal interest in this matter for some time. A couple of years ago the Lena, the Volga and the South Tomi were tied up at a wharf in Henderson in the south of Perth. I was given the opportunity to go over the boats with the Customs officers to see what sorts of vessels they were. These vessels have usually been modified for the unique conditions of the Southern Ocean: they are closed-in, are built to withstand very high seas and the cold weather of the Southern Ocean, and have several tiers of crew. The captains, who have been Spanish, pick up people from the Philippines and the tiny Pacific nations like Kirabati to crew these boats and pay them next to nothing. Yet the valuable catches that these pirates—are plundering from our southern waters are worth millions of dollars.

We need legislation like this because of the difficulty in tracking this absolutely covert operation. The companies are shelf companies that are based in one country and controlled in another. There are many layers of control until you get to the beneficial owners of these companies. As a result, it has been a tortuous process and without sterner legislation it has been even more difficult.

Recently, as mentioned by other speakers, the Viarsa was captured. It was one of these farcical chases; as the member for Franklin reported, the whole world was watching the slowest chase in history, across the Southern Ocean towards South Africa, and laughing. The Southern Supporter, irreverently referred to as ‘the jockstrap’, was trying to keep pace with the Viarsa, but because it did not have any firepower the crew were basically knocking on the hull and asking, ‘Would you mind stopping?’

I was at the wharf at Fremantle recently when the Maya V was brought alongside by the Warramunga. Talking to the captain, I asked, ‘Did you have any trouble getting them to comply?’ ‘Not at all,’ he said. ‘See those things on the front of the boat there?’—in other words, the large guns—‘They are very persuasive. We just radioed them and said, “Would you start heading north.”’ They immediately headed north.’ So that is the difference. And this is what is going to happen with this legislation; we are going to give armed Customs officers and AFMA people the legislated authority to board these vessels, to take over and, with steaming authority, to sail them back to generally Australia or the most relevant port.

As I said, the particular boat being sourced at the moment is a boat that can go into the Southern Ocean, with a strengthened hull to go into those icy waters. When the Warramunga came into Fremantle the other day, it was made very clear by the sailors and the crew that, although they were very proud of the fact that they had captured the Maya V, the Warramunga was not built for the conditions of the Southern Ocean, with its mountainous seas and freezing
cold. To illustrate this, they pointed out that the signage on the front of the Warramunga had almost been removed by the roughness of the seas down there—the rasping effect that the sea had on the Navy boat. It has a very thin hull, and they were worried that they were way down there, 4,000 miles away from anywhere else, and would not want to hit an iceberg or anything like that. So there is a lease out for a boat that is fast enough—not as slow as the Southern Supporter—to keep pace with these illegal boats and to have a 50-millimetre mounted machine gun on the front of the boat so that they can have a little persuasion power as well to deal with these people so that when they tell them to stop or comply they do. These measures will all be very helpful.

The difference between legal and illegal fishing is that the legal fishing which we give licences for in the Southern Ocean is beneficial to Australia. It is beneficial for jobs. Based out of Western Australia, particularly Albany, there are quite a number of jobs associated with processing the toothfish and others—it is not just toothfish, but that is largely the catch down there. On the other hand, the pirate vessels take no heed of the biocatch. They operate quite differently from trawlers; they are long liners. Long liners are quite shameful because they catch everything and return nothing from albatrosses et cetera, they catch dolphins, sharks and all the other unnecessary biocatch. By the time they go back and get their huge, long lines, these creatures have drowned, so they are just thrown back into the ocean.

However, the legal fishing vessels are required not to throw anything overboard and to return any biocatch that is alive so they do not upset the stability of the environment in that part of the ocean. Anything that is processed on board, such as heads and other pieces of fish, has to go into a fish mill to be turned into fishmeal on board. There are observers: they have environmental consultants on board and people from Fisheries that are making sure that they comply in every respect. The illegal fishing boats do not have to do any of that. Interestingly, initially the pirate vessels were operated by a group called Pacific Andes, largely based in Hong Kong. The last two boats, the Viarsa and the Maya V, were owned by a company called Navalmar, based in Uruguay.

It is good to see that the Uruguayan government now understands the problems associated with this industry. On the wharf at Fremantle I met one of the assistants from the Uruguayan Embassy. She was there naturally to look after the interests of the citizens who were Uruguayan. However, it is no secret that some of the observers were brought back to Fremantle and that on the Maya V there was an observer on that ship who was released straightaway and who went back to Uruguay. However, in the courts in Western Australia in the last few days five people have been charged: the captain and two of his senior officers and, interestingly, two of the recidivist fishermen. Until then, they had not been dealt with properly. The captain obviously has responsibility for the ship and responsibility for being down there. To see fishermen who return claim that they had no idea when they set off from their port where they were going is farcical. There is a far better database and check being kept on who is crewing these boats.

The Viarsa was a boat worth roughly around $3 million. The owner was required to pay a bond of over $5 million, which goes to the cost of the boat and fines et cetera. But the Maya V was a far more sophisticated boat. It is currently in Fremantle due to the arrest. It is obviously worth far more than the Viarsa. We would be looking at something well in excess of $6 million in terms the value of that boat. Very interestingly, it is a very new boat, not one just
roughly modified like the other boats such as the Lena and the South Tomi. It is very sophisticated. In fact, we all observed that the tower on the Maya V was almost as high as the communications tower on the Australian Navy boat the Warramunga.

This is because down in the Southern Ocean they want to see if anyone is coming to catch them in our economic zone. The previous practice was that as soon as they detected something they would either slip off into the French economic zone or slip out of the economic zone. Another practice when they were operating in tandem with some of their own associated company boats was for one of them to put out a mayday call saying that they were in trouble and sinking et cetera, so the Australian Navy were obliged due to law of the sea obligations to go and try and rescue that boat. While they were off dealing with this bogus mayday call the other ships would slip out of the zone and would not be arrested.

The beauty about sending the Navy down there armed is that the capture of the Maya V, because it was one of the most valuable boats that this company had, has put the company on the run. The Navalmar company has obviously had quite a hole put through it recently because we have seized two of their most valuable assets in the Maya V and the Viarsa. That is going to put a dent in their fortunes and have them thinking twice about going back into the Southern Ocean. Also, I must congratulate the French because just recently the French formed a treaty with Australia to share information and to share radar facilities so as to check on movements and to gather and coordinate approaches. That in itself is an excellent result.

Getting back to the Maya V, one of the things that we have had difficulty with is that everyone said that you could not relocate the satellite signalling of these boats. But it has been reasonably well established now that the Maya V seemed to be somewhere in the Atlantic Ocean. It was not. It was down in the Southern Ocean, but they had been able to so skew their signal and corrupt their radar devices—or whatever the right term is—that they were believed to be somewhere else when they were actually in the Southern Ocean. This is where the cooperation and the commitment to these compliance measures are going to make a huge difference.

Today in court in Western Australia—I will not comment on the merits or otherwise—are the rest of the crew of the Maya V. If form is any guide, they will more than likely—

The DEPUTY SPEAKER (Ms Gambaro)—I ask the honourable member for Canning to perhaps be aware of the sub judice issue and refrain from commenting on current legal proceedings.

Mr RANDALL—I am just saying that they are before the court and we would like to see those people out of the country so that we do not have to put up with this anymore—as long as they understand that if they come back here again, like the previous two, charges will be far more substantial. It think it is quite in order to say that. At the end of the day, this is coming to a conclusion; with the rest of the cases involving these boats—some of them are ongoing—the best thing would be to sink the boats for dive wrecks. The South Tomi is about to be sunk off Geraldton, and that is a good result. I am sure that Wilson Tuckey, the member for O’Connor, will be happy, because he was the acting minister when the South Tomi was being chased. He gave permission for the chase to continue, and I think it is very appropriate that it be sunk near Geraldton.
I am also putting a bid in for one of these wrecks—hopefully the Maya V or the Viarsa—to be sunk as a dive wreck off Mandurah in my electorate of Canning, because it would have an economic benefit. You cannot put these boats back out for auction, because they would appear back down in the Southern Ocean. As much as you might get several million dollars for them, at the end of the day you find that they will be back on the run. It is just logical that we do something fruitful with them rather than putting them back into service where they are going to work against us.

The member for Franklin asked a few questions about boarding—what the legal process is et cetera. The fact is that this bill allows the pursuit of costs on top of a vessel’s value, and that is very important. There are a number of other questions, which I am sure that the parliamentary secretary will address in summing up, to ensure that domestic and international legal processes are followed prior to any of this occurring. This is done under the UN law of the sea requirements, which countries are obliged to abide by.

In the last few minutes that I have, it is important to say that this is an investment by our government, to the tune of close to $100 million over the next two years, in the lease of this vessel and its crew. Customs have called for persons to be involved in training for boarding parties et cetera and for the expertise to crew this boat in these very dangerous waters. Ultimately, the patagonian toothfish, which is a rare treat particularly in countries like Japan, is a stock that we need to preserve.

In closing, it is also interesting to note that we have an allocation of over 8,000 tonnes of legal catch yet the estimation is that the pirates are currently catching almost that much. There is some talk that maybe we should back off and not be down there until the stock replenishes itself. That is quite ludicrous, because if you are not down there you cannot see what is going on and you cannot monitor who else is in the area. This is cooperation not just between the agencies but between the fishermen down there. I commend this legislation to the House. It is important legislation and I appreciate the opposition’s support on this matter. (Time expired)

Mr BALDWIN (Paterson) (11.23 a.m.)—Today I rise to speak to the Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003 and the Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004. Could I just comment on the passionate speech by my colleague the member for Canning. Obviously, he is as concerned as most members of this House are about our sovereignty, fishing rights and, indeed, the future of the sea. I commend him on his speech. The sovereignty of our sea has been tested many times over the past few years, in particular in the Southern Ocean. We have all witnessed on television the arrest of the crew of the Maya V by the HMAS Warramunga and also the pursuit of the Viarsa I. These vessels, amongst others, have entered our waters and taken what is our sovereign right in fish, through piracy, and this needs to end.

Can I say from the outset that I am glad that the federal government will be investing some $100 million over two years to build a vessel that is suitable. As a ship’s master—and I have been down in the southern seas—I say that no vessel is ever fast enough or big enough to handle some of the punishment that those seas can deliver. The main effort in the compliance and deterrence measures bill is that we need to deter illegal fishing, we need to deter unreported fishing and we need to deter unregulated fishing. The impacts that these are having on our fish stocks are rather dramatic. The amount of fish taken out of our Southern Ocean due to piracy, as we have heard, almost equals the amount of our allowable catch. We have seen over
the years the decimation of the orange roughy stock. Now that we have AFMA with a management catchment plan we are addressing that situation, but how much of that stock has been pirated? It is only in the past few years that we have found out that the age of these fish is quite high, that some of these fish are 100 years old and that their breeding and life cycle times are quite extensive. So, if you deplete the stock, the replenishment time is quite a considerable period.

The bill amends the Fisheries Management Act 1991 and the Fisheries Administration Act 1991 to, firstly, put in place more effective deterrence and compliance regimes to help deter foreign fishers from illegally fishing in Australian waters—something that we all champion. Secondly, it will improve the operating efficiency and effectiveness of the Australian Fisheries Management Authority in its management of Commonwealth fishery resources; and, thirdly, it will promote the sustainable utilisation of Commonwealth fisheries and promote ecologically sustainable practices in Commonwealth managed fisheries.

