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Thursday, 27 May 2004

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

PERSONAL EXPLANATIONS

Dr EMERSON (Rankin) (9.01 a.m.)—Mr Speaker, I wish to make a personal explana-

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

Dr EMERSON—I do.

The SPEAKER—Please proceed.

Dr EMERSON—A story in the Australian today reports claims that I told a small business meeting that I had not employed extra staff for the small business I ran before entering parliament because of fears about the unfair dismissal laws. Having been told last night by a representative of COSBOA that I made no such statement at the meeting, the journalist persisted with the story. The truth is that our small business did employ an extra staff member and had no difficulty terminating the employment. This fact, reported in the same story, completely refutes the claim.

NATIONAL SECURITY INFORMATION (CRIMINAL PROCEEDINGS) BILL 2004

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.02 a.m.)—I move:

That this bill be now read a second time.

The government has an obligation to protect Australia’s national security and the information that may damage that security.

At the same time, the government has an equally important obligation to enforce Aus-

tralia’s criminal laws, including the laws that protect our security.

We must ensure that those who break the law do not escape punishment.

A recent criminal trial demonstrated that a conflict between these obligations may arise during prosecutions in relation to Commonwealth security offences, such as terrorism and espionage.

In these cases, the Commonwealth may face the unpalatable decision of whether to risk disclosing sensitive information relating to national security or to protect this information by abandoning a prosecution, even where the alleged crimes could themselves have grave consequences for our national security.

The case of Lappas in 2001, which involved espionage charges, highlighted the inadequacy of the present arrangements.

During that case, the presiding judge stated that certain prosecution documents should be granted protection from disclosure under public interest immunity.

Having made this ruling, His Honour had no option but to stay the charge relating to the unlawful disclosure of those documents, given that he also found that the fair trial of the accused depended on their disclosure.

In that same case, defence counsel’s refusal to undergo a security clearance posed a further problem for the protection of the documents.

Following the Lappas case, the government took immediate administrative action to protect national security information.

We amended the legal aid guidelines to require legal representatives in legal aid funded cases to obtain security clearances.

However, this only addresses a small part of the difficulty highlighted in the Lappas case.

CHAMBER
This bill will alleviate the dilemmas that could arise in future prosecutions for Commonwealth security offences.

The legislation will strengthen the procedures for protecting national security information.

It will also protect an individual’s right to a fair trial.

Most importantly, it will provide a court which has found that sensitive security related information should not be disclosed with an alternative to simply dismissing the charge.

It will enable a court to admit documents and information in a redacted form which protects national security but preserves the essence of the information.

This bill protects information which, if disclosed, may compromise Australia’s national security.

This is information that relates to Australia’s defence, security, international relations, law enforcement interests or national interests.

In developing this bill, we considered existing legislation in the United States, the United Kingdom and Canada.

Whilst these schemes go some way towards protecting information that may affect national security, none of them alone would provide sufficient protection in the Australian legal environment.

Consequently, we have adopted elements of each scheme to develop a regime that is suitable for us here in Australia.

The scheme applies to all stages of criminal proceedings and to all courts exercising federal jurisdiction for Commonwealth offences.

Under this bill, both the prosecution and defence have a duty to notify the Attorney-General and the court if they know or believe that they, or one of the witnesses they intend to call, will disclose during the proceeding information that may affect our national security.

The Attorney-General must review the relevant information to decide whether it may be fully disclosed, disclosed in a limited form that does not prejudice Australia’s national security or not disclosed at all.

If the information cannot be disclosed or can only be disclosed in a redacted or summarised form, the Attorney-General must issue a certificate to that effect.

The certificate is conclusive of the facts contained in it in all pre-trial proceedings.

Once the trial begins or where a certificate is issued during a trial, the court must first rule on the admissibility of the information that is the subject of the certificate.

The court must then rule on whether the information would prejudice national security.

If the court rules the information both admissible and prejudicial, the court can rule that it only be disclosed in the form authorised in the certificate or in some other modified form.

The court must then determine whether such a ruling would have a substantial adverse effect on the defendant's right to receive a fair hearing.

Both the prosecution and defence can appeal the court’s decision relating to disclosure.

If a proceeding involves information that is likely to prejudice our national security, the legal representatives must obtain a security clearance at an appropriate level before receiving national security information.

The bill also requires all persons to obey any court order or direction relating to the custody, handling and disclosure of information that may affect our national security.
This bill will significantly change the way in which information which may affect our national security is handled in federal criminal proceedings.

However, it will not jeopardise the very principles on which our legal system is based.

The government recognises the importance of maintaining an independent judiciary and an accused person’s right to a fair trial.

This bill strikes a balance between these fundamental principles and the Commonwealth’s duty to protect information that may affect our national security. For this reason, I commend this bill to the House and table the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.

NATIONAL SECURITY INFORMATION (CRIMINAL PROCEEDINGS)(CONSEQUENTIAL AMENDMENTS) BILL 2004

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.08 a.m.)—I move:

That this bill be now read a second time.

This bill amends the Administrative Decisions (Judicial Review) Act 1977 and the Judiciary Act 1903 to give effect to the National Security Information (Criminal Proceedings) Bill 2004, which I have just introduced.

The first amendment to the Administrative Decisions (Judicial Review) Act 1977 will exclude the certificate decisions of the Attorney-General from section 13 of that act.

This means that it is not possible to apply to the Attorney-General to request him or her to furnish a written statement setting out the findings on material questions of fact and the reasons for the certificate decision.

Due to the nature of a certificate decision, exposure of the reasons for the decision could itself prejudice Australia’s national security.

The second amendment includes a certificate decision of the Attorney-General within the definition of a related criminal justice process decision for the purposes of the Administrative Decisions (Judicial Review) Act 1977 and the Judiciary Act 1903.

This amendment gives the Supreme Court of the relevant state or territory jurisdiction with respect to any matter in which the defendant seeks a writ of mandamus or prohibition or an injunction against the Attorney-General in relation to a certificate decision.

This amendment promotes administrative efficiency by ensuring that the application for a writ of mandamus or prohibition or an injunction is heard by the same court that is likely to hear the prosecution or appeal.

I commend this brief bill to the House and table an explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.

TELECOMMUNICATIONS (INTERCEPTION) AMENDMENT (STORED COMMUNICATIONS) BILL 2004

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.10 a.m.)—I move:

That this bill be now read a second time.

This bill amends the Telecommunications (Interception) Act 1979.
These amendments address the practical implications of modern technology on access to communications by law enforcement and regulatory agencies.

The bill will exclude access to stored communications from the current prohibition against interception of communications.

In practical terms, the amendments will limit the existing prohibition against interception to real-time transit of communications.

Communications that have been stored on equipment will be excluded from the scope of the act.

These measures represent immediate and practical steps to address the operational issues faced by our law enforcement and regulatory agencies.

However, the amendments also recognise the need for a more comprehensive review of access to stored communications and the contemporary relevance of Australia’s interception regime.

That is why the amendments will cease to have effect 12 months after their commencement.

The government recognises that a broader review of access to modern means of communication is required.

That is why I have asked my department to conduct a comprehensive review of the Telecommunications (Interception) Act and to report back to me before the expiration of these amendments.

The need for a more comprehensive review should not preclude the enactment of amendments to addressing the increasingly significant operational concerns created by the act’s current application.

These amendments appropriately respond to the immediate difficulties posed by the breadth of the existing interception regime, while recognising the need to revisit this issue in greater detail.

The government has on two previous occasions, in 2002 and 2004, sought to legislate to clarify the application of the Interception Act to stored communications.

On both occasions, the government has found it necessary to withdraw the amendments.

Most recently, the government withdrew the amendments following a recommendation of the Senate Legal and Constitutional Legislation Committee.

The committee, after considering the proposed amendments in relation to stored communications, recommended that they be deferred pending resolution of differing interpretations of the current operation of the interception regime.

That resolution has now been achieved. Thus this bill adequately addresses the operational concerns raised by the Australian Federal Police in relation to access to stored communications.

As I have previously said, I have agreed that my department conduct a broader review of the telecommunications interception regime.

The review will likely focus on access to electronic communications.

In the meantime, it is important that any lack of clarity in applying the Interception Act to stored communications be resolved.

The measures in the bill are an urgent but temporary solution to the operational difficulties experienced by law enforcement agencies.

When the act was drafted almost 25 years ago, the Australian telecommunications systems consisted largely of land based services carrying live telephone conversations.
The act was therefore built around a core concept of communications passing over a telecommunications system.

While this concept is technologically neutral, its application has proven more difficult to modern communications services—which I am sure you are familiar with, Mr Speaker—such as voice mail, email and SMS messaging. I must say that I am familiar with it but not fully up on it.

These amendments do not, however, allow unregulated monitoring of telecommunications services such as email, voice mail and SMS which are in widespread use in the community.

Rather, the amendments recognise that such communications become stored and should fall outside the protections originally designed for more immediate voice telephony at some point.

Access to stored communications will continue to require an appropriate form of lawful access such as consent, a search warrant or a right of access to communications or storage equipment.

The amendments will allow law enforcement and regulatory agencies expeditious access to stored communications in the performance of their functions.

The amendments will also facilitate measures to preserve the security of information systems.

The amendments also ensure that new technologies that may involve storage, but which are in reality analogous to standard voice telephony, are protected in the same way as normal voice calls.

In particular, the amendments specifically exclude storage in the course of transmission by voice over Internet protocol and other highly transitory storage that is integral to the carriage of a communication.

This ensures that these communications, although technically stored for a fraction of a second, remain protected as live communications.

The government is committed to ensuring that the interception regime keeps pace with technological developments.

Modern means of technology are converging with more traditional data storage.

These amendments address the operational impacts of that convergence, while foreshadowing the need for further consideration of this issue.

I commend this bill to the House and table an explanatory memorandum.

**The SPEAKER**—I thank the Attorney-General for his unfounded vote of confidence in my electronic communications skills. Were it not for my children, he would find me electronically illiterate. In the absence of an SMS message to send to him, I call the member for Lilley to adjourn the debate.

Debate (on motion by Mr Swan) adjourned.

**CUSTOMS LEGISLATION AMENDMENT (AIRPORT, PORT AND CARGO SECURITY) BILL 2004**

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.17 a.m.)—I move:

That this bill be now read a second time.

This bill, the Customs Legislation Amendment (Airport, Port and Cargo Security) Bill 2004, contains amendments to the Customs Act 1901.

This bill contains a number of amendments to a range of Customs activities, all of
which contribute to the security of Australia’s borders.

The amendments deal with persons who have committed offences and are seeking to enter or depart Australia, the control of goods and people in Customs areas, reporting requirements for certain vessels, aircraft passengers and crew, and the appointment of ports under the Customs Act.

In implementing these measures the government is mindful of the need to find a suitable balance between measures which support Australia’s border security and the needs of legitimate travellers and commerce.

The bill contains provisions to enable a Customs officer to detain a person arriving or departing Australia where the Customs officer suspects on reasonable grounds that a person has committed or is committing a serious Commonwealth offence, a Commonwealth warrant is in existence for the person’s arrest, or the person is on bail subject to a condition that they not leave Australia and the bail relates to a Commonwealth offence.

In each of these circumstances there is a requirement for the Customs officer to notify and to transfer a person detained under this amendment as soon as practicable to a police officer.

The bill also will enable a Customs officer to question a person in a Customs controlled area about their purpose for being in the area, and to check that the movement of goods in a Customs place is authorised.

The bill will enable Customs to conduct all necessarily checks prior to a ship or aircraft leaving Australia by requiring certain aircraft and vessel operators to provide information about departing passengers and crew at specified times prior to departure.

The chief executive officer of Customs, under this bill, will be able to take into account port security plans prepared under the Maritime Transport Security Act in deciding whether or not to appoint a sea port for the purposes of the Customs Act.

This bill also introduces ‘all-ports’ cargo reporting, whereby reporters will be required to provide advance details of cargo before a vessel or aircraft reaches our shores. This will enable Customs to properly assess the risk of cargo prior to arrival in Australia, rather than on a port-by-port basis as is current practice.

Finally, the bill provides for the timing requirements of impending arrival, cargo, crew and passenger reports for ships on their way to their first port in Australia to be prescribed by regulation.

The bill recognises the importance of border security to Australia’s overall national security and the proposed amendments will assist Customs in enhancing this security. I commend the bill to the House and I table the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2004

First Reading

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

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.21 a.m.)—I move:

That this bill be now read a second time.

The purpose of the Farm Household Support Amendment Bill 2004 is to extend the government’s Farm Help Supporting Families Through Change program and renew its focus to support decision making by low-income farmers ‘who can no longer borrow against their assets’ to make changes to their...
Passage of the bill will also give effect to a number of amendments that aim to improve the effectiveness and administration of the Farm Help program and ensure that it reaches low-income farmers most in need. There will be an increased emphasis on using strategic information, analysis and professional advice to support decision-making. The extension of the Farm Help program and its associated changes will not affect the ongoing exceptional circumstances relief program.

Farm Help has been operating since December 1997 to facilitate adjustment by providing a welfare safety net to people on farms in severe financial difficulty. It was a core component of the Australian government’s flagship agricultural policy, the Agriculture Advancing Australia package announced in 1997.

The Farm Household Support Amendment Bill 2004 will give effect to the government’s 2004 budget commitment to extend the Farm Help program until 30 June 2008 as a key component of the ongoing Agriculture Advancing Australia package. In the 2004-05 federal budget the Triple-A package received a $238 million injection, of which $134.9 million over four years is allocated to the Farm Help program. The funding brings the total provision for the Agriculture Advancing Australia package since 1997 to over $1 billion.

Continued support for the Farm Help program demonstrates that the government is delivering on its commitment to people managing farms in rural and regional Australia and helping them build their capacity to manage risk, adopt new practices and improve strategic planning and decision making.

The direct target group of the Farm Help program to date has been low-income farm families in severe financial difficulty. These people are eligible if they meet means testing requirements, satisfy the eligibility requirements and can no longer borrow against their assets.

The assistance provided through Farm Help is flexible and can be tailored to meet the needs of each farm family. The program provides up to 12 months income support at the Newstart Allowance rate; a grant for professional advice and training such as financial, legal and business planning, to assist recipients to make decisions about their future in farming; and a re-establishment grant, currently up to $45,000, for people who decide to leave farming and sell the farm. Farm Help is due to conclude on 30 June 2004.

Farm Help has a long record of achievement. Since the program commenced on 1 December 1997 to 30 April 2004 over 8,600 farmers have received Farm Help income support and over 1,000 farmers have received re-establishment assistance.

A major aim of the Farm Help program is to support low-income farmers in their decision making to make changes to their situation. The Farm Household Support Amendment Bill 2004 introduces a number of procedural and administrative changes to the Farm Help program and its associated instruments and will enable the program to operate more effectively and to better reach its target recipients. These changes will be reflected in the Farm Household Support Act 1992, in the act’s disallowable instruments, the Farm Help Re-establishment Grant Scheme and the Farm Help Advice and Training Scheme and in regulations prescribed by the act.

The changes have emanated from the ongoing monitoring of the program’s performance, a mid-term evaluation of Farm Help.
and the performance audit of key Agriculture Advancing Australia programs undertaken by the Australian National Audit Office in 2003.

New requirements for income support and re-establishment grants mean that a person will have to undertake financial advice and develop their activity plan prior to receiving income support—except in cases of hardship—and prior to receiving a re-establishment grant. Farmers will be encouraged to approach the program as an opportunity to gain information and skills that will support a better outcome for them and their families in the long term.

The object of the act has been amended to refer separately to the objectives of the exceptional circumstances relief payment and Farm Help income support. This is to ensure that there is no interpretation by the courts that the two schemes are intended to be the same. The exceptional circumstances relief payment focuses on welfare for farmers in declared exceptional circumstances situations. The Farm Help program no longer focuses on welfare, but on adjustment. It will, however, continue to provide short-term financial assistance to farmers who are experiencing difficulty in meeting living expenses and are unlikely to obtain a loan from a financial institution, while they take action to improve their long-term financial situation either on or off the farm.

The Farm Household Support Amendment Bill 2004 proposes a program extension to 30 June 2008, with applications for income support and the re-establishment grant closing on 30 June 2007. Income support payments will conclude on 30 June 2008, professional advice and training grant expenditure must be finalised by 30 June 2008 and the sale of farm enterprises must be completed by 30 June 2008. Provision has been made in the 2004-05 budget for residual expenditure of $2 million in 2008-09 to finalise re-establishment grants, advice and training grants and Centrelink delivery costs.

Provision will be made for any further extensions of the Farm Help program beyond June 2009 to be made by regulation.

The re-establishment grant will be increased to $50,000—up from the current $45,000. This change will be made in the Farm Help Re-establishment Grant Scheme 1997.

Clarifying the process for a person applying for Farm Help income support

Under the revised program, a person will apply for the advice and training grant, rather than income support, to enable them to obtain advice about their inability to obtain finance and develop an activity plan. These requirements will need to be undertaken prior to any claim for income support or a re-establishment grant.

Undertaking financial assessments

Currently farmers who join the program are required to arrange a financial assessment of their farm business within three months. Under the enhanced program, farmers will be required to undertake the financial assessment of their farm business and develop an activity plan before their income support can commence. An adviser, prescribed by a regulation enabled by the act, will make an assessment of the farmer’s likelihood of accessing further finance, removing the requirement for bank certification.

This amended process is intended to maximise recipients’ opportunities to make decisions about their future and to implement change, while they receive income support under the program for up to 12 months.

The removal of the requirement for a certificate of inability to obtain finance addresses concerns by banks and their clients
that obtaining the certificate might jeopardise a person’s future borrowing arrangements.