This bill is all about amending the act and providing for the increasing of penalties under the FMA for foreign fishing offences committed in the Australian fishing zone. It strengthens our bond arrangement for foreign boats that have been seized and forfeited to the Commonwealth, by enabling the Australian government’s reasonable costs of pursuit and apprehension to be deemed to be a debt owing to the Commonwealth and enabling it to be included in a bond or recovered from the owner of a foreign boat. I can support that because we have seen pursuits over many days. I think one of them went for 21 days, and the cost to our country off the bottom line was quite severe. We should have a right to recover those costs, and those costs must be borne by the people who have committed the acts of piracy upon our high seas.

In addition, this bill provides for members of the management advisory committee to be paid remunerations and allowances, and so they should be for the work that they put into it. The bill also allows AFMA to waive a levy payment if a fishing permit is surrendered before any fishing has been undertaken. That is smart, because that allows people to avoid suffering a loss if they have not actually undertaken the fishing action, whereas, if they had a permit that they had paid for without being able to recover the costs of that permit, who knows what they would do with that permit or their vessel. I see that as contributing to a reduction in the fishing pressure. The bill also requires original fishing concessions to be physically returned to AFMA when they are surrendered, so that they cannot be hived off to pirates and the like. It also allows fishery officers, where it is not physically possible to present their identification, to exercise their powers without producing written identification—though they must present written identification at the first available opportunity.

The bottom line is that this bill stands to put more effective controls and measures on our fishing industry. It has been put together with full consultation with the industry through AFMA’s management advisory committees, and it has been fully approved and endorsed by the AFMA board. AFMA have been making some great progress. Part of the problem is the need to determine management plans for all fisheries, as required by legislation. The reality is that many of our fisheries are managed under administrative arrangements or through permits rather than through actual management plans. Of the fisheries listed in the 2000-01 annual report as fisheries managed under the Fisheries Management Act as at 2 July 2002, AFMA has now determined management plans for the Northern Prawn Fishery, the Southern Bluefin Tuna Fishery, the South East Trawl Fishery, the Great Australian Bight Trawl Fishery, and
Heard Island and Macdonald Islands Fishery. In five other fisheries—Southern Shark, South East nontrawl, Bass Strait Scallop, East Coast Tuna and Billfish, and West Coast Tuna and Billfish—plans were expected to be in effect by 30 June 2003.

We need to look at these things, because they are extremely important. It is a resource which is renewable, but over what period of time? We have seen the effect of unmanaged fisheries on the southern bluefin tuna, where in the random capture of tuna the size of the tuna is progressively getting smaller and smaller as time goes on, because through previous bad practices and poor management the breeding stock and juveniles were taken out of the chain on the way through. That has had a dramatic effect.

That is not just the southern bluefin tuna. I also see the effect on our yellowfin tuna fisheries. In the two fishing ports that I represent, Port Stephens and Forster, we have seen a gradual reduction in the size of the tuna being brought to market. I remember that when I was working on tuna boats back in the eighties it was not uncommon to catch yellowfin tuna that weighed in the vicinity of 110 to 130 kilograms. These fish were not abnormal; if you picked up the right school at the right time of year they were the catch you had. Today I regularly see tuna being brought to market that are only in the 30 to 50 kilogram range. What has happened is there has been overfishing.

A few years ago I was fortunate enough to attend the South Pacific Forum and to have some discussions on fisheries. There is a huge effect where some of the US factory ships and the huge purse seiners are taking a lot of the breeding stock from international waters or from around islands where they have bought the rights to fish in those waters. The problem is that fish are not animals that you can put in a paddock and control; these are free-ranging predator species that roam the ocean looking for the next school of fish to feed on. Today they are in our waters; tomorrow they are in someone else’s waters. But there needs to be overall global management plans. So I commend this bill.

I would now like to address a couple of matters relating to the Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004. This bill provides further amendments to the Fisheries Administration Act 1991 and the Fisheries Management Act 1991 to enable Australia to give effect in its domestic law to the obligations it would have as a party to the agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas. That is extremely important; the value of this bill cannot be underestimated. This compliance agreement was unanimously approved at the United Nations Food and Agricultural Organisation conference in December 1993, in which Australia participated. The compliance agreement will enter into force internationally upon receipt of the 25th instrument of acceptance on 24 April 2004.

The compliance agreement was developed as part of an international response to the lack of effective flag state control of high seas fishing vessels by fishing nations. This has remained one of the main reasons for the increasing level of illegal, unreported and unregulated fishing on the high seas. The compliance agreement aims in particular to combat the practice of vessels avoiding compliance with international fisheries management measures by reflagging to countries that are unable or unwilling to comply with those measures. It encourages greater international cooperation and compliance by requiring flag states to implement authorisation and recording systems for high seas fishing vessels and to share the information required to be collected on the activities of those vessels on the high seas with the FAO, foreign countries.
and international bodies. This is all about bringing people back to accountability. It is about managing the fish stocks on an international basis.

Australia is a responsible flag state and already abides by the essential obligations within the compliance agreement. The amendments to our domestic laws are required to provide for additional statutory functions and objectives for AFMA to enable it to ensure that fishing by Australian flagged vessels on the high seas is conducted in a manner that is fully consistent with the compliance agreement to ensure that AFMA is able to record the requisite information about high seas vessels and give effect to the compliance agreement’s information exchange obligations.

That is so important. But more important is what we are doing in the miscellaneous amendments under the Fisheries Management Act 1991 that improve the overall ability of AFMA to deliver and enforce effective fisheries management in our own Commonwealth fisheries. The amendments cover a diverse range of subjects, including: the power to require fishing concession holders to keep and maintain logbooks on their activities in a fishery; limited powers of an officer to stop and detain vehicles and aircraft without a warrant or the consent of the owner or person in charge of the vehicle or aircraft; giving fishing charter a similar but separate status to recreational fishing; and amendments to the Treaty on Fisheries Between the Governments of Certain Pacific Island States and the Government of the United States, which is attached at schedule 1.

Why are logbooks important? It is important to understand that there can be a vast difference between the fish caught and the fish that are actually brought to market, weighed and sold. The latter is a measure that can be undertaken at any time, but under a logbook situation what also must be recorded is the incidental by-catch. I bring the attention of the chamber back to a report of the House of Representatives Standing Committee on Primary Industry, Resources and Rural and Regional Affairs called Managing Commonwealth fisheries: the last frontier. I was on that committee at the time and, as we went around and talked to the different fisheries, what was horrific was the amount of incidental by-catch which was then discarded. As much as 56 per cent of the capture was discarded as by-catch. Logbooks enable proper management of the system so that we can ensure that our fisheries are there for the sustainable long term.

The thing that really interests me in relation to my local operators is the change relating to charter fishing. The charter fishing industry out of Port Stephens and Forster perhaps even competes with Cairns for the number of charter fishing vessels that operate. Over the last two weekends we have had the interclub competition in Port Stephens where we have had 250 vessels competing in an international game fishing competition run by the New South Wales Game Fishing Association, and properly and professionally managed as well. The critical part of this bill is that it determines that charter boats will be deemed as recreational fishing vessels. In other words, the compliance requirement on them in relation to catch is not as it would be if these vessels were deemed to be commercial. That is very significant and should not be underestimated or understated in any way whatsoever. This gives charter boats a separate status under the Fisheries Management Act 1991 as recreational fishing. The amendment will bring AFMA’s responsibility for charter fishing in line with that for recreational fishing and it is consistent with outcome 24 of the report Looking to the future: a review of Commonwealth fisheries policy, which was published in June 2003. It means that the Fisheries Man-
agement Act 1991 will no longer apply to charter fishing vessels within the Australian fishing zone, or outside the Australian fishing zone by an Australian boat. I welcome that and I know that all of the charter fishing boat crews in my electorate, one of which I occasionally skipper, will be very pleased with that.

After you look at the removal of charter boats from being classified as commercial vessels, the other important thing is the item that repeals paragraph 15A(1)(b), which restricts the taking of blue marlin or black marlin in the Australian fishing zone to a holder of a scientific licence, a recreational fisher or a charter boat. It has been changed to the effect that it includes fishing from a charter boat as a subset of recreational fishing. That links in with the previous amendment in reassigning what the character is of a charter fishing vessel away from being a commercial vessel to being a recreational vessel.

When the primary industries committee report called Managing Commonwealth fisheries: the last frontier was published, I put in a dissenting report. In my dissenting report I proposed that not only black marlin and blue marlin but also striped marlin and shortbill spearfish should be a prohibited catch. Unfortunately, during the debate on the Fisheries Legislation Amendment Bill 1998, which I debated in this chamber on 25 June 1998, that campaign was not successful. But we were successful when Senator Warwick Parer, the then minister, did move to have black and blue marlin made not able to be taken as a commercial species.

I remember that back on 4 July 1996 there was a front-page article in the Daily Telegraph which stated that many tonnes of fish weighing as much as 700 kilograms—115 carcasses of juvenile black and blue marlin—had been rotting in cold stores for 12 months. They were impossible to sell, so they were going to become fertiliser. That was a great trigger for the banning of black and blue marlin fishing. I recognise that the government is cleaning up the legislation but I would have preferred that it had taken the approach of banning the capture of striped marlin and shortbill spearfish. One of the inherent problems, as I have said in the House before, is that a black or blue marlin does not know that the hook which is set with a bait for a striped marlin is not intended for it. Long-line fishing practices are no different from those for catching striped, black or blue marlin or shortbill spearfish.

Whilst those fish are no longer coming to market, they are being disposed of, usually dead, which is a waste. The reality is that the percentage of by-catch has not been reduced. The market for marlin is very limited. The market for broadbill, which is a different method of fishing from marlin fishing, is very high. The texture, taste and market appreciation of broadbill is quite considerable. But I believe that there is nothing to gain, either commercially or for the conservation of our fish stocks, from allowing the continuation of fishing for striped marlin or shortbill spearfish as a commercially acceptable species. The damage inflicted upon our fishery stocks is quite severe.

In closing, fishing is perhaps one of the greatest bonding experiences between children and their parents, particularly from the point of view of male-to-male bonding. At the moment, while we are discussing in the parliament a whole range of issues and bills relating to the need for boys to have male role models, by making sure that we have a long-term, sustainable fishery we will provide greater opportunity for and greater enjoyment of the bonding of males just through going fishing. My young fellas, the twins, absolutely love fishing. Every opportunity we get, we go fishing. There is more communication between me and my sons when we are out fishing than when we are at home or doing any other activity. It is relaxing and we
Mr Brendan O’Connor—Do you catch any?

Mr BALDWIN—No, we never catch any fish. We might enjoy fishing but, like most Australians, we do not tend to bring home a lot for the frypan. What is important—and I respect them for it—is that my children de-hook and throw back 99 per cent of the fish that they catch. Nothing made me prouder than when the bigger of my twins caught his first marlin in the interclub competition last year. He made the decision to tag it and, by doing that, came second in the competition. If he had decided to kill and weigh it, he would have won the competition. An 11-year-old making a responsible environmental decision like that made me a very proud father. (Time expired)

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (11.43 a.m.)—in reply—Even though this is a cognate debate, I would like to sum up individually the debates on the Fisheries Legislation Amendment (Compliance and Deterrence Measures and Other Matters) Bill 2003 and the Fisheries Legislation Amendment (High Seas Fishing Activities and Other Matters) Bill 2004. First, I thank the members for Corio, Franklin, Corangamite and Canning and my good friend the member for Paterson for his insight into responsible fishing—even though he does not catch any fish. I would like to thank the opposition for their bipartisan support for these bills.

The member for Franklin questioned Australia’s obligation to bonded vessels apprehended for alleged illegal fishing. In response to his concern, I would just like to say to him that this is required under the UN Convention on the Law of the Sea. The compliance and deterrence bill allows for the costs of pursuit—on top of your normal patrol costs—to be included in any bond amount. Australia in fact is setting the benchmark in paralysing illegal foreign fishing. This is best illustrated by the Volga case that went before the International Tribunal for the Law of the Sea, where the proceeds from the sale of the catch were included in the bond amount, on top of the value of the vessel. This was a significant win and indicates an evolving view of the seriousness of illegal fishing by the tribunal, who were unaware of any other country pushing the envelope to the same extent as Australia.

This bill is part of a package of important amendments to the Fisheries Management Act 1991. The bill promotes the ecologically sustainable management of Commonwealth fisheries and the improvement of the operating efficiency and effectiveness of AFMA. Most importantly, it reinforces the Howard government’s efforts to put in place more effective deterrence and compliance regimes and to combat illegal, unregulated and unreported, or IUU, fishing. Recent cases—the illegal fishing vessel Viarsa I in Australian waters in the Southern Ocean and the apprehension of the suspected illegal fishing vessel the Maya V in the waters surrounding Australia’s Heard Island and McDonald Islands—demonstrate why the government is taking strong action to deal with this serious problem.

IUU fishing threatens Australia’s sovereign interests, the sustainability of fish stocks and the unique marine environments. The level of IUU fishing is likely to grow as Northern Hemisphere fish stocks are overfished and global overcapacity increases. The Howard government remains determined to lead the fight against such destructive and unsustainable fishing practices, a stance that has seen the government since 1997 pursue and arrest eight vessels that were found illegally fishing in our subantarctic waters; establish a year-round armed pa-
trol program in the Southern Ocean; develop a treaty with France for cooperative surveillance and research; and participate in an international ministerial task force to address IUU fishing issues. Strengthening Australia’s domestic fishing legislation will help to protect Australian waters from illegal fishing. The passage of this bill will send an important message to illegal foreign fishers that this government is determined to fight illegal foreign fishing and is pursuing every avenue available to do this.

In relation to the second bill, the member for Franklin also raised the issue of reflagging of vessels. The high seas bill, in allowing Australia to ratify the UN compliance agreement, has Australia joining other major fishing nations such as the UK, USA, Japan, Korea and others that require a vessel’s history to be considered prior to authorising it to fish.

This bill is part of a package of important amendments to the Fisheries Management Act 1991 and the Fisheries Administration Act 1991. The amendment in schedule 1 of the bill gives effect to Australia’s international fisheries obligations under the compliance agreement. The amendments contained in schedule 2 cover a diverse range of subjects as a result of continuing refinement of fisheries management practices and are aimed at improving the management of Australian Commonwealth fisheries. The compliance agreement is a multilateral treaty governing the use of living resources on the high seas. It was developed in response to concerns about declining fish stocks as a result of increasing levels of illegal, unreported and unregulated fishing. It is an integral part of the framework of international instruments for fisheries management and conservation.

Over 60 per cent of the oceans lie beyond the exclusive economic zones of coastal states. These areas are known as the high seas and are open access common areas. As fish stocks have declined dramatically in the Northern Hemisphere, interests have grown in the fish stocks in the high seas in the Southern Hemisphere. Because the high seas are beyond the jurisdiction of any state, the stocks are open to exploitation and open fishing. IUU fishing is jeopardising the conservation and management of global fish stocks and threatening Australian harvests of fish stocks within and beyond the Australian fishing zone. Australia’s acceptance of the compliance agreement will help demonstrate to other countries, particularly those that are not yet party to the agreement, that we are serious about our efforts to combat IUU fishing.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

**FISHERIES LEGISLATION AMENDMENT (HIGH SEAS FISHING ACTIVITIES AND OTHER MATTERS) BILL 2004**

*Second Reading*

Debate resumed.

The **DEPUTY SPEAKER** (Mr Mossfield)—The question is 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.

---

**MAIN COMMITTEE**
Mr BEVIS (Brisbane) (11.52 a.m.)—This report from the Parliamentary Joint Committee on ASIO, ASIS and DSD is one of the most important documents delivered by a parliamentary committee in the life of this parliament. The committee includes amongst its membership some of the most respected people on either side of the chamber—from the Labor side, two former ministers for defence, who are regarded widely in the defence and security community as amongst the best defence ministers for a generation, and a former Speaker.

Its deliberations are significant. The fact that it provides a report which is unanimous is even more significant, because as you go through the report what it identifies is that our security agencies and information gathering bodies by and large provided professional, capable and good advice about the situation that was unfolding in Iraq. What also becomes clear when measured against the statements that were in the public domain and particularly those that were promoted by the Prime Minister and the Minister for Foreign Affairs is that the government was extremely selective, deceptive and misleading in the way in which it presented these things to the Australian people.

I want to refer to a couple of the matters that are picked up by the committee in its report to expand on that deception and the way in which the Australian people were hoodwinked in the lead-up to the decision to invade Iraq. At paragraph 2.40 the committee records:

The agencies provided hardly any explicit assessment on the question of the immediacy of threat posed by Saddam Hussein. In March 2001, ONA was of the view that ‘the scale of threat from Iraq’s weapons of mass destruction is less than it was a decade ago.’ However, there are, in the more recent assessments, highly qualified references to Iraq’s capacity to ‘restart CW and BW—chemical warfare and biological warfare—programs within weeks ...’ But, agencies repeatedly say in respect of this that ‘there is no evidence that Iraq has done so’ and ... ‘some CW stocks will have deteriorated.’

The simple fact is that the best advice of our intelligence agencies to the government was that there was no evidence to support the argument that Iraq had weapons of mass destruction that posed a threat to Australia or our allies. Indeed, whatever capability they had was seriously degraded from what it had been a decade earlier.

Measure that against the comments that we got from the government. We all recall the hysteria that was being whipped up by the foreign affairs minister particularly, but also by the Prime Minister. I refer specifically, though, to the comments made by the foreign minister, Alexander Downer. Referring to the UN Security Council veto, he said:

This denied the Security Council any further role in the disarming of Iraq, but it did not deny ... the clear and immediate threat posed by Iraq’s weapons of mass destruction to global security ... That is what our foreign minister, Alexander Downer, said on 18 March last year in a statement to the parliament—that there was an immediate threat posed by Iraq’s WMD, when in fact we now know, from an all-party committee report, that no such advice was ever tendered to the government. Indeed, the opposite was the case. Let me turn to another example that
highlights this same propensity to be selective, deceptive and misleading—or, as one of their own members once commented, ‘mean and sneaky’. At paragraph 5.21 the report notes:

ONA agreed that these judgements—

That is, judgments that had been made by the Prime Minister and ministers—

quoted in the speeches, were not necessarily ones that they might have made, but that, as they were made on the basis of material ONA had not seen, the quotations in the speeches were not questioned. They were considered accurate quotations, in the sense of transcriptions, from the British and US documents.

That is, that our government decided to quote directly from documents presented by British and US intelligence agencies. Furthermore:

In response to a question about the threat of Iraq’s WMD being ‘real and unacceptable’, Mr Lewincamp thought it was not a judgement that DIO would have made.

That is, the chief officer of the Defence Intelligence Organisation said, ‘Those things that our government were saying—that John Howard, Alexander Downer and others were saying—based on information they were being given by UK and US sources, were not judgments that our own defence agencies would have made.’ But it gets worse. At paragraph 5.22, it says:

Government presentations were in some areas incomplete, notably in respect of some of the available United Nations information on Iraq.

‘Incomplete’ is a very polite way of saying they were deliberately misleading, because, when you hear the rest of this, you will understand how misleading it was. In that same paragraph the committee noted:

For example, in 1995, the United Nations debriefed Saddam Hussein’s son-in-law, Kamal Hussein. From this debriefing, Mr Howard quoted admissions by Hussein that indicated Iraq had ‘a massive program for developing offensive biological weapons—one of the largest and most advanced in the world.’

That is what John Howard said that Saddam Hussein’s son-in-law had said, but as this report notes:

This description of Hussein’s admission was true, but the program he described related to a much earlier period, and the bulk of the Kamal Hussein’s debriefing made repeated statements about the failures of nuclear programs, the destruction of weapons and agents associated with the chemical and biological programs and the overall success of the UNSCOM weapons inspections.

That is, the true picture was that in the early 1990s and late 1980s Saddam Hussein had a weapons of mass destruction program, described then by Saddam Hussein’s son-in-law in the terms that the Prime Minister repeated just last year. The Prime Minister pretended that the situation in Iraq that was described in 1990 still prevailed in 2002. The Prime Minister must have known that that information was misleading.

A division having been called in the House of Representatives—

Sitting suspended from 11.59 a.m. to 12.16 p.m.

Mr BEVIS—There is one further clause in the report that I think is important to refer to, and it is more in the line of a conclusion. In paragraph 5.16 the committee noted:

... the case made by the government was that Iraq possessed WMD in large quantities and posed a grave and unacceptable threat to the region and the world, particularly as there was a danger that Iraq’s WMD might be passed to terrorist organisations.
We can all remember the threats and over-the-top comments from the government about that. The committee then concluded:

This is not the picture that emerges from an examination of all the assessments provided to the Committee by Australia’s two analytical agencies.

There it is in black and white. The core aspect of the government’s case for the war on terror was that there was an unacceptable threat to the region and the world, and specifically that Iraq might provide weapons of mass destruction to terrorist organisations. Answer: that was never the advice the government received. The committee’s conclusion was:

This is not the picture that emerges from an examination of all the assessments provided to the Committee by Australia’s two analytical agencies.

As the war with Iraq unfolded and as it became clear that the government’s case had been built on fabrication, exaggeration, selective quoting and downright lies, the government shifted position and said, ‘Well, we’re not going there for weapons of mass destruction, we’re going there for regime change.’ That of course was never part of the debate in the UN. The government also said, ‘We’re going there to liberate these poor oppressed people in Iraq.’ I do not recall that ever being one of the reasons advanced in the debate prior to the decision to commit our troops to the Middle East.

Honourable members interjecting—

Mr BEVIS—Indeed, as correctly pointed out: not by the government. We were not being asked by the government to support sending Australian troops there to liberate people in Iraq from what was no doubt an oppressive and violent dictatorship. That was not the reason. The reason was WMD. That is what the government said and that is what they based their case on, and this report shows us that that was a fallacy. The real tragedy of all this is that we did not have to wait until months after the war to realise that this government had based its argument for war on falsehoods, exaggerations and selective quotes. That information was out there in the public debate, and this government and this parliament refused to consider it.