**Hardship provision**

A provision has been included to vary the process for people in severe financial hardship for Farm Help. To qualify for this provision, a person will be an eligible farmer for the purposes of the program. The liquid assets of a person and their partner at the time of application will be not greater than the total amount of Newstart allowance that would have been payable in the immediately preceding six weeks if the person were entitled to Newstart allowance and had no other income.

Hardship provision recipients will be provided with income support for a period of up to three months while they undertake their financial assessment and develop their activity plan. Income support will cease if they have not done this within the three-month period. This provision will not require people to sell farm assets. The recipient will then be assessed in order to qualify for the remainder of their income support. Income support which is paid under the hardship provision will not be an additional period to the twelve months available for income support.

Mutual obligation under the Farm Help program will be strengthened. It is intended that activity plans will be reviewed quarterly by Centrelink and recipients to ensure that program recipients are making effective use of program elements to support informed decision making and/or improvements in their farm business. In particular, Farm Help recipients will be encouraged to maximise their use of the opportunity to access the professional advice and training grant.

Amendments to the Farm Household Support Act will enable reviews to be conducted of re-establishment grant recipients to determine whether they are complying with their undertaking not to re-enter farming within five years of receiving the re-establishment grant. A proviso has been included which enables the Australian government to recover grants where a person has re-entered farming within five years of receiving the grant. This provision is being transferred from the re-establishment grant instrument.

Participants are no longer able to suspend their Farm Help income support to access the exceptional circumstances relief payment and then return to Farm Help income support. This is to encourage farmers to approach the program as an opportunity to gain information and skills that will support a better outcome for them and their families in the long term. This amended process is intended to maximise recipients’ opportunities to make decisions about their future and then implement change while they receive income support under the program for up to 12 months.

A farmer is able to apply for the exceptional circumstances relief payment after their completion of the Farm Help program. There is provision to terminate Farm Help income support if a person or their partner is in receipt of an exceptional circumstances relief payment. This removes the possibility of a person or a couple receiving Farm Help income support and the exceptional circumstances relief payment at the same time.

The government remains committed to the development of self-reliant, competitive and sustainable rural industries. It also recognises that there are significant pressures on farmers to remain on the land and that some farmers, often for reasons beyond their control, are unable to keep up with the pace of change.

Passage of this bill will enable eligible low-income farmers coping with change in the farming industry to have the opportunity to make informed decisions about their future in farming while giving them financial
security and access to advice to make their decision.

It also has a significant emphasis on mutual obligation for people receiving assistance—in terms of making progress to implement decisions in relation to improving their farm business, seeking alternative sources of income, or leaving the industry. The extension of the Farm Help program and its associated changes will not affect the ongoing exceptional circumstances program. The amendments to create a more effective Farm Help program are designed to promote earlier decision making by recipients and emphasise a mutual obligation, with the objective of encouraging adjustment. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 2004

First Reading

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

Second Reading

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs and Minister Assisting the Prime Minister) (9.34 a.m.)—I move:

That this bill be now read a second time.

The purpose of the bill before the House is to make major changes to the Australian government’s institutional structures in Indigenous affairs in order to improve the lives of Indigenous Australians.

The government, along with the majority of the Australian community, believes that Indigenous Australians should be able to enjoy the same opportunities as other Australians. We have consistently demonstrated our determination to achieve that end. In 2004-05, we will allocate a record $2.9 billion—39 per cent more in real terms than in the last year of the Keating Labor government. The bulk of this funding goes to the practical areas of health, housing, education and employment.

While there have been real improvements as a result of this effort we believe that the rate of progress is not good enough. I am sure that most Indigenous Australians would say that they are not getting value for money. The Productivity Commission report _Overcoming Indigenous Disadvantage_ reinforces the need for fundamental change. No-one can say that the current approach is working.

Going beyond the abolition of the ATSIC board, replacement of regional councils and consequential amendments in this bill, the government will be introducing radical and necessary changes to the way in which services are delivered to Indigenous Australians. The changes will build on what we have learnt from the whole of government approach adopted in the COAG Indigenous trials currently operating in each state and territory.

Over the last 30 years governments of both political persuasions have sought to implement measures to address the long-standing disadvantages experienced by Aboriginal and Torres Strait Islander people. These measures have included a range of programs, legislation and representative structures.

In 1990, Labor established the Aboriginal and Torres Strait Islander Commission (ATSIC). It soon became evident that no single body could seek both to represent Indigenous people and to make independent decisions about the allocation of funds. The commission found it difficult to effectively advocate on behalf of Indigenous people and to provide impartial advice to government.
Labor’s ATSIC experiment failed on a number of fronts. Its focus was almost exclusively on Australian government programs and services. The fundamentally important role of state and territory governments was neglected. All too often the specialist Indigenous agency, ATSIC, provided an excuse for mainstream departments to avoid their responsibilities to Indigenous Australians. Moreover, only a very small proportion of eligible Indigenous Australians bothered to actually vote in ATSIC elections.

This is not to say that ATSIC has not been well served by a number of distinguished Indigenous leaders, including the inaugural chair, Ms Lowitja O’Donoghue, and the late Mr Djerrkura, whose passing, sadly, we are today mourning.

The Howard government took a major step to address problems in ATSIC last year with the establishment of Aboriginal and Torres Strait Islander Services (ATSIS). This separated the representative functions from decision making on funding. However, this was a transitional arrangement which did not represent a long-term solution to the issues facing ATSIC.

A review of ATSIC delivered to the government in November 2003 acknowledged a number of significant problems. These included a lack of leadership at the national level of ATSIC, insufficient connection between the national, regional and local levels of the organisation, and a lack of engagement between ATSIC and its constituents at the local level.

It is against this background that the government has taken the decision to abolish ATSIC and overhaul the way in which services for Indigenous Australians are delivered. I note that there is a general acknowledgment on both sides that change is necessary. I think we all recognise that the crisis in ATSIC is now so serious that it cannot continue. The real losers are the very people ATSIC was established to assist, the first nation people of Australia.

The aim of the new arrangements we are putting in place is to produce better outcomes for Indigenous people. The programs which ATSIC and ATSIS were responsible for will be allocated to mainstream government agencies. One of the advantages of mainstreaming will be to focus the specialist service delivery expertise of mainstream agencies on specific aspects of Indigenous disadvantage, to focus their minds on serving 100 per cent of Australians, 100 per cent of the time. It is important to point out that ATSIC was never responsible for all Australian government Indigenous specific programs. Indeed, in 1995 the previous government transferred responsibility for Indigenous health from ATSIC to the Department of Health and Ageing because of concerns about the performance of ATSIC. It is important to stress that no programs will cease as a result of the changes we are making and existing levels of funding will continue.

We acknowledge the need for better coordination and for strengthening accountability. Accordingly we will be implementing a series of new measures to enhance coordination and accountability.

A ministerial task force chaired by the minister responsible for Indigenous affairs will be established to provide whole of government leadership on Indigenous issues. It will coordinate the government’s Indigenous policies and report to cabinet on directions and priorities in Indigenous policy. The ministerial task force will report annually to the Expenditure Review Committee of cabinet on the performance of Indigenous specific programs and the allocation of resources across agencies.

A secretaries group will support the ministerial task force. It will report annually on the
outcomes of Indigenous specific services. Department secretaries will be directly accountable for successes and/or failures of specific programs and services. Performance in Indigenous programs and services will be included in their personal performance agreements.

We are establishing a National Indigenous Council to provide policy advice to the government at the national level. In particular, it will directly advise the ministerial task force on a range of Indigenous issues. The National Indigenous Council will be a non-statutory body comprised of Indigenous people with expertise and experience in key policy areas.

The new arrangements will be underpinned by regional agreements as well as shared responsibility agreements at the local level. While some regional councils work well, arrangements for engaging with Indigenous Australians at the regional and local level need to be improved.

We will be discussing the best way forward with the states and territories at the next meeting of the Council of Australian Governments. ATSIC’s regional councils will have the opportunity for input and we recognise that different models are likely to emerge in different regions and jurisdictions.

A new Office of Indigenous Policy Coordination in the Department of Immigration and Multicultural and Indigenous Affairs will provide policy advice to the minister, coordinate policy development and service delivery across government and oversee relations with state and territory governments. It will also monitor the performance of government programs and services including arrangements for independent scrutiny.

We will strengthen service delivery in the regions where a network of Indigenous coordination centres in rural and remote areas will replace ATSIC/ATSIS offices. These centres will operate as a multidisciplinary team offering a whole of government service to local communities.

The government will expand the role of the Office of Evaluation and Audit (OEA), currently located in ATSIC. This will be in addition to the role of the Australian National Audit Office and will provide a particular focus on the performance of those programs. OEA will also continue to investigate the performance of bodies that obtain funding from Indigenous specific programs.

The legislation provides for the transfer of the Regional Land Fund to the Indigenous Land Corporation (ILC) and ATSIC’s Housing Fund and Business Development Program to Indigenous Business Australia (IBA). The bill also makes provision for the ILC to give funds to IBA to allow it to promote economic development on the land the ILC acquires for Indigenous people.

The Torres Strait Regional Authority (TSRA) which provides a range of Indigenous specific services to Torres Strait Islanders living in the Torres Strait will continue to perform its current role. The TSRA had some time ago separated its representative and funding functions and is working effectively in meeting the needs of Torres Strait Islanders in the Torres Strait. The Torres Strait Islander Advisory Board which provided advice to ATSIC about issues affecting Torres Strait Islanders on the mainland will cease to exist as a result of the abolition of ATSIC. Torres Strait Islanders living on the mainland will be represented on the National Indigenous Council.

The measures contained in this bill and the other initiatives I have outlined are long overdue and seek to address the failings of the recent past in providing equality in service provision and equality in opportunity to our first people, the Indigenous people of Australia.
The time for defending the status quo and protecting vested interests at the expense of Indigenous Australians has passed.

I present the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.

EXTENSION OF CHARITABLE PURPOSE BILL 2004

First Reading

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

Second Reading

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

That this bill be now read a second time.

The bill provides a statutory extension to the common law meaning of charity.

This will allow certain organisations, which have difficulty satisfying the common law requirements, to be charities for the purposes of all Commonwealth legislation.

This includes certain child-care and self-help bodies, and closed or contemplative religious orders.

By extending the common law meaning of charity in this way, the concessions embodied in Commonwealth legislation that are available to charities will also become available to these organisations. Such concessions principally relate to taxation and include income tax and fringe benefits tax exemptions and certain GST concessions.

The provisions will apply from 1 July 2004.

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

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.

SUPERANNUATION LAWS AMENDMENT (2004 MEASURES No. 1) BILL 2004

First Reading

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

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.47 a.m.)—I move:

That this bill be now read a second time.


The Superannuation (Government Co- Contribution for Low Income Earners) Act 2003 provides a matching government co-contribution of up to $1,000 for personal superannuation contributions made by qualifying individuals. This measure was first announced in the government’s 2001 election statement, A Better Superannuation System.

This bill alters the eligibility criteria in the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003 to extend the government co-contribution to more low income earners.

Individuals will no longer be required to be employer superannuation supported to qualify for the government co-contribution. Rather, this criterion will be replaced with a requirement to have 10 per cent or more of their total income as an employee. This change will apply from 1 July 2003.

To prevent ‘double-dipping’, the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 will be amended to ensure that people entitled to a co-contribution cannot also claim a tax deduction for personal superannuation contributions. However, this will only be done in the
2004-05 and subsequent income years to avoid any retrospective effect on these new government co-contribution recipients.

The bill will also make a number of administrative and technical amendments to ensure the smooth operation of the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003.

The bill will amend the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003 to specify a time frame in which providers must repay uncredited co-contribution amounts, and a further period of time after which providers will become liable to pay the general interest charge.

The bill will also amend the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003 to provide that, where the information is available, the minister will report, on an aggregated and annual basis, on the numbers of co-contribution beneficiaries and spouses of beneficiaries, within prescribed income ranges.

The bill also makes some technical amendments to specify the interest rate that will apply to late payments made by the Commissioner of Taxation in the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003, and inserts a previously omitted definition.

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

I commend the bill and present the explanatory memorandum.

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.51 a.m.)—I move:

That this bill be now read a second time.

The bill implements a number of superannuation measures.

The government has significantly improved the retirement income system since being elected in 1996. With the ageing population, the retirement income system needs to be more flexible and adaptable. On 25 February 2004 the Treasurer announced a number of government initiatives to enhance the retirement income system by further broadening the availability of superannuation and making it more adaptable to changing work arrangements. The amendments contained in this bill relate to a number of the announced initiatives and will:

• simplify the superannuation guarantee earnings base arrangements;
• remove the requirement for prescribed pension providers to obtain an actuary’s certificate; and
• introduce an integrity measure to require those under age 18 to satisfy a work test in order to claim a tax deduction for personal superannuation contributions.

This bill also aligns the portability time frame applying to retirement savings account providers with that of superannuation providers. The bill also contains a technical amendment to correct a cross-referencing error in the Superannuation Industry (Supervision) Act 1993 relating to the cancelling of registrable superannuation entity licences.

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

I commend the bill and present the explanatory memorandum.
Thursday, 27 May 2004

TAX LAWS AMENDMENT (2004 MEASURES No. 3) BILL 2004

First Reading

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

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.54 a.m.)—I move:

That this bill be now read a second time.

This bill amends various taxation laws.

Firstly, this bill introduces amendments to complete the taxation arrangements for the new venture capital regime that was introduced in 2002. The amendments take effect from 1 July 2002, the date the venture capital regime commenced.

The venture capital regime was introduced to encourage new foreign investment into the Australian venture capital market and to further develop the venture capital industry. It provides a tax exemption to eligible nonresident investors on the gains made on eligible equity investments.

The amendments expand the range of venture capital investments that will qualify for the tax concession and remove minor impediments to ensure that the regime operates as intended. The tax concession will now be available for eligible investments that have been made in a holding company of a corporate group. Companies being spun-off from a corporate group or institution may also be eligible as they will be treated independently in determining eligibility for the concession.

This package completes the government’s commitment to establish an internationally competitive framework for venture capital investments. It brings Australia into line with ‘best practice’ within the international venture capital market.

Secondly, the Fringe Benefits Tax Assessment Act 1986 is amended to extend by one year the fringe benefits tax exemption transitional arrangements for certain contributions to worker entitlement funds.

Worker entitlement funds provide for employee entitlements such as leave payments or payments when an employee ceases employment. The fringe benefits tax exemption ensures that these contributions are not taxed twice, once as a fringe benefit when paid into the fund and again as income when paid out of the fund.

While the requirements for the fringe benefits tax exemption have been in place since 1 April 2003, transitional arrangements ensured that employers who contributed to existing worker entitlement funds according to existing industrial practice were also exempt from fringe benefits tax until 31 March 2004.

The purpose of the extension of the transitional arrangements is to provide an additional 12 months of security and certainty to employers while they put in place new arrangements to comply with the terms of the fringe benefits tax exemption.

Finally, following previous amendments to the foreign tax credit provisions, this bill corrects two instances where references to those provisions were no longer correct.

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

I commend this bill and present the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.
TAX LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2004
First Reading

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

Second Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.57 a.m.)—I move:

That this bill be now read a second time.

This bill will increase the Medicare levy low income thresholds for individuals and families in line with increases in the consumer price index. The low income threshold in the Medicare levy surcharge provisions will similarly be increased. These changes will ensure that low income individuals and families will continue not to have to pay the Medicare levy or surcharge.

The bill will also increase the Medicare levy low income threshold for pensioners below age pension age to ensure that where these pensioners do not have a tax liability they will also not have a Medicare levy liability.

The amendments will apply to the 2003-04 year of income and later years of income.

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

I commend this bill and present the explanatory memorandum.

Debate (on motion by Ms O’Byrne) adjourned.

ELECTORAL AND REFERENDUM AMENDMENT (ENROLMENT INTEGRITY AND OTHER MEASURES) BILL 2004
Second Reading

Debate resumed from 26 May, on motion by Mr Slipper:

That this bill be now read a second time.

Mr NEVILLE (Hinkler) (10.00 a.m.)—I speak today on a matter which is of the utmost importance for the future of our democracy—that is, electoral reform. I wish today to talk about the Electoral and Referendum Amendment (Enrolment Integrity and Other Measures) Bill 2004, which goes to the heart of our system of government. Quite simply, voter enrolment is the most basic transaction between the public and its government. The very foundations of our democracy are built upon the voter enrolment process. This bill goes a long way towards remedying some of the flaws and loopholes which currently exist in this area. But before we examine those flaws, let us look at the current criteria applied to Australians who are enrolled as voters. At present, in order for a person to be enrolled as a voter they must be over 18 years of age, be an Australian citizen, and have, or have had, a place of residence. That person must also have had their enrolment form witnessed by an enrolled voter or a person eligible for enrolment. Unfortunately, some sections of the political world have found these conditions relatively easy to manipulate or sidestep, to the point where the electoral roll is seen merely as a tool for the prostitution of votes.

To safeguard the integrity of our system of government, the coalition has proposed a few simple measures to ensure that the electoral roll is cleaned up and its integrity safeguarded for the future. The new regulations were contained in the Electoral and Referendum Amendment Regulations 2001 and
would have necessitated the presentation of identification at the time of enrolment—a measure which would have gone a long way towards cleaning up the electoral roll. Unfortunately, and perhaps tellingly, these regulations were disallowed by the ALP and the Democrats in the Senate on 15 May 2002. I find it difficult to believe that any political party would not wholly support the protection of our electoral roll, and I was greatly disappointed that the amendment did not attract bipartisan support in the upper house.