I want to repeat a couple of the assessments made at the time, which I have referred to in previous debates on this matter in the parliament. Let me go to the comments of General Anthony Zinni. He was the commander in chief of the US Central Command. This command was responsible for US forces in the Middle East and Central Asia—the very area in question—and he was the commander there from 1997 to 2000. He would have seen every piece of intelligence on that part of the world in the lead-up to these events. This is what he had to say in August 2002:

Attacking Iraq now will cause a lot of problems, ... If you ask me my opinion, Gen. Scowcroft, Gen. Powell, Gen. Schwarzkopf, Gen. Zinni ... all see this the same way.

It might be interesting to wonder why all the generals see it the same way, and all those that never fired a shot in anger and are really hell bent to go to war see it a different way.

Then he cited a number of things that were far more important than George Bush’s, John Howard’s and Tony Blair’s desire to wage war on Iraq. He said:

The Middle East process, in my mind, has to be a higher priority.

Winning the war on terrorism has to be a higher priority.

More directly, the situation in Afghanistan, Pakistan, Central Asia needs to be resolved, making sure al Qaeda can’t rise again from the ashes ... Taliban cannot come back.
He was absolutely right. On many occasions, inside and outside the parliament, I have endorsed those comments as an eminently reasonable and sound strategic analysis—all of which was ignored at the time. Remember that he said that in 2002. There are further examples. General Brent Scowcroft, a former national security adviser to Presidents Ford and Bush Snr—a Republican security analyst—said:

... the central point is that any campaign against Iraq, whatever the strategy, cost and risks, is certain to divert us for some indefinite period from our war on terrorism.

And he was perfectly right. That is the cost that America and the rest of us have paid since. America has seen its position in the world after September 11, when there was virtually a united world view of sympathy with and support for America and a commitment to deal with terrorism, eroded quickly because of the way in which President Bush has mishandled the war on terror, blinded by his desire to proceed with the war in Iraq.

General Joseph Hoar, who also had been Commander of Central Command, told the US Senate Armed Services Committee that a case had not been made to connect al-Qaeda and Iraq. He said, ‘To the contrary, there is no clear and convincing pattern of Iraqi relations with either al-Qaeda or the Taliban.’ General Hoar told the US Senate Armed Services Committee that America’s first and primary effort should be to defeat al-Qaeda. But you did not have to look to American generals who had access to this intelligence. You had people here in Australia, on the Liberals’ own side of parliament, trying to tell them that it was the wrong thing to do. John Valder, a former national president of the Liberal Party said:

Does anyone seriously believe that Iraq constitutes the greatest problem confronting the world?

Even a former national president of the Liberal Party was moved to comment publicly that this was not an intelligent thing to do in the interests of national security; yet, in the face of the advice it was getting from our security agencies, the government persisted to press down that road.

I was also taken by the comments of a number of other people in that period, warning us all of these errors. Scott Ritter, who is a former UN weapons inspector in Iraq and a US citizen, went to Iraq and addressed their parliament. When he addressed the Iraqi parliament in September 2002, he said:

My country seems on the verge of making an historic mistake, one that will forever change the political dynamic which has governed the world since the end of the Second World War; namely, the foundation of international law as set forth in the United Nations Charter, which calls for the peaceful resolution of problems between nations...

As someone who counts himself as a fervent patriot and a good citizen of the United States of America, I feel I cannot stand by idly, while my country behaves in such a fashion...

He went on to make a number of very important comments which I do not have time to go into but which I should say are fully included on my personal web site. There was also the resignation of a US career diplomat, John Brady Kiesling. I do not have time to read the details into Hansard but I encourage members to catch up with them on my web site. Finally, I want to refer to a speech by US Senator Edward Kennedy in March 2003. He said:

In a desperate effort to justify its focus on Iraq, the Administration—that is, the American administration—
long asserted that there are ties between Osama and Saddam—a theory with no proof and widely doubted by intelligence experts.

Two weeks after 9/11, Secretary Rumsfeld claimed that we had ‘bulletproof’ evidence of the link. But a year later, CIA Director Tenet conceded in a letter to the Senate Intelligence Committee that the Administration’s understanding of the link was still ‘evolving’ and was based on ‘sources of varying reliability.’

In fact, the link is so widely doubted that intelligence experts have expressed their concern that intelligence is being politicized to support the rush to war.

That is exactly what John Howard did and it is exactly what George Bush did, and the committee report exposes that. (Time expired)

Mr SIDEBOTTOM (Braddon) (12.24 p.m.)—I am pleased to make my contribution on the parliamentary report titled Intelligence on Iraq’s weapons of mass destruction. I find interesting the literary device of the use of the word ‘intelligence’ in the title of this report. At issue are not only the use, misuse and abuse of intelligence by this government but also the intelligence of those who advanced the argument for war against Iraq. I speak in particular about the Minister for Foreign Affairs. He began this debate with insults. Anyone who opposed war in Iraq was labelled an ‘ appeaser.’ Even a cursory understanding of what ‘appeasement’ means shows that the foreign minister knows nothing about it, historically or intellectually. But we were labelled ‘appeasers’.

The other insult near the end of the debacle of Australia’s involvement in Iraq is that those who opposed the war and the government’s case for it were labelled pro-Saddam. What an insult! I was pleased to see that those with a strong background in things military and intelligence who had doubts about this war were so offended by this label that they publicly attacked the foreign minister’s assessments.

Air Marshall Ray Funnell, who was Chief of Air Staff from 1987 to 1992, was strongly opposed to the war and took great umbrage at the foreign minister’s ridiculous insult, as did Admiral Mike Hudson, Chief of Naval Staff from 1985 to 1991, and General Peter Gratton, Chief of the Australian Defence Force from 1985 to 1993. I think I can also include Major General Phillips, retired, who was at one time head of the RSL. I personally take offence at anyone who would level at those who question the involvement of this government, the United States and the UK in the war in Iraq a charge that they supported Saddam Hussein’s regime.

The third major insult was when the Prime Minister and the foreign minister of this country insulted the intelligence of the Australian people. When we commit our forces to service overseas it is a very important and grave decision. We need to know the real reasons why the government believes we should commit those troops. This report clearly indicates that the reasons advanced could not be substantiated in detail by the intelligence that was available to us. When you look at the reasons advanced by the Prime Minister in his formal parliamentary rationale on 18 March 2003 for sending our troops to war and committing this nation and its future to the consequences of that decision you see that the reasons offered—the clear and present danger to the world because of the existence of weapons of mass destruction and a clear and present danger to Australia’s future and our national interests—are not the arguments now being advanced by the Prime Minister and the foreign minister, because they are now arguing for regime change.
If that was the intention to begin with—and part of the argument that Paul Wolfowitz has come out with is that the US administration could not couch it in any better terms than to say that Iraq’s weapons of mass destruction presented a clear and present danger to the world—that is an insult to the Australian people and an insult to the international community. Time is running out and I would like to return to this later. I seek leave to continue my remarks when the debate is resumed.

Leave granted.

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

ADJOURNMENT

Mr SOMLYAY (Fairfax) (12.29 p.m.)—I move:

That the Main Committee do now adjourn.

Health: Dental Services

Mr GIBBONS (Bendigo) (12.30 p.m.)—The Howard government committed one of its worst acts of vandalism when it abolished the former Keating Labor government’s Commonwealth Dental Health Program in 1996. The government continues to ignore its responsibility to provide dental care for low-income Australians. Yesterday’s announcement illustrates the Howard government’s mean-spirited attitude towards low- and medium-income families. Many Australians do not seek dental appointments, because they simply cannot afford them. A recent national survey found that one-third of Australians in the $30,000 to $50,000 household income bracket had not been to a dentist for over two years, due to their inability to pay. Poor dental health means pain, inconvenience, poor general health, embarrassment and discrimination. Despite the state governments’ increasing expenditure on dental programs, there is now a huge unmet demand for publicly funded dental programs. In May 1998 the Senate Community Affairs References Committee report Public dental services found that when the Commonwealth dental program was abolished there were approximately 380,000 Australians waiting an average of six months for public dental care. By May 2000, that figure had blown out to half a million people waiting for between eight months and five years for public dental care. The collection of national figures has since been stopped.

In the central Victorian region that I represent, the dental waiting period stats are as follows. In Bendigo the wait for general dental treatment is 38 months, and the number of patients waiting for it is 6,001; there are 372 patients waiting 19 months for denture treatment. In Maryborough the wait for general dental treatment is 45 months and there are 1,498 people waiting for that treatment; there are 40 people waiting for dentures, and they have to wait eight months. In Daylesford the wait for general dental treatment is 20 months and there are 858 people waiting for that treatment; the wait for dentures is 33 months, and there are 133 people waiting for that. In Sunbury the wait is 10 months for general dental treatment and the number of patients waiting is 1,083; for dentures treatment the waiting period is 55 months and the number of patients waiting is 334.

Labor believes that Australia should use the prosperity the coalition is always bragging about to help these people get the basic health and dental care they need and deserve. Labor will invest $300 million in Australian dental care over four years, resulting in $120 million...
per year for our program when it is fully operational. Labor will work in partnership with the
states and territories to implement Australian dental care. A genuine partnership with states
and territories will deliver services to agreed national benchmarks. This will provide up to 1.3
million extra dental procedures for Australians, enough to clear the existing backlog and sub-
stantially reduce the waiting lists. Many people on the waiting lists for dental care are elderly,
and we can and must do better as a nation and as a government to treat these people.

Australian dental care will revive Ben Chifley’s vision when he inserted an amendment
into the Constitution in 1946 that said that affordable dental treatment was as essential as
other medical treatments. Dental care is a national responsibility, something the Prime Minis-
ter would have us believe he has recently discovered. The changes announced yesterday by
the Minister for Health and Ageing are a weak attempt at a political fix in the run-up to a
forthcoming federal election. The Prime Minister has left Australia as a waiting list country
with a waiting list government. Yesterday’s announcement means that the Howard govern-
ment has allocated a miserable $5 million for four years, and only for dental patients with ad-
tional chronic health illnesses caused by their dental problems. These patients must suffer
dental related chronic health problems for six months before they can get assistance. For pen-
sioners and low-income earners, this amounts to nothing less than torture.

Under Labor, the federal and state governments will join together in a great national effort
to fix the dental health crisis. The quality of services provided under Australian dental care
will be subject to rigorous data collection and benchmarking. Under Labor’s plan, concession
card holders—such as pensioners, health care card holders and their dependants—will get free
check-ups when they need them as well as subsidised dental treatments, restorations and den-
tures. Labor’s plan will also assess the dental health of every person admitted to residential
care and will put in place action to provide ongoing care.

Under Australian dental care, a Labor government will provide $300 million over the for-
ward estimates for the provision of dental services to health care card holders and their de-
pendants. When fully operational, the $120 million per year will be allocated for Australian
dental care. Of this $300 million, $13 million will be earmarked for dental assessments of
older Australians entering resident aged care and $18 million will be earmarked for providing
services to Indigenous Australians. State and territory governments will spend $384 million
on dental services for health care card holders and schoolchildren this financial year. Labor’s
plan for Australian dental care means the Commonwealth will also meet its responsibility.
This is one of the basic services of a civilised society. We need to dramatically reduce these
outrageous waiting times, and only Labor will provide the policies to do it.

Medicare: Reform

Ms GAMBARO (Petrie) (12.35 p.m.)—I would like to congratulate the Minister for
Health and Ageing on his historic reforms announced yesterday, including the additional
money that is being spent on the MedicarePlus program, taking it from $2.4 billion—the
original package—to $2.85 billion. I have to say, having listened to the member for Bendigo,
that a colleague from my side said, ‘We are in Utopia!’ We would love as a government to
give money to every single health aspect of the portfolio, but there just is not the money to do
that. When you consider that Medicare pays out $8.1 billion a year, how is that to be done?
That is $8.1 billion. I would like the opposition to tell us where they are going to find the
money to provide all of the dental care in the world to everyone who requires it. But we are
providing a much-needed service to 23,000 patients with chronic medical conditions, and it is important to highlight that.

Thanks to the assistance and support of the Independents, who were able to look at this very objectively, this package will pass. Congratulations to Meg Lees, Brian Harradine, Shayne Murphy and Len Harris. They were able to look at this as a total package and say to themselves that all of Australia, not just one particular aspect of it, would benefit from this. With a limited health budget, you have to ensure that it is provided to those people who need it the most. I would like to say that, in all of this debate, the only thing that the opposition health spokeswoman, Julia Gillard, could say was that we are eroding Medicare as a universal health system. I would like to say to the opposition health spokeswoman that Medicare is universal. Anyone at any time in Australia can go to any doctor and get the same rebate. It does not matter whether it is me or Kerry Packer, we can all go to a doctor who will see us, and we will get the same rebate. I do not know where she gets this non-universality aspect from.

One of the most important things that has occurred with the package is that the payments to doctors have been increased, so it will now be $7.50 for cardholders and children in regional areas. There have also been some top-up payments in areas such as South Australia and Tasmania. Those areas traditionally have had very low bulk-billing rates. The government has also lowered the out-of-pocket expenses threshold, which is now $300 for cardholders and $700 for other families. Let us not underestimate the importance of that measure. If a woman, for example, has breast cancer and needs to have treatment—and there are many; this is a disease that affects about one in 15 women—they have to have 20 or 30 treatments, and they will be out of pocket many thousands of dollars. This measure will ensure that women in that category will be able to apply those out of pocket expenses to this, so they will not be out-of-pocket thousands of dollars as they have been before. Also, it goes to things like ultrasounds. A visit to get an ultrasound, for example, can be a very costly experience, and people can be out of pocket for a considerable amount. So these are very good measures.

The measures address a number of other areas. They address a number of things that we as a government have looked at. One of the things that we are trying to do is make sure that people have access, particularly in regional, outer metropolitan and rural areas. By providing more incentives and benefits, those people will be able to go to a doctor who will be able to receive additional benefits. Nobody can tell doctors whom to bulk-bill and whom not to bulk-bill. The Labor Party cannot do it, and we cannot do it. As much as the Labor Party kid themselves, doctors are able to opt in and out and to decide whether they wish to bulk-bill. But 12 million families will be covered by this measure and by the $300 safety net measure. They will be covered with the 80 per cent out-of-pocket expenses, and it is important to highlight that.

As I mentioned earlier, bulk-billing incentives will increase by 50 per cent for the rural, regional and remote areas of Australia, and in Tasmania doctors who bulk-bill concession card holders and children under 16 will benefit from a 50 per cent increase in the bulk-billing rate, from $5 to $7.50. We are about ensuring that all Australians have better health outcomes in all areas, not just in one narrow focused area. I would like to say that the access to allied health services, such as psychologists, as part of an enhanced care program is a very welcome part of this package. I know that many of my constituents in Petrie who have been unable to access
those services will be very pleased to be able to access them as part of an enhanced service program. I want to say how terrific the package is. (Time expired)

**Social Welfare: Poverty**

Ms VAMVAKINOU (Calwell) (12.40 p.m.)—This week is an important one for those of us concerned about the rising level of poverty in this country. I want to refer here to the release this week of the report by the Jesuit Social Services, called *Community adversity and resilience: the distribution of social disadvantage in Victoria and New South Wales and the mediating role of social cohesion*, which is a report which tracks areas of systemic, entrenched and intergenerational poverty. The findings of this report are alarming, firstly, because in the political battle for the middle ground efforts are made to win over the aspirational classes often at the expense of the poor; and, secondly, because Broadmeadows in my electorate of Calwell emerges yet again as a place that has not shared in our nation’s sustained economic growth.

Broadmeadows is a suburb which historically carries social stigma and a reputation of hardship. The 11,800 residents of Broadmeadows endure, according to the 2001 ABS statistics, double digit unemployment rates of 18.7 per cent, compared to 6.6 per cent for the Melbourne statistical district. More recent unemployment figures show marginal improvements, but there are sustained high levels of long-term unemployment. At the last census, the average weekly household income was only $536, compared to $888 for the Melbourne district, and over 1,400 Broadmeadows residents—or more than one in 10—are dependent on a disability pension. The highest level of education achieved, to the level of year 12 or equivalent, is 23.7 per cent of its population, compared to 43.2 per cent for Melbourne as a whole. A 2003 report called *Undemocratic schooling* found that half of the teenage boys in Melbourne’s north-west suburbs did not complete year 12. Overall, Victoria’s retention rate is 82.9 per cent.

In many ways this report by the Jesuit Social Services is a report card on how successful we have been in dealing with disadvantaged communities, and if we measure our civil society on the way we treat our most disadvantaged then it is fair to say we have failed the people of Broadmeadows. In two successive reports over four years, Broadmeadows has remained one of the nation’s most disadvantaged postcodes. Factors identified in the report as contributing to social disadvantage include, as I mentioned earlier: unemployment, long-term unemployment, low income, noncompletion of year 12, a low-skilled work force and a high dependency on disability and sickness allowances. The report is important because it seeks to identify practical ways of responding to and tackling entrenched and generational disadvantage. It calls for collective efforts to combat socioeconomic deprivation and for increased social cohesion and points towards successes in what it terms ‘collective efficacy’ in reducing crime and other social problems.

Similarly, a report to be released next Monday of an inquiry into poverty in the city of Hume in my electorate of Calwell called ‘Tackling poverty together’ attempts to give a human face to the struggle of financial hardship and barriers to opportunity. This inquiry into poverty, commissioned by the City of Hume as part of the implementation of its social justice charter, sought new insights into the nature and causes of poverty. It covered a wide range of communities and experiences and confirmed that a critical factor in tackling poverty is to empower communities by their inclusion in the decision-making processes that affect them. I am pleased to say that it was adopted by council at its meeting on Tuesday night, and its findings
will be a source of guidance to council, community leaders, local members of parliament and the Broadmeadows community in general as to what steps can be taken to address poverty and disadvantage.

Today has also seen the launch of the report of the Senate inquiry into poverty and financial hardship, which I understand has also yielded similar results to the two previous reports I have made mention of. Governments have a lot to learn from these reports. If we truly feel a sense of responsibility as policy and decision makers, we will take note of their recommendations and action plans. We should not just confine ourselves to attending launches, briefly talking about the issues and then filing them away somewhere. This government is always keen to talk up its economic successes, but it shies away from talking about the rising level of poverty and the widening gap between the haves and the have-nots. Labor understands that we can no longer ignore poverty. I would like to draw the House’s attention to the address to the National Press Club yesterday by Labor’s opposition spokesperson on family affairs, who acknowledges the need for a whole-of-government approach to the needs of the 2.4 million families surviving on incomes less than half of the average wage. We really need to thank the people and the organisations that have a deep commitment to identifying causes of poverty and identifying solutions for the eradication of this poverty. Their work is valuable. I commend these reports to the House. (Time expired)

Canning Electorate: Graffiti Task Force

Mr RANDALL (Canning) (12.45 p.m.)—I would like to use the opportunity this morning to speak up for my local government authorities in the electorate of Canning. The local government authorities have been abandoned by the state government in relation to the graffiti clean-up issues in the electorate. By way of background, in 1996 the previous government set up a graffiti task force to address the rising incidence of graffiti in Western Australia in general. However, on its election, the Gallop Labor government disbanded this graffiti task force and has thrown the responsibility back on the local government authorities. The local government authorities are being required by the Gallop Labor government to become more and more servile and compliant. This can be seen in the fact that such things as the collection of the FESA fees are now required to be done by local government authorities for and on behalf of the Gallop Labor government.

In relation to the graffiti task force, graffiti is not just an issue of ugliness; it contributes to a perception of lawlessness and other crime in the area. In fact, it is a symptom of social decay. If you go through some of the countries of the world, whether they be dots in the Pacific like Kiribati or European countries of low socioeconomic standing, you notice that the greater incidence of graffiti is endemic. It says something about the way the society feels about itself; the fact that it allows it to go unchecked says something about the way the community addresses this sort of lawlessness.

For the Gallop Labor government to withdraw the graffiti task force and put the responsibility back on the local government authorities is just appalling. The real cost to the task force over that period of time on an annual basis was something like $400,000—a drop in the bucket. We know that young taggers—kids that have a spray can in their hand—love to see their tags up on walls, whether it be someone’s front fence, the factory wall, the bus shelter or in some cases, as has happened in Western Australia, all over the local transport authority buses. The best thing you can do to stop this is to remove it straightaway. It is a well-known
fact that if you get out and remove those tags straightaway it actually reduces the inclination of those tagging to continue to do so. But for it to be left there for some time is the greatest indication that it is okay and a bit popular to do.

Putting the responsibility back on the local government authorities has led to a lack of co-ordination. There are now a number of bodies dealing with the issue and a number of people having to pay up for it, where previously the state government had a mobile clean-up team and local councils paid for some of the consumables. Clean-up areas were identified by a public hotline and daily inspections—this was the way it was dealt with. I urge the state Labor government to stop being so petty and stop putting all this responsibility back on the local government authorities. Some of the local government authorities in my area are not wealthy councils. To have this responsibility put back on them is patently unfair. There needs to be a coordinated approach.

Already the state opposition under Colin Barnett have set out that, if they win government at some time in the future, they will put a plan in to deal with the graffiti issue. The plan will include providing resources to the graffiti task force, providing staff to all councils wishing to join the graffiti removal partnership, expanding the network of local government partnerships through a campaign of promoting the task force to all municipalities as a coordinated approach towards graffiti clean-up, supporting local councils with education and planning information, and requiring the task force to work with Transperth—the transport authority—to ensure timely removal of graffiti from trains, buses, bus shelters and rail stations.

This is not just a light issue; this is an issue that appals so many people in the community when they see it as a growing issue. It has grown since the graffiti task force was abandoned by the Gallop Labor government. I urge the councils in the area to let their feelings be known and stop being used by the government of the day in Western Australia. I urge the government to re-fund the graffiti task force, because particularly in my area of Canning graffiti is something that all residents and community members wish to see reduced and done away with.