So we come to the second piece of legislation, the Electoral and Referendum Amendment (Access to Electoral Roll and Other Measures) Bill 2004, which exists solely for the purpose of bolstering the rigour of our voter enrolment process for both elections and referendums. Central to these amendments is the question of voter residence and the tightening of existing legislation which has previously allowed wide scope for manipulating Australia’s electoral processes. These amendments will provide that the entitlement to enrolment is based on residence for a period of one month at a particular address in a subdivision and will introduce a requirement to provide proof of identity when changing enrolment details or claiming a provisional vote.

I wholeheartedly endorse these particular aspects of the bill, as I have had personal experience in fighting an election where questionable voters appeared to be residing in vacant dwellings. I have done some research into the trends in Hinkler in elections and referendums stretching back to 1990, and some very interesting events have taken place. To start with, between the 1990 and 2001 federal elections there has been an 80 per cent increase in the number of provisional vote applications made but only a 63 per cent increase in valid provisional votes cast. More to the point, the gap between valid provisional votes and the applications made has doubled from 0.17 per cent to 0.35 per cent over the same period.

Interestingly, the largest single discrepancy occurred at the 1996 federal election—the election following Hinkler’s shift to coalition representation—where a full 0.36 per cent of applications for provisional votes were disallowed. That translates into 288 applications being rejected at that election. While there will always be some discrepancy between valid and invalid provisional votes, there is simply no explanation for the sudden leap in this occurrence in Hinkler. At the 1990 election, 123 provisional applications were disallowed. In 1993, it had grown to 190 disallowed provisional votes. In 1996, it was up again to 288 disallowed provisional votes. In 1998, owing to new boundaries, the number of valid votes cast dropped by 5,623 and the disallowed provisional vote applications dropped, correspondingly, to 229. Clearly, it would have been easier if voters had been required to provide identification on election day—in other words, if the measures contained in this bill were enacted we would not have encountered such problems. This measure is consistent with the proposal of identification at the time of enrolment. The opposition have argued that these measures are onerous for the old, the young and—

Mr Danby—No, your own committee has argued that actually, Paul.

Mr NEVILLE—I am interrupted by my colleague. The opposition have argued—and I do not care whether or not the committee has argued it—that these measures are onerous for the old, the young and the disadvantaged. If the honourable member will let me make my point, he might see where I am coming from. They claim that these people would be disenfranchised. That simply does not follow. I am yet to come across a single young person who, having turned 18 years of
age, cannot produce some form of identification to get into a licensed disco or licensed premises, and I see many people present their seniors cards at railway stations, on buses, at theatres and the like. We all know that anyone who wants to be a member of a library has to have a library card and identify themselves. If you want to have video store membership, you have to identify yourself. If you want to open a bank account, you have to have a point score and identify yourself. Every time you go to an airport to pick up an electronic ticket you have to provide identification. Even the most disadvantaged seem to have little trouble in applying for Centrelink benefits. In short, this is not a difficult process—and it is no more difficult to do it at an AEC office when applying for enrolment than to do it if you are applying for a provisional vote on election day. Interestingly, the AEC’s Electoral Backgrounder on electoral fraud and multiple voting, published on 24 October 2001, said in part:

It has been concluded by every parliamentary and judicial inquiry into the conduct of federal elections, since the AEC was established as an independent statutory authority in 1984, that … the level of fraudulent enrolment and voting is not sufficient to have overturned the result in any Division in Australia.

Mr Danby—Exactly.

Mr NEVILLE—Maybe not then—

Mr Danby—Ha!

Mr NEVILLE—But there is the matter of questionable provisional votes. If the honourable member will let me finish, I will point out exactly how it could have happened to me. In the 2001 federal election, less than a month after the release of this document, the disallowed provisional votes in Hinkler had climbed to 280. I won that seat by a margin of 64 votes. In short, if I had not had excellent scrutineering assistance, I might not have won the seat. I wish to make it clear that nothing I am saying is a criticism of the AEC, its integrity or its professionalism. I have found their staff to be courteous and focussed, and the Hinkler divisional returning officer and the state office personnel have always been most helpful. My criticism is purely with the current legislative boundaries and regulations. The AEC cannot be expected to operate beyond it powers, and we as a parliament should make its role clear and easy to interpret. In fact, legislative and regulatory clarity will make the AEC’s task much easier. What concerns me most is that, without this procedural clarity and rigorous checking of votes, the Australian public could be landed—in a close seat-for-seat contest—with a government which it did not truly want. The AEC’s report concludes with the statement:

Fraudulent enrolment and voting is taken very seriously by the AEC, if only because any concentration of such activity in a single House of Representatives Division, sufficient to affect the result of the election, could well result in that election being voided by the Court of Disputed Returns, and could conceivably result in a change of government.

I have given an instance where disallowed provisional vote applications could have affected a result, and the AEC has clearly acknowledged the outright danger of fraudulent voting activities. On that basis, I urge the opposition to support this legislation. We must tighten our electoral processes so that such an event cannot occur again. Sadly, it seems that the opposition is content to talk the talk on electoral reform but has feet of clay when it comes to walking the walk. It is quite telling that, when some of these new verification measures were put to each of the states, which are currently under the governance of the ALP, all argued that the regulations were onerous and would lead to voter disenfranchisement. According to ALP logic, it is unreasonable to ask enrollers to provide proof of identity to the AEC, when—as I
pointed out earlier—it is standard practice for the simplest of tasks, like gaining membership of your local video shop. Dr Carmen Lawrence, a former ALP minister who is a member of this House, once extolled the virtues of tightening our voter and membership enrolment process. In an address to the Sydney Institute on 17 August 2002, Dr Lawrence said:

There are almost daily revelations of people being signed up to parties without their knowledge or wheeled out only when critical votes are taken (usually about selecting candidates) for election.

One vote, one value—the prime condition for a democracy—is not observed in the party’s rules. She was referring to the ALP’s rules. Considering that the ALP itself recognises major problems in party membership and enrolment processes, it is not surprising that there has been an avalanche of criticism levelled at the opposition’s stance. Apparently such silly mistakes are encouraged by those who sit on the opposition benches. Grant Musgrove, a Queensland Labor MP who was caught up in the Shepherdson inquiry, told the Hon. Tom Shepherdson QC that he had been taught to falsify enrolments during his formative years with the party. He said, ‘Certainly there was a culture in the party.’ In the mid-1990s, an Australian Electoral Commission submission to the Joint Standing Committee on Electoral Matters stated that any measure which complicated the enrolment process in order to discourage fraudulent enrolment may also discourage legitimate enrolment.

What is being proposed in this bill is not complicated. We might reflect on the words of Thomas Jefferson, who said, ‘The will of the people is the only legitimate foundation of any government.’ Safeguarding the will of the people can happen only if we eliminate fraudulent and factional activities from our voting system. Australia’s voting processes are held up to other countries. We are involved in UN scrutiny and observer processes. Accordingly, our own processes should be above reproach. This simple notion is backed up by a wide cross-section of Australia’s legal and political fraternities, who have demanded electoral reform by way of voter identification at the point of enrolment. These include a 1975 report on electoral matters by Judge Kay of Western Australia; a 1989 report by past and current New South Wales electoral commissioners Messrs Cundy and Dickson, whose report concluded that voter identification upon enrolment was essential; and, of course, current and previous coalition MPs. For the opposition to stymie and stall the reforms put by the coalition begs the question: is the ALP fair dinkum about cleaning up and supporting electoral reform?

Another aspect of this legislation which I find particularly pertinent is the prohibition of scrutineers actively participating in assisting voters during polling hours. Of course, I am aware of the situation which arises in many isolated polling booths, where there are a limited number of people available on election day to carry out the official duties of scrutineering, handing out how-to-vote cards, assisting poll clerks and so on. However, I am appalled by some of the anecdotes I have heard, and some the events I have witnessed myself, where those who have handed out how-to-vote cards during the day have been on hand as scrutineers and have entered the polling booth with a voter to help them fill in their ballot papers. One staff member of mine has relayed to me an incident where she witnessed, during a previous election, a person assisting voters in a polling booth. This particular person would indicate a certain point on the ballot paper and ask, ‘Do you want to vote No. 1 for this person?’ It appeared that the box they pointed to was the box that got the No. 1. The scenario...
was played out at least half a dozen times that day. My staffer complained to the returning officer. When this person was subsequently challenged on their actions—practically directing votes towards one candidate—the activity ceased.

If not for the vigilance of such representatives on election day, and scrutineers later in proceedings, any number of illegal activities could take place. It is a sad fact that these things take place at all, as underlined by Alan Jones’s comments on Channel 9 earlier this month. In his 19 May broadcast, Mr Jones spoke of several issues surrounding the seat of Richmond in the 1990 federal election. It is an infamously marginal seat—and no wonder, when you hear of some of the shenanigans which went on during the 1990 election. The specific instances were that 1,028 names on the roll were untraceable; 432 voters enrolled in Richmond were also enrolled in other electorates; 42 dead people were still on the roll; 548 of a sample of 3,255 apparent nonvoters checked by AEC officials did not exist; 472 of 2,700 letters sent out by the AEC to nonvoters were returned to sender; hundreds of names were entered in the 1987 roll at the last minute at fictitious addresses, in the beds of creeks and along rural roads identified by roadside signs, purporting to be properties; 138 dual voters were confirmed by the AEC report into the election; and 222 votes which were cast could not be reconciled with the ballot papers.

I ask you: is this not cause for concern? Do instances such as this not warrant bipartisan support for reform of the enrolment process? The incidents which occurred in Richmond have no doubt occurred in some other form in other electorates over the years. The rush of enrolments must surely be justification for closing the rolls at 6 p.m. on the day the writ is issued and allowing people until 8 p.m. on the third working day to alter any necessary things on their enrolment papers. We all have a responsibility to be on the roll. We know roughly when elections are going to be held, as there is generally three to six months speculation in the media as a lead-up. There are hardly any grounds for complaint if someone misses out by not making the effort to be on, or to update their details on, the roll. We all know politics can be a dirty game, but the least we can expect from those who want to partake in democracy is honesty and legitimacy when they enrol to vote. I demand it, the electorate demands it and for the sake of our nation the opposition should also demand it.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.18 a.m.)—in reply—At the outset I would like on behalf of the government to thank all of those honourable members who have participated in this debate on the Electoral and Referendum Amendment (Access to Electoral Roll and Other Measures) Bill 2004 and the Electoral and Referendum Amendment (Enrolment Integrity and Other Measures) Bill 2004, particularly those members on this side of the House. Nothing interests members of parliament more than the electoral system. The government seeks to have an electoral system with integrity because it is really important that when an election is held the government that is declared to be elected is in fact the government the people voted for.

While there might be differences between the opposition and the government over what are the appropriate levels of integrity measures, I think that all of us ought to support the principle of an electoral system with integrity. I cannot understand why the opposition does not support the measures in this bill as fulsomely as the government would like. After all, the government is simply trying to make sure that we have an electoral system that is open, honest and accountable, that
people are not disenfranchised and that as a nation we have an electoral system that is foremost in integrity amongst the electoral systems throughout the world.

I would like to thank the chairman and the members of the Joint Standing Committee on Electoral Matters for the very comprehensive reports of the committee on both the 1998 and 2001 federal elections. This committee certainly works quite well and has, at times, a level of unanimity. I understand that the chairman runs a very tight ship and that there are very many worthwhile contributions made by those members who are privileged to serve on the committee.

I want to assure the House that the government remains firmly committed to ensuring the integrity of the electoral system and reducing the potential for electoral fraud. That is one of the reasons why the government has introduced this legislation. As the government has stated previously, it agrees with the view of the committee, stated in its report on the 1996 federal election, that it is unacceptable that the most fundamental transaction between a citizen and the government—the act of choosing the government at a democratic election—is subject to a far lower level of security than such lesser transactions as opening a bank account, applying for a passport, applying for a drivers licence or registering for social security benefits, to name but a few. And you could also add to that list the matter of hiring a video.

The government considers that the measures in this legislation—particularly on proof of identity for enrolment and re-enrolment, certain provisional votes and the early close of roll—will go a long way towards strengthening our system. The government does not apologise for firmly believing that people who commit offences against society sufficient to warrant a prison term should not while they are serving that prison term be entitled to vote and elect the leaders of the society whose laws they have disregarded. I think that if you go out into the Australian community and speak to people they would certainly agree with the proposition of the government as contained in this legislation. Other measures, such as the inclusion of additional information on the certified list and enrolment based on address, support our commitment to the integrity of the electoral system.

If you listen to certain opposition members you could be forgiven for believing that the government is not encouraging all Australians to participate in our democratic process. Nothing could be further from the truth. The government is committed to encouraging all Australians to participate in our democratic process. But we also have an obligation to ensure that our electoral system is as robust as possible, and the aim of this legislation is to try to ensure that the right balance is indeed struck.

The legislation will also implement a number of measures that will improve clarity of who has access to the roll and what information can be provided to those entitled to the roll. Public access to the electoral roll will be improved and a copy of the most up-to-date version of the roll will be available for inspection at all offices of the Australian Electoral Commission. The measures will also enable the Australian Electoral Commission to keep pace with the latest technology and—this is particularly important—provide access to the roll in new and more accessible forms, such as via the Internet.

Removal of the electoral role from sale will close a loophole and ensure that it is not used for unintended purposes, including commercial use—as was pointed out by the honourable member for Petrie in her contribution. The extension of end use restrictions
to all forms of the roll should give the community confidence that the information on the roll can only be used for purposes permitted under the Commonwealth Electoral Act. The other measures in the legislation will enhance arrangements in the lead-up to and the operation of polling on election day.

When I sum up bills on behalf of the government, I endeavour to pay courtesy to those honourable members on both sides who have made contributions to the debate. When they raise questions or when they raise queries or when they seek to criticise the government’s motives in including certain provisions in the bill, I believe that in a democratic system wherever possible the government ought to respond. While time is short and I will not be able to cover all matters, I would like to cover some of those matters which clearly some members of this place thought were to a certain extent a little controversial.

Early close of rolls was a matter that was raised by the member for Calare, the member for Gellibrand, the member for Blaxland, the member for Fraser, the member for Lingiari, the member for Melbourne Ports and also the member for Cunningham. Those members are entitled to be reassured that, notwithstanding concerns regarding potential disenfranchisement with an early close of rolls, the government is concerned about the potential for electoral fraud associated with the high levels of enrolment activity during the existing seven-day period. People do have an obligation to get on the electoral roll or to change their address on the electoral roll when their circumstances change.

The Electoral Act also has existing safeguards against disenfranchisement, particularly for young people, including requiring electors to update details on the electoral roll as they change and providing for the provisional enrolment of 17-year-old electors who will be able to vote once they turn 18. The concerns that have been expressed by some honourable members that those aged 18 will miss out simply are not valid concerns because we do have the provision for provisional enrolment of those aged 17 but not yet 18. Initiatives such as the Rock Enrol promotion run by the Australian Electoral Commission assist the government to increase awareness about enrolling and voting among eligible young Australians and encourage them to enrol.

The new arrangements will ensure that the Australian Electoral Commission has sufficient time to verify details provided by applicants for enrolment and thereby maintain the integrity of the roll. This is really the key. The idea is not to penalise people who have not actually got around to changing their enrolments. The important thing is the integrity of the roll. If in the period immediately prior to the closure of rolls there is an enormous flood of enrolments—as there is prior to every election—the Electoral Commission, with the best will in the world, does not have the manpower resources to be able to actually check and verify the details provided and the roll could well have less integrity.

Mr Danby—Does that mean the last three elections were invalid?

Mr SLIPPER—If someone actually changes an enrolment between elections that change or application can be subjected to great scrutiny. But when you get hundreds of thousands of last minute enrolments the Electoral Commission has little choice other than simply to put those names on the electoral roll. The member for Melbourne Ports—who is a person I respect as an individual although I do not agree with him on this issue—ought not to interject. What we are seeking to do is to have an electoral roll with integrity. Anyone who opposes the gov-
government’s proposals with respect to this particular matter does not adequately support an electoral roll with integrity.

The members for Calare and Cunningham also referred to minimum disclosure provisions. I want to point out certain facts. The size of a disclosable donation has not changed for a number of years. There is a significant administrative cost to all parties and donors in having to maintain records for relatively small amounts of money. There is also significant cost to the Australian Electoral Commission in requiring donor returns from minor donors. The government considers this a reasonable recommendation, come to by the joint standing committee and accepted by the government in balancing all of the factors involved. It simply is not realistic to consider that amounts lower than $3,000 could raise issues about undue influence.

The member for Reid in his speech referred to the matter of scrutineers not being able to actively assist electors who have requested an assisted vote. Apart from scrutineers, this amendment will not limit in any way those who can assist an elector in the casting of his or her vote. The impartiality of the voting process is critical and the amendments will reinforce this by removing any unnecessary temptation for scrutineers to influence the voting by a person. The members for Fraser, Cunningham and Calare talked about proof of identity and address at enrolment and for provisional voting. The government remains committed to preserving and enhancing the integrity of the electoral roll and believes the introduction of new arrangements for proof of identity and address at enrolment will significantly enhance roll integrity and reduce electoral fraud.

The government recognises and welcomes the realisation by the opposition that identification for enrolment is a good policy—after the opposition previously blocked in the parliament our attempts to strengthen the integrity of the electoral roll. However, the government believes that, whilst the unanimous joint standing committee recommendation was a good start, it does not go far enough, and the bill reflects that.

Mr Danby interjecting—

Mr SLIPPER—The member for Melbourne Ports ought not to laugh in jest, because we are serious about seeking to bring about integrity of the electoral roll.