***Education: Fairvale High School***

**Mrs CROSIO (Prospect) (12.50 p.m.)—**I would like to remind the Main Committee that in question time last week my colleague the shadow minister for education, Jenny Macklin, accused the Howard government of releasing an inaccurate fact sheet which depicted Fairvale High School, which is in my electorate of Prospect, as being better off than King’s School at Parramatta in the government grants that it receives. By way of explanation, King’s School will receive $3.4 million in funding from the Howard government in 2004—an increase of over $2 million, or 195 per cent, since 2001. It also received a further $1 million from the state government and over $20.3 million in fees. This does not include other sources of income. Over the same period, the government increased funding to Fairvale High School by a miserable $200,000—an increase of 20 per cent. One does not need a computer to work it out: a 195 per cent increase in government funding compared with a 20 per cent increase in government funding is no reason to say that Fairvale is better off. I believe Fairvale was used as an example because it has a similar number of students to King’s School, but it is only fair that, when examples are shown, the figures are accurate and the information supplied is total information.

But for the moment I would like to leave aside the matter of funding. Let me tell you about the spirit that exists among the students and teachers of Fairvale High School. Bear in mind
that Fairvale High School is one of the government schools which our Prime Minister has described as ‘being too politically correct and too values-neutral’. Less than 24 hours after the question time I mentioned—on Wednesday, 3 March, to be exact—a school bus carrying 55 students and teachers from Fairvale was involved in a smash involving five cars and a truck carrying highly flammable acetone. Those 55 students and three teachers were returning to the school from an excursion when, for some reason which is still being investigated, the bus careened into five cars on the busy Cumberland Highway and then slammed into the back of the truck.

In what can be described only as a minor miracle, no-one was seriously hurt, although two teachers required surgery and 20 passengers—the students—were taken to various hospitals. Despite their injuries, the teachers on the bus—one with a broken wrist and the other with broken glass embedded in his leg—took charge of the scene and ensured the safety of the students until emergency crews arrived. As soon as the news reached the school, the relieving principal, Keith Ellis, dispatched other teachers to the scene of the accident and to the hospitals to reassure the students and their parents.

All of the shaken, but uninjured, students returned to the school—not home, as might be expected—because, in the words of Keith Ellis, ‘The school is their comfort zone; this is where they felt safe.’ Counsellors were provided by the education department and a special assembly was held that very afternoon. It was remarkable that, without exception, the student body showed genuine concern for their classmates—concern which continues to this day. And what of our Prime Minister’s ‘politically correct and value-neutral’ teachers who, despite their own injuries, ensured the wellbeing of their charges before worrying about their own conditions?

I cannot speak more highly of the staff and student morale at Fairvale High School. But it is only one of the 10 government high schools in my electorate, along with some 30 other government and denominational primary schools—I might add that I also have in excess of four Catholic high schools in my electorate—and I am inordinately proud of all of them. Perhaps King’s School does deserve more funding than Fairvale High School. Perhaps King’s School can provide better facilities and amenities for its students. But I doubt that its students could be any more loyal to their school or have better academic staff than those at Fairvale High School.

I was brought to order because I interjected, inviting the minister for education to come to Fairvale to meet the students and teachers. I might add that at this stage he still has not accepted that invitation, but I will extend it again quite publicly: come and see the students; come and understand what the schools are all about in electorates such as mine. Then truly you would understand why we on this side of the House are concerned when information that is being provided to help the government’s propaganda is not factual. That is what it needs to be and that is all we ask for.

I do not want apples to be compared with oranges or, in this case, private schools to be compared with our state schools. I just want facts so that parents and the public at large can understand what we are about when information as supplied by government is out there and is not accurate. Again, I praise the teachers and the school and I wish the students well. As for
the two teachers who are still having health checks, I wish them all the best. I commend that school as a prime example of public education in Australia. (Time expired)

Immigration: Border Protection

Mr HAASE (Kalgoorlie) (12.55 p.m.)—I rise today in this place to draw attention to the extreme contrast between the border protection policies of this government, led by the Hon. John Howard, and the supposedly effective border protection policy proposed by the Labor opposition. In particular, I note the comments in the Sydney Morning Herald in relation to the reworking of the ‘coast guide’ policy of the Labor Party. That is the proposition that, with the scrapping of the seabed radar system and the expenditure of some $612 million, the responsibility of the Royal Australian Navy to patrol our border oceans will be removed and replaced with a ‘coast guide’ system. That system will involve a number of what are referred to as water taxis by the Hon. Alexander Downer, our foreign minister, and a few helicopters. With the opposition’s soft policy on border protection, it would seem that we will see deployed in our north-west ocean area a process of finding and guiding illegal arrivals to our shore rather than keeping them out. We know quite well that the policy of the opposition Labor Party is to welcome all visitors to this country, regardless of their illegal status, and to process them onshore, getting them involved in that very long and very expensive process that will result in more and more people recognising that as an entree to this fine country—and they will be queuing to come here.

In creating an environment where people smugglers know that they and their cargoes are not welcome on our shores, the Howard government has managed to reduce the great flood of illegal arrivals to what of late has become a trickle. That situation has been created by giving this very stern and solid message: ‘If you come here illegally, you will not be made welcome. You will be processed until it can be established that you are a legitimate refugee, and then you will be given every protection under the treaty. But don’t come to these shores expecting to get a free passage in preference to jobs for Australians in Australia.’

The soft policy of the Labor Party is not one of just being more charitable or humanitarian; in reality, it exposes Australian agriculture to exotic diseases that we simply cannot tolerate in this country. We have thousands of kilometres of uninhabited shoreline. If we encourage people smugglers to engage in their horrendous trade of taking advantage of those less fortunate in the world and encouraging them to come to our shores, we have no guarantees whatsoever regarding the exotic diseases, plants and agricultural pests they will bring with them, and we have no way of knowing what illegal animals will arrive. Imagine rabid dogs coming ashore at our coastline and interacting with our own wild dogs. They would have a horrendous effect throughout our pastoral regions. The risks are too great to allow the soft border protection policy of the opposition Labor Party to prevail.

We face the risk of the very nature of what is unique and desirable in Australia as a destination being destroyed by those who would choose to come here because of it. With unfettered arrival there would be a great likelihood of disease being spread across the north-west coastline. My pastoralists will not stand for that, thank goodness; but many out there do not understand the risks to quarantine et cetera and they can be lulled into a false sense of security. I make this plea to people: wake up and realise that it is not just a case of being warm and fuzzy about border protection; there is a real risk to the agricultural industry of this country—and
that industry is so valuable in Australia and to so many Australians that it needs to be protected at all costs. *(Time expired)*

Question agreed to.

**Main Committee adjourned at 1.00 p.m.**
QUESTIONS ON NOTICE
The following answers to questions were circulated:

Environment: Renewable Energy
(Question No. 2022)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 16 June 2003:

(1) Has the Government been approached by Energy SA requesting an increase in the funding allocation for the Renewable Remote Power Generation Program in order to meet the growing demand from pastoralists who wish to install a photovoltaic energy system on their properties.

(2) Is he aware that Mr Andrew Pobke of Arcoona Station near Woomera has applied unsuccessfully four times for funding to promote renewable energy as reported in the Adelaide Advertiser on 4 June 2003.

(3) Is the Government taking any action to meet these requests.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) Energy SA has not approached the Government requesting an increase in the funding allocation for the Renewable Remote Power Generation Program (RRPGP) in SA. However, the South Australian Minister for Energy did write on 9 December 2002 seeking a greater portion of funds under the RRPGP. I responded to the Hon Patrick Conlon MP pointing out that any reallocation would require the agreement of the other States and the NT to forgo some of their own allocation. I also noted that SA had not spent all of the $7.6 million that had been approved for the RRPGP in SA and that other States supplement their RRPGP allocation with additional State funds.

(2) The RRPGP in SA is delivered through the SA Government by Energy SA. I am aware that there have been difficulties for some people in accessing rebates under the RRPGP in SA. This problem is due to demand for rebates outstripping the rate that Energy SA is prepared to release RRPGP funds.

(3) The Government has worked cooperatively with Energy SA to improve access to rebates under the RRPGP in SA. Energy SA wrote to the Australian Greenhouse Office on 24 January 2003 regarding the issue of high demand for rebates under the RRPGP in SA and proposed changes to the guidelines and the prioritisation process to improve access to rebates. On 27 March 2003, I agreed to the proposed changes in the interests of maximising the availability of renewable generation rebates for people in remote parts of SA.

Calperum Station
(Question No. 2023)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 16 June 2003:

(1) What are the current management arrangements for Calperum Station.

(2) Is it the case that the current contractual arrangements for the management of Calperum Station expired on 30 April 2003.

(3) What process has the Director of National Parks, as holder of the Deed of Assignment to the station, instituted to ensure ongoing felicitous, transparent, and accountable management of the station.

(4) Will community representation form a part of the ongoing management of the station.

Dr Kemp—The answer to the honourable member’s question is as follows:
(1) Calperum Station (together with the adjoining Taylorville Station) is managed by Austland Services Pty Ltd, a company established by the Australian Landscape Trust, under a contract with the Director of National Parks. An operational plan is developed annually by Austland Services, for approval by the Director, for the purposes of planning, costing and implementing the services provided under the contract. A management plan covering Calperum and Taylorville is currently being developed.

(2) The current contract runs from 1 May 2003 until 30 June 2008. The previous contract concluded on 30 April 2003.

(3) The Director’s staff administers the contract and monitors implementation of the annual operational plan to ensure that management services are delivered in a timely and effective manner. Regular site visits are undertaken by the Director’s staff.

(4) Community involvement is an important feature of the management of Calperum. The contract requires Austland Services to foster community participation and in 2002-03 some 250 volunteers donated over 8,000 hours of voluntary time to a variety of management activities.

Health: Magnetic Resonance Imaging Machines
(Question No. 2812)

Mr Murphy asked the Minister for Health and Ageing, upon notice, on 1 December 2003:

(1) Further to the answer to question No. 2456, is the Radiology Memorandum of Understanding (MoU) to which he refers titled “Radiology Quality and Outlays—Memorandum of Understanding between the Commonwealth of Australia and the Royal Australian and New Zealand College of Radiologists and the Australian Diagnostic Imaging Association—1 June 2003 to 30 June 2008”.

(2) Does the MoU state at (a) paragraph 9.23 that “Any final adjustments required to ensure projected expenditure meets the MoU’s final outlays, will be implemented by 1 November 2007”, and (b) paragraph 8.5 inter alia that “The modified MRI Monitoring and Evaluation Group (MEG) will not make decisions regarding the funding of MRI activity...” if so, who is responsible for making decisions regarding the funding of MRI activity, and if no one is responsible, why is no one responsible and who will be assigned this responsibility.

(3) Does paragraph 9.1 state that “The Radiology Management Committee will be responsible for the management of this MoU and making policy recommendations to the Minister in relation to Radiology services”; if so, (a) has the Radiology Management Committee made recommendations to the Minister in conformance with paragraph 9.1, (b) what deadline, if any, has been set by him requiring those recommendations to be submitted, and if no deadline has been set, why not, (c) is there a process of project management to ensure the timely completion of the procedure seeking recommendations and action flowing from those recommendations as prescribed in paragraph 9.1; if no project plan and project schedule is in place, will a project plan and project schedule with discrete completion date for submission of those recommendations be made and if no project plan and project schedule is required, why not.

(4) For the purposes of MoU subparagraph 5.8(a), will he remove the provision that funding be negotiated based on the Consumer Price Index in favour of the Average Weekly Earnings index; if not, why not.

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

(1) Yes

(2) (a) Yes

(b) Yes. The Monitoring and Evaluation Group (MEG) has operated as an advisory committee and does not make “decisions”; rather it makes recommendations and provides advice (inter alia)

QUESTIONS ON NOTICE
on priority sites for new Magnetic Resonance Imaging (MRI) units. It is envisaged that a modified MEG would operate in this manner also.

Decisions regarding the funding of MRI activity are a matter for Government. Expert advice from the Radiology Management Committee will be taken into consideration in making any such decisions.

(3) Yes, paragraph 9.1 states that “The Radiology Management Committee (RMC) will be responsible for the management of this MoU and making policy recommendations to the Minister”.

(a) Following the 12 August 2003 meeting of the RMC, three recommendations were made to me in regard to the overall management of radiology, for inclusion in the 1 November 2003 reprint of the Medicare Benefits Schedule:

- The removal of the term ‘thermography’ from mammography items 59300 and 59303;
- The correction of the reference in item 59318 from 30361 to 31536; and
- The addition of items 63003, 63103 and 63273 to items that Oral and Maxillofacial Surgeons may request.

Further information about these changes is attached and can also be found under ‘What’s New’ at www.diagnosticimaging.health.gov.au.

(b) The RMC has not made recommendations in respect to MRI funding. I have had discussions and sought advice from peak radiology groups on the issue of expanding Medicare access to MRI. A record of these discussions is attached and is also available on my website.

(c) A project plan is currently being finalised by the RMC. This plan sets out key objectives and tasks for completion and includes indicative timeframes. It covers the full range of issues (including MRI) that are encompassed by the MoU.

(4) To clarify, paragraph 5.8 of the MoU actually allows funding to be renegotiated if either, or both, the Consumer Price Index or the Average Weekly Earnings varies by more than 1.5%. I am not aware of any parties to the MoU seeking to remove or modify this clause.

Changes to the Diagnostic Imaging Services Table of the Medicare Benefits Schedule (MBS) Effective 1 November 2003

Background
The Diagnostic Imaging Services Table (the Table) and diagnostic imaging services notes in the MBS are based on legislation specified in the Health Insurance Act 1973, Health Insurance Regulations 1975 and in the Health Insurance (Diagnostic Imaging Services Table) Regulations (the Regulations).

The Regulations are remade each year with effect from 1 November and supplementary amendments to the Regulations are usually made with effect from 1 May. Amendments to the Regulations are advised (where relevant) in the 1 November MBS book and in the 1 May MBS supplement.

The Radiology, Cardiac Imaging, Obstetrics and Gynaecological Ultrasound and Nuclear Medicine Management Committees are responsible for reviewing their part of the Regulations and recommending to the Minister for Health and Ageing amendments to the Regulations where required. These committees were established as part of the “2003-2008 Quality and Outlays Memoranda of Understanding” signed between the Commonwealth (as represented by the Department of Health and Ageing) and the relevant professional representative groups.

Changes to the MBS, with effect from 1 November 2003, for diagnostic imaging services include:
- the description for items 59300 and 59303 in the Diagnostic Imaging Services Table has been amended to delete the words “(with or without thermography)”. This decision was made based on several studies undertaken which note that there is no scientific evidence to support the use of thermography in the early detection of breast cancer and in the reduction of mortality; and
Oral and Maxillofacial Surgeons (OMSs) can now request under Section 10 (1)(a) of the Health Insurance Regulations 1975, three additional Magnetic Resonance Imaging (MRI) items 63003, 63103, 63273.

The descriptor for item 59318 has been amended to delete the reference to item “30361” and insert item “31536”. Item “30361” was deleted from the General Medical Services Table in November 2002 and replaced with item “31536”.

Record of meeting held from 4.30pm to 5.00pm on 2 December, 2003 between the Minister for Health and Ageing and the peak bodies representing radiologists, RANZCR and ADIA.

Present:

The Hon. Tony Abbott, MHR, Minister for Health and Ageing
Dr Lawrence Lau—Incoming President, Royal Australian and New Zealand College of Radiologists (RANZCR)
Dr Ron Mickle—President, Australian Diagnostic Imaging Association (ADIA)
Dr Jeremy Druce, RANZCR
Ms Sandra Keogh—Acting CEO, RANZCR
Dr David Brand—ADIA
Mr Allan Roche, Ministerial Adviser
Mr Chris Sheedy, Department of Health and Ageing

Representatives from the RANZCR and ADIA made a presentation on the management of the previous Agreement and the benefits of the new Radiology Memorandum of Understanding (MoU). The key topic of discussion then focussed on Magnetic Resonance Imaging (MRI) and how to expand access to this technology to more Australians.

While Mr Abbott is determined to address MRI access issues in Australia, he noted that radiology is subject to a funding agreement with the profession and that the Government is not disposed to offer more funding than is already provided under that agreement.

The profession has agreed that funding for Medicare eligibility for four new MRI units can be managed within the agreed funding level.

Mr Abbott indicated that he would therefore act on the advice of an expert committee that had reported to Senator Patterson in 2002, and move to tender for new providers of MRI services in four regional locations which will be announced shortly.

However, he advised the representatives of his concern that this will not respond sufficiently to the significant need for MRI services in other areas, including in metropolitan areas and in public and private hospitals.

Mr Abbott also advised the profession of his view that MRI scans can be provided at a price considerably less than the current Medicare rebate—evidenced by the fact that many MRI units without Medicare eligibility charge patients less than $300. This compares to the Medicare rebate of $416, on top of which patients are often charged over $100.

The ADIA and RANZCR representatives challenged the viability of units charging such a low fee, indicating their view that for units that do not attract Medicare rebates any fee was better than no fee.

Mr Abbott believes that benefits from a lower real cost of provision should accrue to patients needing MRI scans and that the benefits of government funding should be more widely available. For this reason, he proposed to RANZCR and to ADIA that they should consider a significant reduction in the Medicare rebate for MRI scans, which would allow (within the total agreed funding levels for radiology) a significant increase (perhaps 20 in total) in the number of Medicare-eligible MRI units.
He also indicated that he would ask his officials, in consultation with an expert committee, to provide advice on priority sites for new MRI units, and to seek market information from potential providers on the price at which they would be willing to provide services.

RANZCR and ADIA representatives stated their position that:

• an expansion by four units (a 5.5% increase in the number of Medicare-eligible units) was sufficient to respond to current needs and that they did not believe there was a crisis in availability of MRI services;

• a longer term process to match supply and demand should be developed, with a focus on clinical criteria rather than geographic access and cautioned about moving too quickly to expand MRI;

• tendering, with a focus on price, had too great a potential to favour the public sector over the private sector in any future allocation of MRI. This would lead to obsolescence in the private sector;

• profitability in the industry was falling and depended on current levels of cross subsidy from MRI;

• cost shifting from the States, and current funding arrangements for public hospital MRI machines, mean that funding which should be available to the private sector is inappropriately accessed by the public sector; and that the profession has already agreed to fee cuts and made efficiency gains over the last five years to fund the expansion of MRI. There is limited capacity to achieve further efficiencies to fund additional MRI within the funding available.

Mr Abbott noted the position put by the profession and, in particular, undertook to ensure that tendering processes allow for a level playing field for all potential providers. However, he asked the representatives to consider carefully the proposal that he had outlined to them, to discuss exact figures and processes further with Departmental officials, and to advise him of how they wished to proceed by 9 December 2003.

He also reinforced to the representatives that decisions on sites and providers for any new MRI units need to be made in way that ensures that all potential providers of MRI have equal access to information. For this reason he advised that he would post this record of discussion on his website.

4 December, 2003

Yarra Valley Golf Pty Ltd
(Question No. 2890)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) In respect of his recent decision to approve the construction of the Henley Golf Course within the Yarra River floodplain at Kangaroo Crossing, did he grant this application to Yarra Valley Golf Pty Ltd before requesting baseline studies be carried out on existing sediment and pesticide levels in the Yarra River; if so, why.

(2) Could the failure to establish this preliminary baseline information and undertake continual monitoring during construction render any future audit useless due to the fact that no reference to the river’s pre-existing condition can be made.

(3) Can he explain the potential impact of sediment deposition in the Yarra River on the availability of appropriate spawning sites for species such as the Macquarie Perch, the Australian Greyling and the Murray Cod, particularly in the event of a flood event occurring during the construction of the golf course.

(4) What action will the Government take to ensure the ongoing viability of these species.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) Yarra Valley Golf Pty Ltd is required to undertake studies on surface water, groundwater, soil and sediment data on the Henley Golf Course and its discharge points to the Yarra River. These studies will complement the on-going fish surveys being undertaken in the Yarra River.
Thursday, 11 March 2004

(2) No.

(3) The approval conditions placed on the proponent are designed to minimise any potential impacts of sedimentation deposition in the Yarra River and the listed species.

(4) The Government is continuing to monitor Yarra Valley Golf Pty Ltd’s compliance with the Commonwealth’s approval conditions.

Environment: Great Barrier Reef

(Question No. 2900)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2003:

(1) In respect of the article in the Courier Mail on 6 December 2003 which reported that the Government was planning to “pour $300 million over the next four years into cleaning up rivers which drain into Reef waters”, is the priority for this expenditure to improve water quality in the Reef.

(2) For each of the financial years covered by the announcement, can he provide a breakdown of the proposed expenditure indicating (a) the relevant Reef Water Quality Protection Plan (RWQPP) strategy and actions, and (b) whether the Natural Heritage Trust (NHT) Board has approved the forward expenditure and showing the amounts under the (c) National Action Plan (NAP) including (i) priority projects, (ii) NRM Plan implementation (iii) foundation funding, (iv) state level investments, (v) national level investments, (vi) other (provide details), (d) NHT including (i) Envirofund, (ii) regional delivery, (iii) priority projects, (iv) Natural Resource Management (NRM) Plan implementation, (v) foundation funding, (vi) state level investments, (vii) regional competitive component, (viii) other (provide detail) and (e) non-NAP/non NHT including (i) Great Barrier Reef Coastal Wetlands and (ii) other (provide details).

(3) What is the balance of Commonwealth investments available through the NAP, the NHT extension and Non-NAP/Non-NHT ‘over the next four years’ to address all non-Reef water quality issues such as native vegetation clearance, protection of Queensland’s World Heritage Areas, Ramsar wetlands and the Murray-Darling basin catchment initiatives.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) I did not provide any figure, or announce any offer, to the Courier Mail journalist.

(2) Not applicable.

(3) Not applicable.

Environment Protection and Biodiversity Conservation Act

(Question No. 2903)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) What is the scale of fees under the Environmental Protection and Biodiversity Conservation Regulations for photographers taking photographs and video footage of National Parks and reserves.

(2) What is the sum of money raised by these charges annually and what is it used for.

(3) Has he considered the United States National Parks Service system under which photographers may freely market images from anywhere that is accessible to the general public; if so, is there any reason why this system should not be used in Australia.