A broad range of options will be available for electors to provide proof of their identity for the purposes of enrolment. This will address any concerns about potential disenfranchisement of electors, while assisting to enhance the integrity of the electoral roll. Alternative forms of acceptable identification documentation to be prescribed in the regulations could be provided by applicants who do not have a drivers licence. Where no identification documentation is available, only people in a prescribed class would be able to provide written references supporting an enrolment application. The scheme in consultation with the states and territories will preserve facilitation of the joint roll arrangements and enable access to information databases. And it is important, of course, to try to preserve these joint roll arrangements. There will be plenty of forms of identification out there, so we do not know why the opposition is not as fulsome in its support for this measure as the government would like.

The member for Calare also referred to publisher and broadcaster returns on electoral expenditure. Very briefly, these provisions place an unnecessary administrative burden on publishing and broadcasting businesses. The Australian Electoral Commission, in its submission to the joint standing committee’s 2000 inquiry into electoral funding and disclosure, recommended that broad-
caster and publisher returns be abolished because they do not assist in the prevention of political corruption. Expenditure on electoral advertising is already disclosed by individuals and organisations that authorise the advertisements, as required under other sections of the Electoral Act—that is, division 5. I note that the opposition has said that this particular proposal has some merit.

One other matter I would like to mention in passing is the matter of prisoners’ voting rights. The members for Calare, Lingiari, Reid, Cunningham and I think Melbourne Ports raised this in their speeches. The government remains firmly of the view that people who commit offences against society sufficient to warrant a prison term should not, while they are serving that prison term, be entitled to vote and elect the leaders of a society whose laws they have disregarded. Only people who are serving a sentence of full-time detention will no longer be eligible to enrol and vote. People being detained on remand, those serving alternative sentences such as periodic or home detention, those serving a non-custodial sentence or people released on parole may still be eligible to enrol and vote. I think we ought to recognise and note that this measure will bring this nation into line with many other Western countries, including the United Kingdom, Switzerland and Belgium, as well as the majority of states in the United States of America.

This bill is a very positive bill. It is a very important bill. It is a bill which the government strongly supports to bring about integrity of the electoral system. We are hopeful that we will get the bill through the parliament, because the Australian people deserve an electoral system with integrity. While we do believe that our electoral system does have a high degree of integrity, it is always possible to improve that level of integrity—and that is exactly what this bill seeks to achieve in the measures currently before the chamber. I commend these two bills to the House and I would ask for the support of honourable members.

Question agreed to.

Bill read a second time.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.34 a.m.)—by leave—I move:

That this bill be now read a third time.

Mr DANBY (Melbourne Ports) (10.34 a.m.)—I would like to decode for this parliament and the members of the Australian public listening to this on broadcast the speech that the parliamentary secretary just gave. The parliamentary secretary spoke respectfully of the Joint Standing Committee on Electoral Matters, of which I am the deputy chair, and then went on to explain the government’s measures on enrolment and witnessing. He spoke respectfully of the committee and then spoke about the government measures in two different ways. It should be clear to everybody that a committee chaired by the member for Kooyong—the Liberal member for Kooyong—with a majority of government members, including a member of the National Party, have had their recommendations totally repudiated by this government on the two matters of identification and enrolment.

Let me set the general scene and explain to this House what the government have actually done and why. In the period 1990 to 2001 there have been five elections and one referendum. Twelve million Australian voters voted at each election—six lots of voting, 72 million votes. The Australian Electoral Commission has found that, in that period, there were 72 proven cases of electoral fraud. In other words, there was one proven
case of electoral fraud per million votes in Australian elections—one proven case. And, for this, the government are now going to close the roll for the federal election on the day the election is called. They have not done this in the three previous elections when they were elected. No-one suggested electoral fraud took place then. The implication of this early closure of the electoral roll we know very clearly. In 1983 former Prime Minister Fraser did precisely that, and 85,000 young people, in particular, were excluded from the electoral roll.

I would suggest to the parliament and the public that the Joint Standing Committee on Electoral Matters knew this would happen. We sit on that committee and take expert submissions from everyone who wants to put submissions to us after the federal election. The committee is chaired by the Liberal member for Kooyong—who, as the parliamentary secretary says, handles these matters with great aplomb—yet the government ignored the committee and its unanimous recommendations because the government want to exclude these young people from their right to vote. Of course these existing standards are provisions under which people enrol now. Of course the Electoral Commission should have a program for including younger voters. But, in a compulsory voting system, Australians must measure the one fraud per million votes that took place in the last 12 years in the Australian electoral system against the inevitable exclusion of tens of thousands of people who must be included in a fair compulsory system.

The pressures by the government are an abrogation of our democratic responsibilities. I suspect the government is doing this deliberately. The government members on the committee act with great integrity, but I think this is being driven by the hard-headed Mark Textor elements in the government who want to repudiate the committee’s findings and recommendations in order to seek some kind of electoral advantage for themselves by the exclusion of tens of thousands of young people. As I said in the Herald Sun today, young people use the last week after the election is called to enrol to vote. When you are 17 or 18, I am sure that filling out forms to enrol in an election is not at the front of your mind. A very democratic aspect of our system is that people are given the chance to put their names on the roll at the last minute so that as many people as possible who are eligible to vote in a compulsory voting system can vote. I suggest that our primary responsibility is ensuring the widest possible enfranchisement, not excluding as many people as possible, as these government measures will try and do.

The parliamentary secretary also spoke about the government’s recommendations in the area of identification. He made the very interesting point that those who do not have drivers licences will only be able to use prescribed witnesses to enrol. This prescribed witness provision is a very important thing for the people listening to this broadcast and the people in the parliament to understand. The prescribed witness requirement means that people who are not enrolled to vote will have to find a barrister, a chemist or a policeman. People who do not have drivers licences might consider it hard to get two people like that together to witness their being an eligible person to enrol.

The committee recommended against this prescribed witness provision because precisely this class of person may not have access to these kinds of people and we would therefore be excluding thousands of people who need to be included in a democratic system, particularly where we have compulsory voting. Our aim should be to get as many people as possible on the roll and not to exclude them as the government is seeking to do. That means particularly the poorer
classes of people who do not have drivers' licences and would have to find barristers and policemen to witness their enrolment. Younger people who do not have filling out forms at the front of their mind and who choose to enrol in the last week—perhaps they should not do that but they inevitably do—should also not be excluded. We know that if the government measures pass this is going to exclude 85,000 people, and that is a scandalous idea. We have to balance these onerous conditions of enrolment and identification against the exclusion of vast numbers of voters whom we have a duty to see participating in a compulsory voting system.

I would like to emphasise that the existing Australian electoral system elected this government three times under the current system. It elected previous Labor governments under this enrolment and identification system as well, and there was no proof of major electoral fraud. There were 72 million votes cast in the period from 1990 to 2001, and the Australian Electoral Commission showed that there was one fraud per million votes. For this, we are going to jeopardise the votes of 85,000 young people and put an onerous condition on people who do not have drivers' licences to find prescribed witnesses to identify them. This is not an exercise in democracy being undertaken by this government. I am sure that, when these measures go to the Senate, the formidable Senator Faulkner will round up a sufficient number of senators to see that both of these measures are defeated, as they should be.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.41 a.m.)—Mr Deputy Speaker—

Mr McMullan interjecting—

Mr SLIPPER—My friend opposite really ought to stick to his next bill. I will be quite brief because the matters raised by the member for Melbourne Ports in his speech were covered in my earlier contributions. The government welcomes the recommendations of the joint standing committee and congratulates the committee. We believe that the committee does a good job. We believe that the recommendations did not go far enough. That is not to repudiate the provisions of what the committee has said. With respect to the shutting out of voters, there is no intention to do that. While the list of prescribed witnesses has not yet been determined, so often in our society when people sign documents they need certain prescribed witnesses, and surely getting on the electoral roll is at least as important as carrying out some other spheres of human activity.

The suggestion by the member for Melbourne Ports that the government was in some way, shape or form trying to lock out younger voters is simply not accurate. We already have provisions for the provisional enrolment of 17-year-olds, and those provisions will of course encourage younger people to get on the electoral roll. In any event, why on earth would the government be wanting to knock out younger voters when all the opinion polls are showing that younger voters strongly support the policies of the government? The opinion polls I have seen indicate that the government enjoys very strong support from younger voters in our society, so why on earth would we be trying to lock them out? All we are trying to do is bring about an electoral roll with the maximum possible integrity.

The member for Melbourne Ports referred to the last several elections and suggested that only a small number of frauds had been discovered. In many cases, we would not know whether people fraudulently got on the electoral roll or not because, under the current system with the flood of enrolments just prior to the close of roll prior to an election, the Electoral Commission simply does not
have the time or the resources to work out whether those people should go on the roll. In many cases, those people just go on the roll. We do not know if nom de plumes are going on the electoral roll. We do not know if nom de plumes vote. The abolition of sub-divisional voting made it easier for people to go from polling booth to polling booth.

While only a certain number of examples of electoral fraud may have been identified, the idea is to cover the situation where electoral fraud is not identified. There are a whole lot of cases in which I believe there has been electoral fraud but it has not been identified. The whole reason for this legislation is to make sure that any such fraud, if it has happened in the past, does not happen again and to make sure that we have an electoral roll with the maximum possible level of integrity. I ask the member for Melbourne Ports to change his mind and support the government, because this is really good legislation.

Question agreed to.

Bill read a second time.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.47 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

APPROPRIATION BILL (No. 1) 2004-2005

Cognate bills:

APPROPRIATION BILL (No. 2) 2004-2005

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2004-2005

APPROPRIATION BILL (No. 5) 2003-2004

APPROPRIATION BILL (No. 6) 2003-2004

Second Reading

Debate resumed from 24 May, on motion by Mr Costello:

upon which Mr Crean moved by way of amendment:

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

“whilst not declining to give the bill a second reading, the House:

(1) condemns the Government for its cynical election driven spending spree which—while spending a record $52 billion over the
forward estimates—failed to deliver crucial services to Australians, including:

(a) funding the pneumococcal vaccine for children;
(b) funding VET in schools so young Australians can either Earn or Learn;
(c) ensuring access to Higher Education without excessive fees or increasing student debt levels;
(d) ensuring all Australians can access bulkbilling services; and
(e) ensuring adequate measures to respond to Australia’s skill shortage; and

(2) also condemns the Government for failing to present a strategy to adequately address the long term fiscal challenges facing the nation’.

Mr McMULLAN (Fraser) (10.47 a.m.)—

I rise to speak on the Appropriation Bill (No. 1) 2004-2005 and cognate bills. Two weeks ago the Treasurer delivered the most profligate budget ever. This may sound, on the face of it, like a big call, but the facts back it up. In this financial year and the next, this budget leads to an increase in spending of $23 billion. Another way of describing the extent of this unprecedented spending spree is the fact that the reconciliation tables in the budget papers show new spending of $52 billion in this budget for the next four years. There has never been anything like it—nothing even comes close to it. The surplus generated for this year or next is not the result of any frugality, of any careful tending of public revenues; it is simply due to the fact that this is the highest taxing government in Australian history.

Over this financial year and the next, Commonwealth receipts will increase by $18 billion, not counting the GST. After the initial euphoria that follows the spending of $52 billion, it is clear that broader issues are emerging which have wider implications for the future of fiscal policy in Australia. There has been much debate about how government will fund fiscal pressures arising from the ageing of the Australian population. Usually the debate focuses on issues arising from the spiralling costs of health care and aged care, which will be placed under increasing pressure as the Australian population, in average terms, becomes older. However, the key problem facing Australian policy makers is: how will we fund future spending to support an ageing population when less of the productive work force will be contributing to the tax base? All of the available options raise difficult issues.

We need better quality public debate about budget priorities and management, and I will have something to say in the near future about some initiatives to enhance that debate. But today I would like to focus on what I regard as the first item that we need to address, possibly the most crucial to the fiscal responsibilities of government—the effectiveness of spending programs. This part of the task is best described by one of the most notable finance ministers of recent times, Peter Walsh. He saw his task as ‘opposing wasting taxpayers’ money’ on what he judged to be unworthy causes. Part of his job was ‘ruthlessly’—and I do not think anyone would doubt that he applied that phrase to himself and to his activities—‘pursuing savings in spending programs and transfer payments’.

As is currently the case, Labor in government employed an expenditure review committee, or ERC, not only to assume an important role in the allocation of resources and identification of priorities but also to oversee and conduct extensive spending cuts. In 1987 alone, under the leadership of Hawke, Keating and Walsh, Labor instituted cuts of $2.6 billion. Of course, the ERC then had a more permanent role than the current government’s equivalent appears to have and was therefore able to perform a rolling function of tighter control on spending and ongo-
ing review of programs to monitor waste and hence undertake ongoing savings processes. The role of the ERC during the Hawke government was not dissimilar to the role and function of the current ERC for Labor in opposition. Putting aside the policy and spending oversight functions which only arise in government, the current Labor ERC has focused its efforts on identifying savings so that Labor policies are fully costed and funded.

Let me outline my view of the savings task for a modern Labor finance shadow minister. It is important to recognise that savings are not an end in themselves; nor is the size of government an end in itself. They are means to a bigger end. In 2004, the purpose of a savings task is to make room for priority initiatives that an incoming Latham Labor government would wish to introduce over and above present government commitments. In some areas, identification of potential savings has been easy. It has just been a matter of cutting out bad policy.

The baby bonus is a classic example of bad policy. It was flawed from the beginning. Even if it had achieved its stated goals, which it clearly failed to do, it was an unfair and inefficient means of achieving them. Cutting that out was easy in principle. However, the figures surrounding public finances—and the budget in particular—are so opaque these days that identifying the net cost of the program was very difficult, but we did it. The irony is that the government attacked us for it: the Treasurer came into the House at question time and attacked the Labor Party for proposing to abolish the baby bonus. But, as we knew would happen, only months later, in a barefaced but unashamed case of double standards, the Treasurer announced in the budget precisely the measure he had attacked—he abolished the baby bonus.

In addition to bad policy, there are areas of waste and mismanagement which are obvious and demand the attention of any finance minister or treasurer interested in doing their job. But the present incumbents have an eye for election management rather than budget management. The most obvious current example of shocking waste is the government’s obscene advertising spending spree. Without having access to any undisclosed intentions of the government, we have been able to identify a saving of more than $100 million in current and planned advertising campaigns—and this does not include expensive but necessary advertising costs associated with issues like defence recruitment or other employment related advertising.

The breathtaking double standards reflected in this spending are exacerbated when you realise that the Prime Minister, as opposition leader in 1995, promised to introduce strict guidelines, enforced by the Auditor-General, to limit government advertising. Nine years later we are still waiting for any action. In a press release of 5 September 1995 about pre-election advertising, the Prime Minister, who was then Leader of the Opposition, said:

This grubby tactic will backfire on the Government. Taxpayers will see through it. They don’t want their money wasted on glossy advertising designed to make the Prime Minister feel good. I think in 2004 that statement is true. Secondly, he said:

There is clearly a massive difference between necessary Government information for the community and blatant Government electoral propaganda.

That statement of 1995 is certainly applicable to the $100 million the government is proposing to spend to get itself re-elected. Thirdly, he said:

The problem for this Government is not communication. The problem is that it is tired, it has bro-
ken too many promises and it has hurt too many people.

That is too true. Most tellingly of all in the 2004 context, the then Leader of the Opposition said:

Families, welfare organisations, small businesses, the elderly and the youth of Australia can all see far better ways to spend $50 million—if we could now say $100 million—than self-congratulatory mirage-making.

That is even more true today. That is a very big savings option, which we will exercise and which we will outline the details of shortly. Since last year the opposition ERC has set out to ensure that Labor’s spending programs do not place pressure on the budget and in turn on interest rates. Throughout this process Labor have been able to identify savings of more than $10 billion through a process of reprioritisation, reallocation and cutting wasteful, mismanaged and misdirected government policies.

Key examples of the government’s misdirected spending have been in the areas of health and education. The Treasurer, in what I am sure he thought at the time was a withering attack, made this point very effectively for us in question time this week, and we thank him for it. What he made clear, and repeated yesterday, is that we, the opposition, have been able to substantially fund our major reforms in Medicare and higher education by reallocating funds from the government’s failed policies in this area. I invite the Treasurer to launch the same attack again today, because it makes our frugality more evident to the Australian voters. The Treasurer was right: we have made those reallocations, and we will continue to do this in other policy areas as well.

A key example of wasteful spending that Labor has been able to abolish to fund key aspects of our policy platform lies in the area of industrial relations. In this area the government’s blind ideological hatred of trade unions has led it to establish wasteful and unnecessary bureaucracy to duplicate functions better performed by the Industrial Relations Commission. We do not have to do that, and we will not. Therefore, those funds, another $183 million, will be available to fund other programs.

Labor’s savings will ensure that ideology like that and ‘favourites for mates’ do not compromise the effectiveness of policy delivery and outcomes and that taxpayers’ money is not frittered away. Labor have been proactive in assessing government spending, and we have to acknowledge that our identification of savings has met with some agreement from the government. On many occasions savings that we have outlined, for which we have been criticised by the government, have then been stolen by the government, reducing our net savings—although not necessarily the funds available, because it has a bottom line effect on the budget—and making the task of identifying savings and keeping a scorecard of commitments more like trying to take a fix on a moving target.

The 2004-05 budget confirmed that the government has pinched four of Labor’s identified savings: the abolition of the baby bonus and the maternity allowance, the abolition of the National Office of the Information Economy and the merger of the Broadcasting Authority and the Communications Authority. Many of those policies, when we announced them, were attacked by the government. Some months later, they have adopted them all.

An important part of Labor’s savings process is assessing government policy and tracking down expenditure over the forward estimates. This is not always a simple or straightforward task; however, we have persisted in applying our policy of fully costing and funding our policies so that our com-
mitment to a budget surplus and low interest rates remains true. We will persist in the task to assess program spending and identify that which is wasteful, mismanaged or not addressing what should be the priorities of the government.