Dr Kemp—The answer to the honourable member’s question is as follows:

QUESTIONS ON NOTICE
(1) The scale of fees under Schedule 11 to the Environment Protection and Biodiversity (EPBC) Regulations 2000 is:

**Commercial Photography**
- Kakadu National Park—$30 per permit (no time limit)
- Pulu Keeling National Park—$30 per permit (no time limit)
- Uluru-Kata Tjuta National Park—$20 per day

**Commercial Filming**
- Kakadu National Park—$250 per day
- Pulu Keeling National Park—$250 per day
- Uluru-Kata Tjuta National Park—$250 per day

(2) The sum of money raised by these charges in 2002-03 was $20792.68. This was paid into the Australian National Parks Fund, as per s514S(c) of the EPBC Act and contributed to the management of Commonwealth national parks.

(3) No. However, the US National Park Service system is not without limitations. Photographers of US National Parks may freely market images from anywhere that is accessible to the public only if:
- there is no product or service advertisement involved;
- there are no talent/models, props, crews or sets involved;
- the project does not have the potential to disrupt other park activities or visitors;
- nothing more than just hand carried equipment is utilized;
- access into an area outside of normal public use hours is not required;
- the project does not carry a potential risk to park resources; and
- the activity does not raise safety concerns.

The most basic permit fee for such an activity is US$150.

Personnel services such as monitoring, scouting, conferencing for filming activities cost much more:
- Hourly rate = $50/hour for 2 hour minimum
- 4 hours - 11 hours = $500/day (flat rate)
- 11 hours + = $500/day (flat rate) in addition to $50/hour for each hour exceeding first 11 hours
- Cancellation = $100 minimum

In Australia, Uluru-Kata Tjuta National and Kakadu National Park have unique cultural heritage. The US model would not necessarily fit these parks. Current arrangements reflect the fact that traditional Aboriginal owners of Uluru-Kata Tjuta and Kakadu sought, via regulation, provision for the Director of National Parks to place prohibitions or restrictions on image and sound capture, for cultural protection purposes. Traditional owners have expressed concern that images of their country have been used in ways that are culturally insensitive—such as promoting products and services that have nothing to do with their country, or detract from its presentation and cultural values.

**Justice and Customs: Conclusive Certificates**  
(Question No. 2919 and 2929)

Mr Danby asked the Attorney-General and the Minister representing the Minister for Justice and Customs, upon notice, on 10 February 2004:
(1) How many conclusive certificates has the Minister issued under each of sections 33, 33A, and 36 of the Freedom of Information Act 1982 in each of the last six financial years.

(2) In each of the last six financial years, how many appeals against those certificates were (a) lodged with the AAT, (b) successful, and (c) unsuccessful.

(3) What are the case names of all the appeals lodged with the AAT in each of the last six financial years.

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

(1) None.

(2) Not applicable

(3) Not applicable.

Agriculture, Fisheries and Forestry: Conclusive Certificates
(Question No. 2923)

Mr Danby asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 10 February 2004:

(1) How many conclusive certificates has the Minister issued under each of sections 33, 33A and 36 of the Freedom of Information Act 1982 in each of the last six financial years.

(2) In each of the last six financial years, how many appeals against those certificates were: (a) lodged with the AAT, (b) successful, and (c) unsuccessful.

(3) What are the case names of all the appeals lodged with the AAT in each of the last six financial years.

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

(1) Following investigation of departmental records, I wish to advise that to the best of my knowledge no conclusive certificates have been issued by either myself, or my predecessors, during the preceding six financial years.

(2) Not applicable.

(3) Not applicable.

Education, Science and Training: Conclusive Certificates
(Question No. 2925)

Mr Danby asked the Minister for Education, Science and Training, upon notice, on 10 February 2004:

(1) How many conclusive certificates has the Minister issued under each of sections 33, 33A and 36 of the Freedom of Information Act 1982 in each of the last six financial years.

(2) In each of the last six financial years, how many appeals against those certificates were (a) lodged with the AAT, (b) successful, and (c) unsuccessful?

(3) What are the case names of all the appeals lodged with the AAT in each of the last six financial years.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) None.

(2) Not applicable.

(3) Not applicable.

Foreign Affairs: Malaysia
(Question No. 2959)

Mr Price asked the Minister for Foreign Affairs, upon notice, on 10 February 2004:
(1) Is he able to confirm reports that the medical condition of Anwar Ibrahim, the former Deputy Prime Minister and Finance Minister of Malaysia, has deteriorated.

(2) Can he say what medical treatment if any has been afforded Anwar Ibrahim.

(3) Can he confirm that treatment has been proposed in Germany, if so, can he advise whether or not the Government of Malaysia has agreed.

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

(1) I am aware of reports that Mr Anwar suffered a slipped disc several years ago and that he has claimed that his condition worsened after assault in custody by the then Inspector-General of Police. I also understand that he has suffered renewed severe back pain since August 2003.

(2) I understand that Magnetic Resonance Imaging (MRI) and Computer Tomography (CT) scans had been carried out on Mr Anwar at a Kuala Lumpur hospital. He is apparently receiving regular physiotherapy at the Kuala Lumpur Hospital for his condition.

(3) I am aware that Mr Anwar’s supporters have argued that optimum treatment for his condition is available only in Germany. I understand the Malaysian Government has said that Mr Anwar is receiving appropriate treatment in Kuala Lumpur.

Department of Foreign Affairs and Trade: Australian National Audit Office

(1) In respect of his Department’s undertaking to the Australian National Audit Office (ANAO), has the Department completed the review of its accounting framework for all administered items, including special accounts; if so, have any changes to the way the Department manages Special Accounts been recommended; if not, when does the Department expect to complete it.

(2) Was the review expanded to incorporate the recommendations of the ANAO Performance Audit Report No.24 of 2003-2004 on Agency Management of Special Accounts.

(3) What are details of the three special accounts which his Department asked the Department of Finance and Administration to close in April 2003 and which were still open on 18 December 2003, and has any progress been made on their closure.

(4) Has his Department completed the review of all of its Special Accounts Determinations to ensure that they specify the types of receipts which can be credited to the accounts; if so, did the review confirm that all credits to the accounts were appropriate.

(5) Has his Department completed the review of all of its Special Accounts Determinations to ensure that they specify the types of expenditure which can be debited from the accounts; if so, did the review confirm that all expenditure from the accounts was appropriate.

(6) Has his Department undertaken a review to determine whether all special accounts have valid drawing rights; if so, were any accounts found which did not have valid drawing rights.

(7) In respect of the accounts managed by his Department for the Australia Abroad Council, the Australia-New Zealand Council and the Gravemeyer Award which, according to Appendix 1, Figure A1 of the ANAO’s Performance Audit Report No.24 of 2003-2004, have ‘Nil’ balances, (a) is his Department taking steps to close these accounts, and (b) were they the accounts that his Department asked the Department of Finance and Administration to close in April 2003 and which were still open on 18 December 2003.

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

(1) No. 30 June 2004.

(2) Yes.
(3) Closure requested in April 2003:
   (1) National Trade and Investment Outlook Conference Special Account;
   (2) Australia New Zealand Foundation Account; and
   (3) Grawemeyer Award Account.
Finance advised (1) was already closed. (2) and (3) still open 18 December 2003. Closure was advised by Finance on 23 December 2003:
(4) No.
(5) No.
(6) Review currently being undertaken.
(7) (a) Now closed. (b) Yes for 3 (2) and 3 (3) above.

Department of Foreign Affairs and Trade: Official Administered Payments
(Question No. 3047)
Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 18 February 2004:
(1) In respect of the balance of $5 million shown in his Department’s 2002-2003 Financial Statements for the ‘Official Administered Payments Account for Other Agencies’, can he explain the intended purpose of these funds.
(2) Can he confirm that there have been no transactions on this account in the financial years 1997-1998 to 2002-2003; if so, is there any reason why the account should not be closed and the balance returned to the Consolidated Revenue Fund.
(3) Does his Department intend to ask the Department of Finance and Administration to close AusAID’s Other Trust Moneys account as the account had a ‘Nil’ balance at 30 June 2003 and no amounts have been credited to the account in the financial years 1997-1998 to 2002-2003.
Mr Downer—The answer to the honourable member’s question is as follows:
(1) The balance of $5 million is working capital that ensures the special account is not overdrawn due to the timing lag between a payment being made by an overseas mission on behalf of another agency and the reimbursement from that agency.
(2) The special account commenced operation on 1 July 1999. The Department is reimbursed the cost of payments made on behalf of other agencies, therefore the net value of transactions on the account should be zero.
(3) No.

Department of Foreign Affairs and Trade: Australian National Audit Office
(Question No. 3048)
Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 18 February 2004:
(1) Is it the case that Appendix 1, Figure A1 of the Australian National Audit Office’s Performance Audit Report No. 24 of 2003-2004 on Agency Management of Special Accounts shows that his Department failed to report on the Australia-Japan Foundation account in its 2002-2003 Financial Statements although the Consolidated Financial Statements included balances and transactions for the account; if so, why.
(2) In respect of the Australia-Japan Foundation Account, (a) when was it opened, (b) what is its purpose, (c) what are the particular reporting requirements pertaining to it under the Australia-Japan Foundation Act 1976, and (d) has his Department complied with the requirements of the Australia-Japan Foundation Act.
Mr Downer—The answer to the honourable member’s question is as follows:

(1) No. The Department is not required to report on the Australia-Japan Foundation account in its Financial Statements. The Australia-Japan Foundation is a separate Statutory Authority which reports in its own right.

(2) (a) 10 May 1976

(b) The Act specifies that the moneys standing to the credit of the Special Account shall be applied in payment of amounts properly payable by the AJF in the performance of its functions, otherwise than in respect of general administrative expenses.

(c) Nil.

(d) The Department is not required to meet any of the requirements of the Australia-Japan Foundation Act 1976.

Aviation: Sydney (Kingsford Smith) Airport

(Question No. 3059)

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 19 February 2004:

(1) Did he describe the Wilton site as a distant site in his Media Release A2/2004 dated 13 January 2004 concerning a second Sydney airport.

(2) Does the 1985 Department of Aviation Second Sydney Airport Site Selection Programme define Darkes Forest, Somersby, Warnervale and Wilton all as mid-distance sites.

(3) Does that report describe Goulburn as the only outlying site in the 10 site-selection process.

(4) For the purposes of a potential site for a second Sydney airport, (a) what is the definition of the term ‘outlying site’, and (b) why has he classified Wilton as an outlying site and not a mid-distance site in his Media Release of 13 January 2004.

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

(1) Yes.

(2) The 1985 Department of Aviation Second Sydney Airport Site Selection Programme grouped ten potential airport sites according to their geographical location in relation to Sydney.

Closer sites: Badgerys Creek, Bringelly, Holsworthy, Scheyville and Londonderry.

Mid-distance sites: Darkes Forest, Somersby, Warnervale and Wilton.

Outlying site: Goulburn.

(3) See answer (2) above.

(4) (a) As per answer (2) above, the term “outlying site” is a relative descriptor and has no standard definition. (b) The media release of 13 January 2004 did not describe Wilton as an “outlying site” but referred to it as “distant”, which is not inconsistent with the terminology in answer (2) above.