We will continue to analyse and assess programs and scrutinise reviews and assessments conducted by the government and the private sector so that not only do taxpayers get value for money but Australians, both now and in the future, can access those services that are crucial to ensuring quality of life. This will include scrutiny of our own programs and priorities, because not all savings come from bad policy or waste and mismanagement; sometimes, worthwhile policies or commitments have to make way for higher priorities. We will be applying that to our own announced priorities as well as those of the government.

I would like to talk about another aspect of the budget which has long-term implications for fiscal sustainability, not just in recurrent terms but also in balance sheet management. I am speaking, of course, of Telstra and the government’s intention to sell off its remaining shares irrespective of the will of most Australians to keep Telstra in majority public ownership. Labor has consistently argued that the sale of Telstra will leave the budget worse off. That is to say, the stream of dividends from Telstra exceeds the benefit that the government gets from paying off debt and reducing its public debt interest payments.

Even today it is not exactly clear how the proceeds of any proposed Telstra sale will be used by the government. There appears to be increasing pressure for the government simply to spend some or all of the money to pork-barrel the proceeds to facilitate the passage of the legislation. Indeed, as recently as a fortnight ago, an article in the *Australian Financial Review* confirmed that government ministers were reconsidering the packaging of the sale in order to push the legislation through the Senate. The article also confirmed that the Treasurer had signalled that he was open to the possibility of Telstra proceeds being used to finance a slush fund. But only a few days later the Treasurer indicated he would prefer to apply the proceeds to pay off the government’s unfunded superannuation liability.

On the face of it, that is not inconsistent with some of the comments made by the Minister for Finance and Administration. But what is becoming clear is that the Treasurer’s position on the use of proceeds is one opinion today and a different opinion tomorrow, and it gets muddier than ever. This has serious implications for the budget impact of a sale of Telstra. Analyses of consensus forecasts of Telstra’s share price and dividends show quite clearly that the sale will cost the budget in the short and medium term. Placing proceeds in a term deposit would cost the budget as much as $1½ billion across the forward estimates. However, creating a slush fund of $2 billion per tranche of the sale and using only the remainder to pay off debt would cost the budget even more over the forward estimates period.

Yesterday’s estimates hearings again confirmed that the government is still very coy about the budget impact of a sale of Telstra. It wants to cover it up because it has something to cover. However, the opposition have been able to establish by analysing the figures in the budget that the government has finally revised its Telstra dividend assumption from the ridiculous 23c per share across the forward estimates in the 2003-04 budget to the more realistic market based dividend-per-share forecast of 28c, which appears to be reflected in the 2004-05 budget. If this is true, it is a welcome improvement to the presentation of the budget estimates, but it
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confirms Labor’s long-running contention that the sale of Telstra will cost the budget now and in the future.

Questioning during the estimates hearings yesterday sought to extract the underlying assumptions of a sale and what the net impact would be. The key elements which determine the budget impact of a sale of Telstra are pretty clear: the sale proceeds minus the sale costs—that is, the net amount of money, the impact on that amount in terms of public debt interest savings when used to pay off debt, and the dividends forgone by no longer owning those shares and how they balance.

We can now get a pretty good fix on what all that data is. The sale proceeds, assumptions and costs are reflected in the budget and in second reading speeches. We can now assess the dividends forgone because we appear to have agreement on the appropriate estimate of future dividends, which should not be all that difficult to make, because such assessments are regularly published and there is an IBES survey which reflects the consensus of analysts that the dividend should be close to 28c. The public debt interest savings can easily be calculated because, in his second reading speech in October last year, Senator Minchin outlined that we should apply the long-term bond rate.

If we do those three things, we find that in the first tranche of sale the budget assumes a figure of $11,280 million, which if applied would generate public debt interest savings of $622 million in the first year. We would get dividends forgone in the first year of $601 million—and rising, but let us just keep them constant for the moment—but the problem is that the cost of selling Telstra is $218 million in that year, which on the basis of that analysis makes a net negative budget contribution of $197 million in 2007-08.

The Department of Finance and Administration has refused to answer basic questions about the composition of dividends in the budget for the extraordinary reason that, if it answered those questions, the Labor Party would be able to do the maths and work out what the Telstra dividend has been revised to. In other words, people might know what the government’s plans are. The public might actually be able to work out what the financial implications of the government’s decisions are, so we cannot afford to tell them. Telstra has been saying it is a matter for the department of finance and the department of finance say they cannot tell us because it is a matter for Telstra. They have both refused to come clean on the issue of budget dividend forecasts.

So I want to reiterate our previous challenge to the government to reveal all the data. What is the assumption about the sale price—we think we know; we think the government has made it public; the figure in the budget seems to tell us, but confirm that. Confirm the sale costs—they seem to be on the record; we think we know. Confirm those. Confirm the public debt interest saving based on the figure that the Minister for Finance and Administration put out last year. And confirm the dividend estimate—the market estimate is 28c a share. We want to know if those assumptions are correct. If they are, how can you deny the fact that that is going to have a net budget impact? There are slightly different ways it can be calculated, but they all drive a negative number.

The significance of the savings and other measures I have outlined is that they make it possible for Labor to meet our priority service spendings in key areas like health and education and yet meet our rigorous fiscal pledge of budget surpluses in each year of the next parliament, a reduction in Commonwealth expenditure as a percentage of GDP and a reduction in Commonwealth taxation as a percentage of GDP. We will need to be rigorous in continuing to find sav-
ings and funding options to meet that pledge and to meet our services commitments. The key to delivering on these commitments is the discipline to make tough decisions and set rigorous priorities. Only a new and fresh government will deliver this discipline and rigour—and I look forward to the opportunity of being part of that process.

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (11.08 a.m.)—It is now just over two weeks since the Treasurer stood in this chamber and delivered a budget that provides more for families, more for aged care, more tax cuts, more for carers and more for new parents.

Two weeks later and the silence from the opposition on its own budget details is deafening. The opposition leader has responded in this chamber to the budget. He has addressed a National Press Club luncheon, gone on talkback radio and made reassuring noises on family values but, when it comes to the details, there is nothing. His ‘ladder of opportunity’ may warm the hearts of motivational speakers and his reading books to children may further increase the wealth of J.K. Rowling but, when it comes to telling the Australian people how he intends to run the Australian economy if elected, he is silent.

The opposition leader is not alone. His shadow Treasurer also has been developing the art of talking a lot but saying very little. His own party did not want him as their leader, but they now think that the Australian public will warm to his economic credentials. One wonders, from the ongoing confusion in Labor’s ranks on economic policy, whether they have any plans at all.

I think that it is very important to highlight the stark contrast between the budget speech of the Treasurer and the reply by the Leader of the Opposition. The Treasurer outlined the clear vision of a government that had kept the economy growing and was able to reward the hard work of Australians, while offering more for families, further tax cuts and a better aged care system. In contrast, the opposition leader’s response was high on rhetoric and very low on substance. My concern with the opposition leader is his ability to back up his promises with any plan of action. The Advertiser, in its editorial following the opposition leader’s budget-in-reply speech, said that the opposition leader was ‘long on promises and short on detail’ and that the speech ‘does not show Mr Latham is anything more than a smooth talker’. Political commentator Glenn Milne wrote in the Australian newspaper:

... Latham will have to get off the big shiny ideas and get down into the dirty business of detailed policy—

So far, that detail is very sadly lacking.

The 2004-05 budget should be recognised for providing security for families so they can plan for the future. The improvements in family tax benefits, tax cuts and maternity payments offer families more choices at a time when unemployment and interest rates are at record lows. Importantly, even with these significant measures, the budget remains in surplus. As the Treasurer indicated, the government will not spend money it does not have. In fact, the government has repaid $70 billion of Labor’s $96 billion debt. At a time when countries much bigger than Australia have gone into recession, this is a very remarkable achievement.

What must also be recognised in this debate is the success of the taxation reforms in not only greatly improving our taxation system but also providing money to the states and territories. In 2004-05, after only four years since the introduction of the A New Tax System, every state and territory will be better off than they would have been had the tax reform not been implemented. This
means that in 2004-05 every state and territory will receive more revenue from the GST than they would have done under a previous system of financial assistance grants and the state and territory taxes that were abolished with the new tax system.

My home state of South Australia will be $130.9 million better off this financial year as a result of that tax reform. This figure builds to an increased revenue of $236.1 million by 2007-08. Across the whole country, we are $1.6 billion better off in 2004-05 and will be $2.9 billion better off by 2007-08. This extraordinary achievement means that there will be no excuses for state and territory governments in not providing important health and education services through the additional money that they now receive from the Australian government.

I congratulate the Treasurer on the announcement of significant tax cuts for Australian workers. Middle income earners have until now been subject to tax rates that are higher than the top tax rates paid in other countries. Bracket creep is also a problem as people cross into higher tax brackets. These changes will make us more internationally competitive and reward effort. I have heard the predictable criticism from some people that the changes to the tax system disadvantage lower income earners but, if you actually look at the nature of our progressive taxation system, such criticism is unfair.

I was interested in the words of the Treasury secretary, Ken Henry, when he talked to a business economists’ lunch about the extraordinary progressivity of that tax and social welfare system, in that many people pay proportionally higher rates of tax the more that they earned. Mr Henry gave a comparison of a family, with one child under five years of age, earning just $10,000 a year which had an effective, after tax and social security, benefit of $26,000. The same family with an income of $100,000 had an after-tax income of $67,613. In other words, a family with a tenfold increase in earnings only increased their disposable income by 2½ times. As Mr Henry said in his speech, by international standards, our higher marginal tax rates cut in at quite low levels of income, and our income support payments are subject to a much higher than normal extent of means testing.

The Treasurer pointed out earlier this week that 99.8 per cent of Australian families with children will benefit from either tax cuts or increased family benefits in this year’s budget. As the Treasurer also pointed out, if you claim the family tax benefit under the tax system, the effect of the benefits means that a single income family with two children does not pay tax until the family income goes above $40,975.

Many of the budget measures announced this month will greatly benefit people in my electorate and South Australia as a whole. I would like to take this opportunity to highlight just a few of them. I was particularly pleased to see the wine equalisation tax rebates for South Australian winemakers. The government will rebate $290,000 of wine equalisation tax to every wine producer per annum. While the grapes may be grown in country South Australia, many people in my electorate are directly and indirectly involved in the wine industry and therefore will benefit from this important decision.

I also applaud the decisions to provide more aged care places. In South Australia an extra 1,675 aged care places will be created from now until 2006-07, with the bulk of those places being created in 2004-05. A further $438.6 million will be provided Australia wide over the next four years towards building, refurbishing and expanding aged care facilities. The one-off payment of $513.3 million, or $3,500 per resident, will
provide for significant investment in improving building standards for aged care homes by 2008.

I also welcome the positive budget measure for veterans, with the government providing $157.7 million over four years to ensure that veterans and their dependants who have gold or white repatriation health care cards retain access to specialist medical services as private patients.

I was delighted to see the government delivering on an earlier commitment to provide funding for local roads in my electorate. The government has announced an additional $26 million in local road funding for South Australian councils over the next three years. The funding is in addition to the $106 million in 2003-04 provided as financial assistance grants to local government in South Australia. In January this year funding for local roads under the Roads to Recovery program was increased by approximately $100 million over five years.

These significant announcements follow my own extensive lobbying and that of my coalition colleagues in South Australia for a more equitable share of local road funding. Under financial assistance grants, councils in South Australia had around 7.7 per cent of the national population and 11.7 per cent of the national roads but received only 5.5 per cent of the local road funding.

I met with the Minister for Local Government, Territories and Roads, Senator Ian Campbell, to lobby him on the shortfall in financial assistance grants and to urge him to increase South Australia’s share of funding. I would like to place on the record my appreciation of his understanding the situation and fixing it. I understand that the increase in funding has also been welcomed by the Local Government Association and the RAA. Unfortunately, the South Australian government has made the situation far worse by taking away money from its regional road program grants and reducing funding from $2.2 million in 2001-02 to just $700,000 in 2003-04. I call on the South Australian Treasurer to follow the Australian government’s very good example and reverse this mean decision.

The government has also delivered on its commitment to provide funding of more than $365 million over four years for a range of local initiatives to help families, children and communities at risk, through a new Stronger Families and Communities strategy. The Enfield Early Learning Service in my electorate have already benefited from this announcement. They are one of the first organisations to receive new funding to continue their excellent work to help children and families in the northern suburbs. I will certainly be encouraging other local community groups around Adelaide to have a close look at the comprehensive package of initiatives and to apply for funding if they believe their idea or project will make a real difference to their community.

Another positive project in the budget is the establishment of a $20 million national community crime prevention program, which will include a community grants scheme to support grassroots projects designed to prevent crimes such as graffiti and vandalism and to improve community safety and security. I can assure colleagues that the feedback from my electorate is that that initiative is very important indeed, as graffiti in inner-city areas can be quite a problem.

As strong as the Australian economy is, there are always significant challenges to be faced by the people of Adelaide. The latest one was the announcement last Friday by Mitsubishi Motors to close the Lonsdale engine plant. While the plant is outside my electorate, there are many people living in my electorate who are directly or indirectly
affected by this decision. They work at Mitsubishi, work at factories that supply parts for Mitsubishi or provide other services for the company. If there were ever a case of a cloud having a silver lining, this is it. While the decision to shut down the Lonsdale plant was very disappointing, the decision to keep the Tonsley Park plant operating is very good news for all concerned.

I would like to take this opportunity to wholeheartedly support the actions of both the Australian government and the South Australian government in their efforts to keep Mitsubishi in South Australia and to offer assistance to workers affected by the Lonsdale plant closure. The Australian government is putting in place a $50 million package of assistance measures that involves a combination of labour market program assistance to help those workers as well as measures to attract new investment and create job opportunities in South Australia. Clearly this will help Mitsubishi staff and create valuable investment opportunities in Adelaide.

Apart from very local issues, there are always ongoing external challenges for the people of Adelaide, as there are in other parts of the world. I refer to our ongoing war on terrorism and, in particular, the war in Iraq. It is of concern that we need to keep reminding people—and, unfortunately, some who sit on the other side of this chamber—that a key reason that Australia was part of the coalition of the willing was to stop a tyrannical government inflicting atrocities on its own people. Once again I defer to the words of Jose Ramos Horta, a Nobel Peace Prize winner and East Timor’s senior minister for foreign affairs and cooperation. He wrote in the Australian on Friday, 14 May that cutting and running in Iraq—as some countries have already done—only gives comfort to terrorists and those who would seek to undermine democracy. He wrote:

No matter how the retreating governments try to spin it, every time a country pulls out of Iraq it is al-Qu’a’ida and other extremists who win. They draw the conclusion that the coalition of the willing is weak and that the more terrorist outrages, the more countries will withdraw.

He continues:

As a Nobel Peace laureate, I, like most people, agonise over the use of force. But when it comes to rescuing an innocent people from tyranny or genocide, I’ve never questioned the justification for resorting to force.

Jose Ramos-Horta points out that:

Saddam’s overthrow offers a chance to build a new Iraq that is peaceful, tolerant and prosperous. That’s why the stakes are so high, and why extremists from across the Muslim world are fighting to prevent it.

As Parliamentary Secretary to the Minister for Health and Ageing, I would like to mention a number of the positive initiatives in my areas of responsibility in recent months that will once again benefit from the budget. The Australian government has again shown a strong commitment to its Tough on Drugs strategy. Last month, the Prime Minister announced that $17 million will be provided in additional grants to help tackle Australia’s illicit drug problem. This funding, made under stage 2 of the Non-Government Organisation Treatment Grants Program, will assist 62 organisations across the nation, including three in my own electorate, to provide a wide variety of new treatment projects. This is in addition to the funding of $47 million allocated to stage 1 of the same program, which was announced by the Prime Minister in August and October 2003.

The funding will provide new services for treating people struggling with illicit drug problems, with particular emphasis on addressing the emerging issues of increased psychostimulant use and the comorbidity that exists between mental health disorders and problematic drug use. These are issues we
need to treat seriously and take action on. Last week, I launched a monograph that showed Australia is not immune to the global phenomenon of an increasing use of psychostimulants. The revised National Drug Strategy monograph *Models of intervention and care for psychostimulant users* shows there are clear signs that psychostimulant use is increasing in Australia. This increased use of psychostimulants, particularly methamphetamine use, poses significant challenges for law enforcement and treatment services. Subsequent violence, depression and psychosis have serious consequences for the individual, treatment providers and the wider community. This revised monograph and other recent surveys have highlighted the importance of developing a range of coordinated, complementary and innovative interventions focusing on psychostimulants and addressing prevention, treatment, harm reduction and supply reduction.

On the issue of comorbidity, last week I was fortunate to spend a whole day taking part in a forum that was jointly organised by the Australian government and the Mental Health Council of Australia—and which was funded by the Australian government—to look at early intervention initiatives. The forum was attended by some of the top psychiatrists, clinicians, GPs and other medical specialists as well as drug and alcohol service providers. I congratulate everyone who took part in this event. I found it challenging and thought provoking, and there were clear messages about how the areas of mental health and drug and alcohol services need to work closer together to help our young people. I also would like to make special mention of the three young people—Jenelle, Eric and Jane—who not only recounted their own experiences of depression and drug use but provided wonderful input to the debate. The outcome of this forum will greatly inform the government as it moves forward in this important area. I also note that further funding for comorbidity was announced in the federal budget to continue this very valuable work.

Another critical issue for this government and for the health of many Australians is our measures to reduce the incidence of smoking. Tobacco smoking is the single largest preventable cause of death and disability in Australia. It kills more than 19,000 people, is responsible for about 80 per cent of drug related deaths and costs the Australian community around $21 billion in social costs per year. Central to this is our commitment to introduce graphic health warnings on tobacco products. Following extensive consultation with consumer groups, the tobacco industry and the wider community, the government will shortly introduce regulations into parliament which will lead to the introduction of these new warnings.

On another health issue of note, I would like to congratulate the Breast Cancer Network Australia on the launch of the *My Journey* kit, a resource developed by women for women newly diagnosed with breast cancer. I had the pleasure of launching this kit in Melbourne along with other prominent breast cancer survivors, including former Olympian Raelene Boyle and former federal minister Ros Kelly. The *My Journey* kit contains information on a range of topics, including emotional survival, physical wellbeing, help for partners and families, the importance of a multidisciplinary medical team, treatments, practical advice about what to take to hospital, returning home, going back to work and financial issues. Even with the advantage of my nursing and pathology background and my work in the health portfolio, I would have benefited greatly from the kit at the time of my own diagnosis. This kit has been written and prepared in easy to understand language by women who have been through the experience themselves. In addition, all
the major medical colleges, including surgeons, general practitioners, radiologists, medical oncologists, nurses and pathologists, have endorsed this kit. I am very pleased to advise colleagues that the Australian government contributed $200,000 to this wonderful resource.

(Time expired)

Dr Emerson (Rankin) (11.28 a.m.)—

An appropriate starting point for the debate on Appropriation Bill (No. 1) 2004-2005 and the cognate bills is the identification of the challenge facing Australia in the coming years. That challenge is well articulated in paragraphs written by Treasury in Budget Paper No. 1. The challenge is of an ageing population and faltering productivity growth. This challenge has been recognised by Treasury since 2002, when it produced the Intergenerational Report. But Budget Paper No. 1, at page 1-6, says that over the next 40 years it is:

... projected that growth in the proportion of the population of workforce age will slow to almost zero ...

This is a very chilling forecast. It is one clear indication of the ageing of the population. The other contributor to the challenge facing Australia is faltering productivity growth, as confirmed again in Budget Paper No. 1, at page 1-7, which says:

... it is likely that real GDP per person will slow to around 1 ½ per cent per annum over the next 40 years, relative to around 2 ¼ per cent per year over the past 40 years. This is due largely to the negative contribution to growth of the projected decline in labour force participation—a direct result of the ageing of the population—and a return to the long term growth rate of productivity of 1¾ per cent a year.

This forecast decline in per capita GDP growth from the year 2010 onwards would constitute the slowest rate of growth in measured living standards since the decade of the Great Depression. Through the Intergenerational Report and the official budget papers, Treasury is forecasting our worst performance in per capita GDP growth from the year 2010 onwards since the decade of the Great Depression. You would think that, having been confronted with this challenge, the government would respond adequately to it in the budget, but it does not. The budget paper also says, at page 1-8:

... in the Discussion Paper Australia's Demographic Challenges released by the Treasurer in February 2004. That paper highlights the need to take early action to increase productivity and labour force participation.

What action is provided in this budget to increase labour productivity and work force participation, and combat the ageing of the population? This budget is a grave disappointment, in that the challenge has been identified and well articulated by Treasury but the response is sadly lacking.

In terms of the ageing of the population, the government has introduced some measures relating to superannuation, which, in effect, ensure that superannuation tax concessions flow to high-income earners—in particular, to the spouses of high-income earners, through the co-contribution and the changed eligibility that is enunciated in the budget. That changed eligibility is such that only 10 per cent of a spouse’s income needs to be earned—meaning that up to 90 per cent can be unearned income. That is a clear indicator of a preference to support superannuation for the spouses of well-off Australians. The other measure associated with superannuation is a reduction in the superannuation tax surcharge, which would go to something like one in 20 Australians, leaving 19 out of 20 Australians to get no benefit from that particular measure.

Why is the Howard government so intent on ensuring that superannuation again becomes the preserve of the relatively well off? The answer is: it is being consistent. It is being perfectly consistent, because when
Labor understood the challenge of the ageing of the population way back in the 1980s, Labor successfully sought to spread superannuation to the working men and women of Australia; the then opposition, the coalition of the Liberal and National parties, hated it. They hated it and opposed it at every opportunity. Have a look at the Hansard. Have a look at the public statements. They hated the idea of working people getting access to superannuation. Yet, before the 1996 election, for purely expedient reasons, the Howard government made a promise in its official election documents to retain Labor’s co-contribution scheme. In 1997, the Howard government broke the promise and scrapped Labor’s co-contribution scheme that would have ensured a reasonable, decent retirement income for the working people of Australia. It broke a promise and scrapped the scheme, consistent with its long-held philosophical view that working people should not have superannuation. That philosophical view has been reinforced in this budget. There is this challenge of the ageing of the population—and, therefore, an increased burden of providing adequate retirement incomes—and the government, through its ideological obsessions, has squibbed the challenge, restricting benefits overwhelmingly to the highest income earners in this country.

When the government scrapped Labor’s co-contribution, it stole out of the pockets of working Australians the money that was to be directed into superannuation funds. It kept that money. Then, in the year 2000, it used some of that money for what the Treasurer described as a ‘streamlined new tax system for a new century’ and ‘the biggest income tax cuts in Australia’s history’, but it did not even give back all the bracket creep that it had accumulated. It stole the money, gave these tax cuts and described them as the biggest tax cuts in Australia’s history, but they were just GST compensation—compensation for a GST that the government created and has been disowning ever since. It says the GST has nothing to do with it; it is not a Commonwealth tax—you will find in the budget papers that the government denies that the GST is a Commonwealth tax, even though it was put through this parliament, even though the Auditor-General has indicated and ruled that it is a Commonwealth tax.

The only people in Australia who believe that the GST is not a Commonwealth tax are the members opposite—the members of the Howard government. You ask any one of them and they will look you in the face and say: ‘Oh, no, the GST is not a Commonwealth tax. We don’t remember going into parliament and passing that legislation.’ I think the Australian people are a bit smarter than that—in fact, a lot smarter than that. In the year 2000, in the form of GST compensation, the government gave back some of the money that it stole from the Australian people in 1997. Then, in the year 2003, last year, it gave one further tax cut—a tax cut worth $4 a week. It was a $4-a-week tax cut that Senator Amanda Vanstone described as a sandwich and milkshake tax cut. She was right. It was barely enough to buy a sandwich and a milkshake.

This budget provides, for four out of five Australians, no reduction—not one cent—in income tax. These are the forgotten people. Four out of five Australian families and single people get not one cent of reduction in income tax in this budget—and right through the forward estimates period to mid-2008. The Treasurer was asked about this. He was asked on the 7.30 Report: ‘What about the forgotten people?’ He said: ‘You asked me about low-income earners. Last year we did it across the board. Low-income earners pay less tax.’ He just dismissed the question about why four in five Australians get not one cent of income tax cut in the budget. He
completely dismissed it. It means that these forgotten people, if the Australian people were ever to have the misfortune of the Howard government being re-elected, would get only one income tax cut in the entire period from 2001 to 2008—that income tax cut being a $4 sandwich and milkshake income tax cut.

The government has forgotten most Australians in its tax policy. But who are the forgotten people? I have done some analysis of this. The forgotten people are hairdressers, farmhands, cleaners, shop assistants, receptionists, hospitality workers. I might just point out, using the government’s own projections of inflation and earnings growth, how much extra the forgotten people will be paying in income tax by the middle of 2008 as a result of the fact that the government has given them no income tax relief in this budget or for any year up to the middle of 2008. A hairdresser will be paying almost $29 a week extra in income tax by the middle of 2008. A farmhand will be paying $31; a cleaner, $33; a shop assistant, $34; a receptionist, $34; a hospitality worker, $36; an office clerk, $36; a labourer, $36; a factory worker, $39; a motor mechanic, $39; an enrolled nurse, almost $41; a machine operator, more than $41; a social worker, more than $42; and an accounts clerk, almost $43 a week extra in tax. These are the forgotten people.

Back in 1942 the Prime Minister’s hero, Bob Menzies, described the forgotten people in a radio interview. He said that they were the backbone of the country. These are the people who form the backbone of Australia, but this government has said that they deserve only, in a seven-year period, a sandwich and milkshake $4-a-week tax cut. I have also calculated that 62 per cent of those sums is bracket creep. So when the government says it is giving back bracket creep, it is completely untrue. These forgotten people will be subject to bracket creep as a result of their omission from the income tax cuts. It is also the case that three in five Australians will get not only no income tax cut but also no increase in family payments—three in five families and single income earners.

The government would be doing very well in terms of income tax receipts over the next few years if it were to be re-elected. If it were to be re-elected, there would be an increase in income tax receipts, as projected in this budget, from $97 billion in 2003-04 to—wait for it—$121.9 billion. That is an increase, in just a short period, of 25 per cent, or $24 billion. So the government is raking in income tax because it is too mean to give the forgotten people a tax cut. The government also neglects the GST, which is also growing.

It is worse in my state of Queensland. NATSEM has calculated that in Queensland—and this is because incomes are, on average, lower—63 per cent of families and single income earners get nothing out of tax cuts or increased family payments. The day after the budget I did a calculation, and it came out at 67 per cent of families and single income earners who get nothing. This is now confirmed at 63 per cent, which is pretty close to the estimate that I provided to the parliament at that time.

If the Howard government were re-elected, it would have delivered just three tax cuts in 11 years. Labor delivered seven tax cuts in 13 years and returned to the Australian people every cent—and even more—of bracket creep. Is it any wonder that this government shows up as the highest-taxing, highest-spending government in Australia’s history? Of course it is. The government has failed to respond to the challenges of the ageing of the population and faltering productivity growth. I will refer now to a paper by Saul Eslake, which says:

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The consensus emerging from numerous studies of the improvement in Australia’s productivity performance attributes it largely to economic reforms.

The footnote refers to a Productivity Commission report of 1999. The economic reforms to which the report refers are reforms introduced overwhelmingly by Labor. So Labor ensured that there was a big kick-up in productivity growth, which has created prosperity. But this government is so complacent and so tricky that, when it had an opportunity in this budget to do something to make that productivity growth continue and to ensure that the government’s own forecasts do not become a reality, it squibbed the task. Instead of developing a plan for Australia, it developed a plan for an election.

The shadow minister for finance referred in his previous speech to reductions in spending—savings—that will be implemented by Labor, including in my own portfolio of workplace relations. We are committed to abolishing the Office of the Employment Advocate, because we believe that that is simply an ideological extension of the government’s agenda. In respect of industrial relations matters, there have been so many claims—most particularly by the Minister for Small Business and Tourism, including one to the Australian newspaper last night—that are out and out lies. I will start with the press release of 5 February where the minister for small business said of Labor’s plans in relation to casual employment:

Firstly, the Labor Party intends to force employers to provide additional benefits to casual employees, such as holiday and sick leave. This ignores the fact that many casual employees already receive loading to compensate for these benefits.

The ALP intends forcing its solution on the workplace, where many employees have chosen casual employment for the flexibility it offers.

Time does not permit be to go through each of those points, other than to indicate that they are completely untrue. On 6 May this year the same minister said:

The fact is that Labor’s proposal would be compulsory.

That is also untrue. He went on to talk about portable long service leave, saying that Labor will introduce a national portable long service leave scheme. He got that out of a private members’ bill being considered for the ACT Legislative Assembly that did not even have the support of the ACT government. When told that by the ACT Treasurer at a breakfast, the minister came in and gave a press conference as if he had been told nothing, and so perpetrated a completely false statement—a lie. And so it goes on. The Minister for Small Business and Tourism obviously has within his office or his department a ‘Ministry of Truth’ where George Orwell’s memory lingers on very strongly.

A letter has been prepared by the member for Dobell, Mr Ken Ticehurst, dated April 2004 and addressed to local businesses, which makes such statements as Labor will:

‘force employers to pay long service leave to employees who have accrued that entitlement in previous jobs under different employers’, a lie;

‘coerce small businesses to convert their casual employees to part-time permanents with all the extra costs involved’, a lie;

‘extend the power of union officials to enter businesses, including home based businesses’—there is no proposal to allow union officials to enter home based businesses—another lie; ‘allow unlimited strikes without secret ballots’, another lie. A further lie was told by the minister for small business last night to the Australian newspaper. The journalist, Dennis Shanahan, said to me—

Mr Hardgrave—Mr Deputy Speaker, I rise on a point of order. I accept that a bit of licence is being taken by the member for Rankin, but the continual use of the word ‘lie’ is unparliamentary. I invite the member...
to withdraw the comments he is making continually about the member for North Sydney, the Minister for Small Business and Tourism, and to refrain from using that word in the future. You cannot say it.

The DEPUTY SPEAKER (Mr Wilkie)—I think the member for Rankin could rephrase the term.

Dr Emerson—I am happy to do that.

Mr Hardgrave—Mr Deputy Speaker, I rise on the point of order. I would ask the member for Rankin to also withdraw the comments suggesting that the minister has lied. It is unparliamentary to say so. I let a couple of them go through, but his continual use of this terminology is not parliamentary. He should do better than that.

The DEPUTY SPEAKER—The member for Rankin should withdraw the word ‘lie’.

Dr Emerson—I am happy to do so, as I just indicated. In any event, this little bird, who was described to me by Dennis Shanahan as a big bird—so that is ‘Big Bird’ Hockey—had said to him that at a closed meeting I had made certain statements. There was a Liberal Party staffer at that meeting and, yet again, the statements attributed to me are completely false. (Time expired)

Mr Baldwin (Paterson) (11.48 a.m.)—I rise to speak in support of the budget. This is the Treasurer’s ninth budget in succession, and I want to pay tribute to the Treasurer and the Minister for Finance and Administration for the hard work and planning which have gone into every budget since the Howard government took over in 1996. Discipline and consistency are key traits of this government’s budget. Sticking to the plan and staying focused on the ideals expressed in the election campaign of 1996 have paid off.

Our idea was to create an economic environment in which people could be relaxed and comfortable. It was mocked and it was the antithesis of then Prime Minister Paul Keating and his Labor team. In 1996, when I first campaigned for the seat of Paterson, the electorate was moody and ready for a little stability. In my local area, the Hunter region, in 1996 the unemployment rate was 8.1 per cent. Bear in mind that at the height of the ‘necessary’ recession—necessary according to Labor—in June 1993 unemployment in the Hunter was at 12.6 per cent and in Newcastle was much higher. Nationally unemployment was 8.2 per cent and Labor’s average over the 13 years was 8.5 per cent. In 1996 mortgage interest rates were at 10.5 per cent and Labor’s average was 12.75 per cent. In 1996 inflation was at 3.7 per cent and Labor’s average was 5.2 per cent.

In 1994 the then Prime Minister of Australia told small business: ‘This is as good as it gets.’ The electorate did not believe Labor then, and they should not believe them now. ‘Relaxed and comfortable’ were the goals, and a good economic climate helps business to plan, grow and employ more people. Workers can have faith that their jobs will be there tomorrow. They can plan for the future of their families. Today, mortgage rates are at seven per cent, and our average over the past nine years is 7.14 per cent. Today’s unemployment rate is 5.6 per cent, and our nine-year average is seven per cent. As I have said previously, unemployment in my area, despite the closure of the BHP steel plant five years ago, is lower today, at 7.7 per cent, than it was 11 years ago, at 12.3 per cent. Today inflation is at two per cent and our average is two per cent.

In 2004 the Prime Minister is telling business there is more to be done. Unfair dismissal laws are holding back small business and reducing employment opportunities. The state governments have to recognise that the unfair tax regimes they preside over need reform. I will come back to that later, but I
would now like to talk on government debt. Call me a historian or call me an old harpy, but I will keep referring back to 1996 to compare the state of the government’s finances under Labor. It is not ancient history; it is recent history. And it is relevant history because most of the old team are still over there on the other bench.

By 1996, Labor had racked up $96 billion in government debt. This debt had to be paid off and, as many people with credit card debts will know, if you do not pay off your debts you end up paying more interest. Paying interest means you do not have money for real purchases—in our case, services. When you reduce the interest obligation you free up money for services, and that is exactly what this government has done. Government debt has been reduced from $96 billion to $25 billion. Reducing this debt has freed up $5.6 billion dollars annually to spend on services. This is money that is much needed in electorates like mine as states neglect roads over and over again for years and years.

I will talk now on road funding. Apart from a small section of the New England Highway at Weakleys Drive, I do not have one federal road in my electorate. And if my nearest neighbour, the member for Hunter, had his way, I would not have one federal dollar spent on any roads in my electorate. The member for Hunter was quoted in the Newcastle Herald on Saturday, 15 May as saying that the federal government should not fund the state roads or local roads. Rather, the money should be put into the New England Highway, which is part of the national highway.

When I think about the Pacific Highway, as I said in this House earlier, Greg and Cath Campbell come to mind. Cath and Greg Campbell—who lost their two children, Jessica and Rebecca, and Greg’s mother, Barbara, in an horrific road smash earlier this year—came to me and said, ‘Fix this road.’ It is the only thing I can do. Even today, I still feel a deep sadness to the point of feeling physically ill when I think about Greg and Cath Campbell and what they have been through. That is why I am relieved—not pleased but relieved—that the federal government will spend another $93.2 million on the Pacific Highway in New South Wales in the next financial year.

Work on the Pacific Highway in my electorate includes: the completion of the Karuah bypass; the start of construction of 11 kilometres of dual carriageway between Karuah and Bulahdelah in the Great Lakes region; and duplication of 9.7 kilometres of highway south of Taree, including the overpass at Nabiac. I understand that a further announcement of work under this government’s land and transport plan, AusLink, will be made by the transport minister in June. But I put the transport minister on notice: I am now fighting for money for the F3 extension and I am fighting for money for our coal rail corridor to make sure that our region does go ahead.

I was also pleased to see that in the budget the Buckets Way has received funding for the second year in a row. Over the four years, $20 million will be spent by the Commonwealth on this state regional road. At the moment, road works under way or completed include: replacing the Cromarty Creek bridge and rebuilding the approaches to Cromarty Creek; roadwork at Davies Cutting; roadwork at Wards River up to Lamans Creek in Stroud, to Dog Trap Creek and to the roads north of Stroud Road. Those are the current road works.

From 1 July this year, $6.5 million will be spent on road works near Belbora and Bakers Hill; work north of Wellard’s Lane to Jacks Road intersection; work south of Gloucester;
work at Lemon Grove Road; work north and south of the Booral turnoff; work on the rehabilitation of road near Stroud Road, Alderley Creek and Wards River—

Mrs Crosio—Mr Deputy Speaker, I draw your attention to the state of the House.

The bells being rung—

Mr Lloyd—Mr Deputy Speaker, I want to alert you that the bells have just started ringing now. There was at least 60 seconds when there were no bells ringing and I would ask you to take that into account.

The DEPUTY SPEAKER (Mr Wilkie)—I will do that. We will restart the timing. (Quorum formed)

Mr BALDWIN—The problem is that the Labor Party does not like to hear about sound investment in roads which their state colleagues in New South Wales withdraw funding from. As I said, there will be rehabilitation of road near Stroud Road, Alderley Creek and Wards River, and the replacement of the southern and northern Kundibakh Creek bridges. When the total $20 million work is finished, this road will be a testament to the good financial management of the Howard government, which has delivered better roads in my electorate.

This road has become a personal badge of honour. I believe this road should be rebuilt to provide a safe thoroughfare for motorists to towns like Stroud and Gloucester. As more grey nomads take to the roads on holidays in their retirement, they will use this road to go to Armidale. It will open these towns up more and more to tourism.

Personally, I think it is wrong that the Carr Labor government do not co-fund this road, a road which is their responsibility. It is wrong that the state Labor MPs in the area have not spoken out once for the people in the area to get this road funded by their state Labor government. That reflects the attitude of the old Keating regime: ‘If it isn’t in Sydney, forget it.’ Premier Carr can find another $20,000 a year to buy the vote of the Deputy Speaker in the New South Wales parliament but not one cent for the Buckets Way. Another road in my electorate that is being funded under the budget is the Weakleys Drive interchange: $1 million this year, $1.5 million in the next financial year for planning and then $22.5 million in the year after that.

Now I will address aged care. The old saying ‘we’re not getting any younger’ is truer now than it has ever been. We are getting old—all of us are—and we need more aged care and we need to keep improving the standard of care our older Australians get. My electorate is largely coastal—and it is the great Australian dream to retire to the coast and go fishing or to walk along the beach. While people are active and able to live at home when they first retire, there comes a time when they are not able to live at home without help, or they have to go into aged care facilities.

The Treasurer announced an additional 27,900 aged care places to be allocated around Australia over the next three years, including 13,030 in 2004. Labor calls it pork barrelling—but pork-barrel away, because I am happy to get some of these aged care beds in my electorate. If getting just one of these beds means a person receives quality aged care 10 minutes from their husband or wife, or their daughter or son, then pork-barrel me, please. The government will also provide a one-off payment of $513.3 million in 2003-04 to providers, or $3,500 per resident bed to help them improve aged care home standards.

Post budget, I have been asked by retirees over the past two weeks, ‘What’s in it for me?’ There is $2,772,000 for the 792 beds in my electorate to improve the facilities they
provide. Great Lakes Nursing Home at Bu-
lahdelah, with 51 places, will receive
$178,500; Hillcrest Nursing Home and Kim-
barra Lodge Hostel at Gloucester, with 45
beds, will receive $157,500; Lara Aged Care
facility at Dungog, with 52 places, will re-
ceive $182,000; Stroud Community Lodge,
with 25 beds, will receive $87,500; Myall
Lodge Hostel at Hawkes Nest, with 10 beds,
will receive $35,000; Raymond Terrace Gar-
dens Nursing Centre, with 50 beds, will re-
ceive $175,000; Salamander Bay Aged Care
Facility, with 60 beds, will receive $210,000;
Bill King Aged Care Facility at Fingal, with
47 places, will receive $164,500; Harbour-
side Haven, with 146 beds, will receive
$511,000; Tanilba Bay Hostel, with 41 beds,
will receive $143,500; Kularoo Gardens
Centre for Aged Care at Forster, with 134
beds, will receive $469,000; Forster Tun-
curry Nursing Home, with 80 beds, will re-
ceive $280,000; and GLACIA at Tuncurry,
with 51 beds, will receive $178,000. That is
a great investment in my electorate. Aged
care is an issue. Even though we have in-
creased the beds by nearly 50 per cent since
we came in in 1996, more needs to be done.

Other national budget aged care measures
which impressed me included an extra
$877.8 million over four years to increase
wages for aged care nurses—we have to pay
the people who care for our loved ones a
wage that recognises their worth and their
contribution—extra funding of $101.4 mil-
onion over four years to expand education and
training places for aged care workers and
nurses, because we need more aged care
workers not fewer; the introduction of addi-
tional payments for dementia and palliative
care residents who have higher care needs;
and increasing the maximum daily rate of the
concessional resident supplement from
$13.49 to $16.25 a day and indexing this
payment. The great thing about these aged
care spendings that I have just spoken about
is that they are not on the back of tax in-
creases; they are on the back of tax rebates,
and they are sustainable.

Another important area for my electorate
is defence. I was lucky last week to meet one
of our serving defence personnel who has
just come back from Iraq. (Quorum formed)
It is painfully obvious that the Labor Party
want to silence me and not hear about what
we have delivered in the electorate of Pat-
erson. The Labor Party simply do not care
about the Hunter, and that is why they have
lame-duck members in the Hunter Valley.
They do not want to hear about the money
we have invested in RAAF Williamtown—
money for child-care places, money to bring
in the Airborne Early Warning and Control
Aircraft and the $50 million to upgrade the
FA18s. The Labor Party care nothing about
the people of the Hunter. That is reflected by
their members and the lack of contribution
they make. They are a Labor opposition that
do not want to spend money on the defence
of Australia or on providing infrastructure
for our fine serving men and women. They
are a disgrace in the way they have carried
on. They are a disgrace in the way they have
stopped me putting to the people the things
we have done for Paterson. There is more.
They will not silence me. I will continue on
through other avenues to explain exactly
what is in this budget for the people of Pater-
son. All I can say is: compare what we have
done. Compare how we have brought down
unemployment, inflation and interest rates to
the increasing taxes of the state Labor gov-
ernment of Bob Carr, a mate of the member
for Werriwa. This will be a sign of things to
come in the electorate should Labor ever
take power. (Time expired)

Mr MARTIN FERGUSON (Batman)
(12.09 p.m.)—I rise to speak in the debate on
Appropriation Bill (No. 1) 2004-2005 and
cognate bills. In doing so, I indicate my sup-
port for the second reading amendment
moved, on behalf of the opposition, by the shadow Treasurer and member for Hotham, Mr Crean. At the outset, I would like to express the sentiments of the second reading amendment, which are clearly aimed at condemning the government for what is a very cynical, election driven budget process—a spending spree which, in essence, is about trying to buy votes in the lead-up to the forthcoming election.

We are talking about a record spending spree of $52 billion over the forward estimates. Despite that expenditure—and this is not just the view of the opposition; many in the community have come to this conclusion—the budget fails to deliver on crucial services for Australians. I am talking about fundamental services which we do not think are adequately catered for in the budget before us today, such as access to bulk-billing, higher education, apprenticeships and a range of other measures that we believe are fundamental to any decent society. For that reason, I contend that the Howard government’s ninth budget is a clear reflection of the treatment that has been dished out to the Australian community by the Howard government since its election in March 1996.

Without any doubt, this is a big spending budget. I have been in a range of budget lock-ups over the years. I have been at every budget lock-up since I was elected in March 1996 and at a range of budget lock-ups when I served as president of the ACTU prior to entering parliament. From my point of view, this is a big spending budget; it is unprecedented in Australia’s political history. The government is spending $52 billion, yet we have major outstanding issues, including the fundamental delivery of services to people in the Australian community who are crying out for assistance because of the pressure and stress that exists due to the lack of access to services at this time.

More importantly, talking about big spending and budget responsibility, when I think back on all those budgets I have examined in years gone by, it is astonishing to think that, in a mere six weeks—the next six weeks—the government will spend $6 billion. It is almost as if the government has to spend it to create the impression that it has been doing something for families. Yet the truth is that the families you meet in shopping centres—as I do on a regular basis in my electorate of Batman—have quickly come to the conclusion that not only are they being short-changed but this government is taking them for fools by thinking that, with a few incentives, it can stop families from thinking about the damage being done to their local communities by the actions of the Howard government and will change the way they cast their vote at the next election. They have quickly come to the conclusion that the budget processes of the Howard government—its ninth budget—are not driven by our nation’s best interests but by polls and what the government thinks, in an election year, is in the best interests of the coalition and not of the Australian community.

Let us think about what is outstanding in that huge spend by the Howard government. There are clearly some good initiatives which the Labor opposition was arguing for in the lead-up to the budget. In some instances, we were making announcements—which had been properly costed and funded—for the purpose of telling the Australian community what any decent government ought to be doing in terms of the delivery of services. I acknowledge the good initiatives that are the result of community campaigns that confronted the government and the opposition—for example, special assistance for those with diabetes. I also compliment the opposition on the government taking our lead on the baby care pay-
ment. And then there is the money for aged care. Anyone who goes around to aged care facilities at the moment knows that aged care is a huge issue in the Australian community not only because of the ageing of the Australian community but because of the cost of providing those services. For people working in aged care services, it is not just a job: it is part and parcel of their life. They cannot go home and forget the services they provide to our elderly people.

There is some spending in the budget that needs to be supported, but there are also areas that deserve criticism. I clearly indicate that since 1996 this government—and this is where the budget is lacking—has systematically dismantled Medicare; underfunded universities, forcing them to jack up their fees; and ignored a range of other issues, such as support for regional communities and urban development.

I also believe that we have got to do more on the apprenticeship front. As you go around Australia, you find there are major skills shortages, especially in regional communities. We have got to do what we can to create additional TAFE places and to encourage our young people to think not only about university but also about the wonderful career opportunities in the traditional trades, such as the building, metal, electrical and plumbing industries. We need skilled people if we are to go forward, and those skilling opportunities are not just through universities; they are also through the TAFE sector—and the opposition are very much committed, if we are fortunate enough to win the next election, to creating additional places in the TAFE sector.

The end result of this budget is that the Howard government has placed Australian families under increasing financial pressure, and they will not be conned by the carrots which are going to be made available in the next six weeks and which were also announced in the budget a couple of weeks ago. I will tell you why—because this budget does nothing to relieve the stress in the Australian community in a range of areas. The community now accepts that this is the highest taxing government in Australia’s history; so there ought to be some money to spend because, after all, it has been ripped out of taxpayers’ pockets on an ongoing basis.

Whilst this government is the highest taxing government in Australian history and continually has its hands in taxpayers’ pockets, it is said in the streets, in the community meetings and in the schools that the cost of visiting a GP is on an ever-increasing spiral. In my electorate I am continually finding examples of doctors moving away from bulk-billing, and ordinary people are feeling very desperate about making ends meet—having to put their hands in their pocket and go into debt just to go and see a GP.

We have then got the erosion of funding for schools and universities, which is in essence putting the cost more than ever onto families to educate their children, not only in primary and secondary school but also in preschool, child care and post-secondary schooling in universities and TAFEs. For pensioners and others in the community who are doing it tough, the cost of telephones is increasing continually, with no commitment—and this is a huge criticism of Telstra at the moment—to improve service delivery. Then there is the matter of housing. Housing costs are taking up a larger part of the household budget than ever through increased mortgage payments, household debt and lack of affordable rental accommodation. There are therefore some very serious issues that we have to come to terms with as a community.

The issue is then how the government has responded to these pressures—by spending
$35 billion on a tax and family package. That could be a good package if it were properly targeted and properly spent. But a close examination of the announcements shows that the tax and family package of the Howard government in its ninth budget ignores three out of five families and singles, and the $15 billion in tax cuts benefits only one in five taxpayers. It means that anyone earning less than $52,000 per year will not see one cent in tax cuts.

When you examine the detail, you start looking at your own electorate. I looked at the tax and family package—especially the tax package. I found that, in my electorate of Batman, 92 per cent of workers will miss out on a tax cut. In fact, over the life of the forward estimates, these people will effectively receive a tax increase, because the budget does not even address the issue of bracket creep. I will continue to stress this issue over the ensuing months.

But, more importantly for an electorate such as mine, under this budget the disincentive associated with tax continues to present a barrier to hard work and effort. That is what life is about, hard work and effort, and the Australian community is actually prepared to pull its weight; but it needs government to give assistance in the areas that deserve assistance. Ninety-two per cent of my electorate miss out on a tax cut. It is not a wealthy electorate; it has many very poor communities and families. What also irks and irritates them is the fact that not only are they not getting any financial benefit out of the budget but also there is no commitment to improve services to offset this tax cut for low- and middle-income earners.

The budget, for example, makes no commitment to restore bulk-billing. It makes it harder to keep one’s children at school and to send them to university. There is also no fundamental commitment to improve basic services for everyday Australians. I suppose it is about priorities, and this is what the budget debate is really about: how you best spend the hard-earned taxpayer dollars that you have ripped out of the wallets and purses of the Australian community.

When the 92 per cent of my electorate, those struggling families, who will not get a tax cut look at the budget’s detail and priorities, they get irritated by the fact that, whilst they get nothing, the Howard government has allocated a staggering $109 million for government advertising. That is what I say the budget is about. It is not about what is in the best interests of the Australian community but about what the government perceives to be in the best interests of its electoral prospects. It is also interesting to note that this $109 million in advertising does not even include the cost of creating the ads, printing brochures, mail-outs and research and public relations campaigns. It is also no coincidence that such a large advertising budget has been allocated in this, an election year.

There are serious issues at stake in this budget and its potential impact on families and the nature of Australian society. The highest taxing government in the history of Australia continues to rip people off, and I think it is fair that people get something back. Not only are they not getting anything back; the services that they expect the government to provide are continually being eroded. That is also, I might say, the situation with respect to my responsibilities as a shadow minister, which I want to touch on briefly today.

The government seeks to create the impression that it cares about regional Australia. The truth is that the government’s announcements—and I have read them in detail—translate to funding commitments through projects and programs that are
largely in the seats of The Nationals, which are regarded as being electorally difficult, and in some instances in the seats of their coalition partner, the Liberal Party, around the country. Obviously there are a few targeted funding programs, such as Regional Partnerships and Sustainable Regions, that provide a boost to regional areas. But, if we are to make a real difference in the lives of regional Australians, we need to think more broadly. We have to have regard to the fact that people in regional Australia have to have access to doctors; bulk-billing; schools, universities and TAFE colleges; telephone and Internet services of the same level as those in the metropolitan areas; and transport infrastructure that meets the needs of regional communities.

In that regard, I am lucky that I have not held my breath waiting for the announcement over the last couple of years of the AusLink national land transport plan. It has been almost two years. We have yet another promise in the budget that it will be announced on 7 June, but only yesterday we had a suggestion from the minister for roads, Senator Ian Campbell, that we might not be able to meet that deadline. The budget includes a $450 million commitment to the interstate rail track this year, and I commend the government for that investment. However, I also believe that we have a huge infrastructure backlog in Australia, something that in roads alone amounts to about $10 billion.

I am very concerned about the unwillingness by the current government as part of that national land transport plan to commit to the ongoing Commonwealth responsibility for funding improvements and maintenance of the national highway. We need a national highway system in Australia and we need different levels of government to accept their respective responsibilities. We cannot have a land transport plan which is about cherry picking projects around Australia for electoral purposes, especially when we have a government which basically uses its road and infrastructure programs not in a strategic way but for the purposes of improving its electoral prospects.

There are major concerns with the budget, not just from the opposition, whose job is to draw the community’s attention to those concerns so that they are more broadly understood by the community at large. In my own electorate, 92 per cent of workers miss out on a tax cut, and that is a pretty broad criticism of the budget. We are told that some might see a small benefit from the $600 per child payment to supplement the family tax benefit announced in the budget. My office received a significant number of phone calls after the budget of a couple of Tuesdays ago. People said to my staff, ‘What is the benefit of that $600 when the truth is that it is already going to be eaten up by existing family debt problems?’ It does not solve the problems; it is just an endeavour to buy a short-term fix to get the government over the hurdle of the next election.

Do not try those cons on the Australian community. They are a very intelligent community; they are able to see through the finer details and work out the impact on their own households. They do not see the $600 carrot as fixing their problems. They see the requirement on an ongoing basis to pay more to go and see a doctor, to educate their kids and for basic things such as a telephone line and access to the Internet—which are so fundamental to education in the 21st century—as being costs they have to pick up, despite the fact that they then have to put their hands in their pockets because the Howard government continues to be the highest taxing government in the history of Australia.
The budget is the cornerstone of the Howard government’s approach to re-election. But the truth is that the budget has failed to solve the huge number of problems that confront the Australian community today. It takes us back to that fundamental commitment given by the Prime Minister in the lead-up to the 1996 election. He went all around Australia basically giving a commitment to govern for all Australians. I simply say that this budget more than ever says very starkly that the Howard government no longer governs for all Australians but, more importantly, for a minority who it believes will suit its electoral prospects in the ensuing months.

The budget also says, without doubt, that it is a government that not only will not govern for the majority of Australians but also has run out of ideas and puff. It produces election budgets, not plans for the future of Australia in the 21st century. That is what this election ought to be about—where we go over the next couple of decades. It ought to be about a real debate on health and education, how we correct the problems of infrastructure provision in Australia, access to TAFE and apprenticeships, how to attract migrants to live in regional communities and a range of other matters.

The budget speaks for itself. It is a big spending budget aimed at suiting the Prime Minister’s electoral prospects and guaranteeing that in the next term he stands down and hands over the reins to the Treasurer, Mr Costello, who is unliked and unloved by the Australian community. The Australian community have given their verdict. They are intelligent people and they expect not only decent tax cuts but also a return on their tax investment in the form of proper attention by government to fundamental services such as health, education and the provision of infrastructure around Australia. I commend the second reading amendment to the House. 

(Time expired)

Debate (on motion by Mr Ruddock) adjourned.

MARRIAGE LEGISLATION AMENDMENT BILL 2004

First Reading

Bill—by leave—presented by Mr Ruddock, and read a first time.

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (12.30 p.m.)—I move:

That this bill be now read a second time.

In introducing this bill it is important to explain the background to it. This bill is necessary because there is significant community concern about the possible erosion of the institution of marriage.

The parliament has an opportunity to act quickly to allay these concerns.

The government has consistently reiterated the fundamental importance of the place of marriage in our society:

It is a central and fundamental institution.

It is vital to the stability of our society and provides the best environment for the raising of children.

The government has decided to take steps to reinforce the basis of this fundamental institution.

Currently, the Marriage Act 1961 contains no definition of marriage.

It does contain a statement of the legal understanding of marriage in the words that Commonwealth authorised marriage celebrants must say before they solemnise a marriage. Section 46 of the Marriage Act deals with that. Those words are:

Marriage, according to law in Australia, is the union of a man and a woman to the exclusion of all others, voluntarily entered into for life.
The government believes that this is the understanding of marriage held by the vast majority of Australians.

It is time that those words form the formal definition of marriage in the Marriage Act.

This bill will achieve that result.

Including this definition will remove any lingering concerns people may have that the legal definition of marriage may become eroded by time.

A related concern held by many people is that there are now some countries that permit same sex couples to marry.

It has been reported that there are a few Australian same sex couples who may travel overseas to marry in one of these countries on the basis that their marriage will then be recognised under Australian law on their return.

Australian law does, as a matter of general principle, recognise marriages entered into under the laws of another country, with some specific exceptions.

It is the government’s view that this does not apply to same sex marriages.

The amendments to the Marriage Act contained in this bill will make it absolutely clear that Australia will not recognise same sex marriages entered into under the laws of another country, whatever country that may be.

As a result of the amendments contained in this bill same sex couples will understand that, if they go overseas to marry, their marriage, even if valid in the country in which it was entered into, will not be recognised as valid in Australia.

The government has reiterated its fundamental opposition to same sex couples adopting children.

In the view of the majority of Australians, children, including adopted children, should have the opportunity, all other things being equal, to be raised by a mother and a father.

This bill will prevent same sex couples from adopting children from overseas under international arrangements involving bilateral or multilateral treaties.

The bill does not interfere with adoptions that occur entirely under the law of a foreign country that do not depend on bilateral or multilateral arrangements.

These are matters primarily for the country concerned.

In summary, this bill makes clear the government’s commitment to the institution of marriage.

It will provide certainty to all Australians about the meaning of marriage into the future.

I commend the bill to the House and present the explanatory memorandum. By way of explanation, I might just say that the Prime Minister recently spoke on this matter and foreshadowed that there would be legislation dealing with certain taxation matters. That will be introduced in another place at an appropriate time.

Debate (on motion by Ms Roxon) adjourned.

APPROPRIATION BILL (No. 1)
2004-2005

Cognate bills:

APPROPRIATION BILL (No. 2)
2004-2005

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2004-2005

APPROPRIATION BILL (No. 5)
2003-2004

APPROPRIATION BILL (No. 6)
2003-2004

Second Reading

Debate resumed.
Mr CIOBO (Moncrieff) (12.35 p.m.)—I am very pleased to speak in the cognate debate on these appropriation bills and to be part of the Howard government—a government that recently delivered a budget that is most definitely in the interests of all Australians. The budget delivered by the Treasurer, Peter Costello, the member for Higgins, has enabled all Australians to enjoy the dividends that flow from careful and strong economic management. It is a budget that seeks to further protect, secure and build on Australia’s future by providing more help for Australia’s most important building block—our families—by meeting the challenges of an ageing population, by further bolstering our national security and by investing more in schools, including the establishment of a national values framework for the benefit of the next generation.

Fundamentally, this budget continues the strategy that has produced seven budget surpluses, repaid $70 billion of Labor’s $96 billion debt and brought unemployment, inflation and interest rates down to their lowest levels in a generation. However, as I stressed earlier, it does give something back to decent, hardworking Australians, who underpin our strength not only in our social fabric but also in our economic security and the overall strength of our nation. For my constituents in the electorate of Moncrieff on Queensland’s Gold Coast it is a budget that I know is particularly welcome. I recognise that different Australians face many varied lots in life. For those on the Gold Coast—Australia’s sixth largest and fastest growing city—we face a number of challenges that are unique to our city. These challenges include, for example, the pressures of a rapidly growing population and the consequences of that growth, including the fact that the number of available university places is certainly well below the national average per 1,000 people.

This is an issue that I have spoken on many times in the past, and I am pleased that this most recent budget put into place the appropriate framework and set the parameters so that this government can provide, through the education minister’s higher education package, tens of thousands of new places for our universities. In addition, through the Howard government’s careful economic management, we have been able to ensure that one of the Gold Coast’s greatest needs—the establishment of a new medical school—was able to be met a short while ago.

They are but two examples. In addition, the Gold Coast is a city that is heavily reliant on the tourism industry, which contributes approximately 30 per cent to our local GDP. The important factor that we as a government have recognised is the contribution that tourism makes not only to Gold Coast City but to all of Australia. Employing over 550,000 Australians, it accounts for somewhere between $17 billion and $20 billion of export earnings every year. Again, as a consequence of the Howard government’s careful, strategic economic management, we have been able to pay a dividend back to the tourism industry.

Most directly, under the plans of the recently released tourism white paper, over $600 million will be ploughed into the tourism industry over the next 4½ years. A significant proportion of that is the $235 million of new money that will go towards the marketing of Australia abroad. Incidentally, I was very pleased to attend in Parliament House last evening the relaunch of Brand Australia. The new slogan ‘See Australia in a different light’ will focus not only on showing to the international inbound tourist the warm, friendly people that we are but also on encouraging Australians to holiday around this nation. This is another way in which the careful economic management by the How-
The government has paid dividends at a very local level to my constituents on the Gold Coast.

They are some of the specifics. In broad terms, despite the fact that we face some unique challenges in our city, we also face challenges that all Australians across this wide brown land experience. That is part of the reason I was very pleased to see such strong support for families in this budget.

As I mentioned earlier, this budget builds on the fact that we have now repaid $70 billion of Labor’s $96 billion of public debt. That, in turn, has seen a reduction in interest rates, inflation and unemployment. In this particular instance, I would underscore the fact that this reduction in interest rates is perhaps one of the most profound, yet often unrecognised, points of benefit to Australians as a consequence of a strong economy. The Gold Coast, like many parts of Australia, has experienced a significant property boom in recent years. Many Gold Coasters have made their first purchase of a new home, holiday unit or unit by the beach, and these people would most certainly feel the pinch of an increase in interest rates. I know for a fact that these people would be very concerned at the election of a Labor government, which left Australia with the legacy of a 10.5 per cent general interest rate when we inherited office in 1996. But let us not forget 17 per cent interest rates, when the Labor Party so badly mismanaged the economy and all Australians paid the price. As I have said, this is an often unrecognised but very important facet.

In a very direct way, this budget has substantially increased family assistance and provided measures to help achieve the balance between work and family. There can be no doubt that there is a greater need to achieve balance in this day and age. There are so many families across Australia—including on the Gold Coast—that will benefit from the increase of $600 a year in the maximum and base rates of family tax benefit A for each dependent child. Each family receiving family tax benefit A in 2003-04 will also receive a lump sum payment of $600 per child before 30 June 2004.

Those opposite can claim that to give something back is in some way a bribe to the Australian people, but I completely disagree with that. The fundamentally important factor is the connection between the expenditure and the revenue sides of government. Most importantly, we as a government could not spend a cent if we did not raise it through taxes first. So when the opposition talks about bribes, whilst in the same sentence talking about how they would like to put record amounts of money into expenditure, I have to ask: why is it a bribe? Isn’t it simply a case of returning, to the families that need it most, the kind of support that is required? Is it not simply the case that, instead of only ever taking from Australian families, we as a government are able to give something back?

The reality is that there are many other families that also benefit as a consequence of this budget—those on the family tax benefit B, who will benefit from a reduction in the income test withdrawal rate. Women who return to work part time will be among the biggest winners. To provide additional help to families at a crucial time, around the birth of a new child, a new maternity payment of $3,000 will be introduced from July 2004 and increased to $4,000 from July 2006 and $5,000 in July 2008. This new initiative will be nonmeans tested and paid for every new-born child. It is an important new initiative that addresses, at its core, the reality that we as a nation face an ageing population. If there can be some government assistance, some return of taxpayers’ dollars to assist young families who may be having their first or second child, then that is a very positive
and well-conceived—no pun intended—initiative that needs to be supported.

Another measure in this budget to further help families juggling work and family responsibilities is the provision of 40,000 more outside school hours places and 4,000 more family day care places. I have had the great privilege of going to a large number of outside school hours care centres and family day care centres in my electorate of Moncrieff. I am delighted with the good work they do but I will name just one: the PCYC on the Gold Coast. It runs an excellent outside of school hours program as well as a holiday care program for young Gold Coast children. It not only teaches and instils in children the correct values but also takes some of the pressure off parents who need to continue to work outside of school hours and when their children are on school holidays. It is an important program. Again, I am pleased that this government has been able to achieve those returns to the Australian people as a consequence of solid economic growth and management.

One of the key platforms of this budget has been the substantial tax relief that has been applied—in particular, the increase in the income tax threshold for the 42 per cent tax rate that is being raised from $52,001 to $58,001 in July 2004 and subsequently to $63,001 in July 2005. The income threshold for the 47 per cent tax rate will be raised from $62,501 to $70,001 in July 2004 and subsequently to $80,001 in July 2005. Many Australians will benefit directly as a consequence of solid economic growth and management.

The Labor Party will say that if you earn more than $52,000 a year you are rich and that people who earn more than $52,000 a year do not deserve to have the increases that this government is pushing through as part of this budget. But I completely reject that notion. Australian families who have an income of $52,000 a year or more are not super wealthy. They are middle Australia. I know that on the Gold Coast, in particular in my electorate, literally thousands of families are struggling to make do on incomes like that. They are not wealthy. They may or may not send their children to private schools and they may or may not have private medical insurance, but one thing is certain: families and individuals will enjoy the benefits of good economic management through an increase in the marginal tax thresholds. I warn all families and individuals that if the Labor Party is elected they will face the risk of having those increases eroded. The Labor Party has not ruled out that it might like to get its hands on that second tranche of increased thresholds for the marginal tax rates. The Labor Party has committed itself to increasing the number of—(Quorum formed)

I must have been getting close to the truth, because the Labor Party decided to call a quorum just when I was highlighting that the Labor Party is putting at risk the increase in the threshold rates for marginal tax. There can be no doubt that the opposition, which claims that it is about reducing the overall level of taxation while increasing expenditure but at the same time ensuring that there are bigger surpluses, really cannot provide the kind of economic framework that it suggests it can—it is just not possible. I can only assume that the Labor Party’s calling a quorum during my speech in some way reinforces that point.

In the few minutes remaining, I would like to touch on one or two additional matters that have been addressed in this budget that
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directly affect my electorate of Moncrieff and the city of the Gold Coast. Principal among them is the significant challenge that our city faces with regard to transport needs. The reality is that the Gold Coast’s significant population presents a great problem for transport infrastructure—principally roads. The road system on the Gold Coast is congested, clogged and suffering as a consequence of the rapid rate of growth. What this government, in particular the transport minister and the minister for roads, have done through the AusLink proposal is provide a record amount of funding to try to ease some of these problems.

I am pleased to be part of a government that is pumping $3.1 billion into road and rail infrastructure over the next four or five years. I am pleased that this Howard government was able to provide $120 million, as well finding a path for the stubborn New South Wales and Queensland state Labor premiers, when it came to the Tugun bypass. Most importantly, I am pleased that the Howard government is providing $1.2 billion of additional expenditure to local councils across Australia—a large proportion of which is flowing to the Gold Coast City Council to help with our very real and great needs with regard to in some way alleviating some of the congestion on our major roads throughout the city of the Gold Coast.

The final point that I would like to touch on, which is an area that I know is of great concern to many of residents in Moncrieff and those people on the Gold Coast, is the support that this government has provided to older Australians and carers. The government has committed an extra $2.2 billion over five years to expand the number of aged care places and improve the quality of care and facilities. This issue is of great concern to Gold Coasters, and I am pleased that this Howard government’s careful economic management means not only more aged care places but more nurses and better aged care facilities. In addition, the government is providing $255 million for a one-off carer bonus to be paid to eligible carers in June 2004 in recognition of their role of caring for a person with a disability.

In summary, the incentives and dividends that all Australians are enjoying in this budget are a consequence of the careful economic management and strong economic growth Australia has enjoyed. It has enjoyed this because of the careful economic management of the Treasurer, and I am very pleased that the Howard government has delivered this to all Australians. (Time expired)

Mr FITZGIBBON (Hunter) (12.55 p.m.)—It should not be surprising that government members, given they have so few positive things to tell their electorates about in response to this budget, should waste so much of their time misrepresenting the Labor Party’s position on taxation. I do not really see the point, because the fact is that the Australian people will know well and truly in advance of the next federal election exactly what the Labor Party’s position is on these issues. So it is an interesting experience following the member for Moncrieff. It is always an even more interesting experience following the member for Paterson, who in here today in response to this budget did exactly as he does in his own electorate, which was to spend all of his time talking about state issues rather than holding himself to account for the impact on his electorate of a range of Howard government decisions over the course of the last eight years and the total lack of vision in the budget. I will return to the member for Paterson a little later if I get time.

Most speakers making a contribution on Appropriation Bill (No. 1) 2004-2005 and the cognate bills in their response to the
budget have focused their comments on the income tax and family benefits arrangements announced in John Howard’s ninth budget. I want to focus on two other important aspects—or, more to the point, two aspects that were again missing in this year’s budget. Those aspects are leadership and vision. But, before I turn to those points, I want to associate myself with the comments of those members of this House who have expressed their outrage that so many Australian families and individuals were denied any tax relief in this year’s budget. I also want to say how thoroughly unsurprised I am that the so-called goodies in the budget were directed to the demographic where the government is likely to get maximum political dividend. However, scratching their heads are all those residents in my electorate who get no tax relief or additional family benefits in the budget.

Residents in my electorate are disappointed about many things. They are disappointed by the government’s restructuring of Medicare—the government’s determination to transform it from a universal system to a two-tiered system. They are disappointed that no hope was given to those who are desperate to have their teeth fixed but cannot get assistance. They are disappointed that, slowly but surely, our education system is going back to the dark old days when quality and higher education were reserved for those with the ability to pay. They are wondering when the Howard government will finally wake up to the fact that long-term and high levels of youth unemployment will be with us until the government faces up to and deals with the structural issues which drive it. Those issues include structural adjustment in regional areas, skills shortages and skills gaps. They are very prominent issues in my electorate, but they are areas in which the Howard government is unprepared to act.

Mr Bartlett—What about unfair dismissal laws?

Mr FITZGIBBON—I am happy to take the interjection on unfair dismissal laws. Whenever the government is in trouble it rolls out the old unfair dismissal laws for small business. Those of us who have worked in small business instead of, for example, spending our careers in the teaching profession know that this is a 10th order issue for small business. Forget about the numbers that the government makes up from time to time. It is a 10th order issue. Once a society, through its legislature, comes to a conclusion about what represents a fair and unfair dismissal, surely it should apply those principles equally to people, whether they have 18 work colleagues or, say, 30 work colleagues. This is a red herring. It is something that the government rolls out every time the polls are going badly for it.

Also amongst the disappointments for my constituents in the budget were road funding issues. I heard the member for Paterson talking about them. He picked up on the point that I think I made on local radio: once again the national highway project, in particular, the New England Highway in my electorate, has been dudged because the Howard government continues to skim off money for the very road network it does have responsibility for—that is, the national highway—to fund other projects which are state responsibilities, because that is where it believes it gets the best bang for its buck. The Pacific Highway is just one example.

I do not begrudge the Pacific Highway additional funding—not by any means—but I do believe that the Commonwealth government should be focusing most on the area over which it has direct responsibility, and that is the national highway. These RONIs, as they are called—Roads of National Importance—are just a political stunt; a means
of redirecting money into projects where the government gets the best bang for its buck. For example, in my electorate, the so-called Kurri Kurri Corridor—the all-important economic road link between the F3 freeway and the New England Highway north of Branxton, which is a $320 million project—got just $4 million in this year’s budget and in the out years received nil. This is a project that has now been in the pipeline for more than 10 years, and not a sod of soil has been turned to commence the project.

The Muswellbrook bypass is another critical part of the national highway network—and I remind you again, Mr Deputy Speaker Hawker, that these RONIs are not part of the national highway network. The Muswellbrook bypass, a critical part of the national highway network and a project critical to the safety and amenity of Muswellbrook residents, received $0 in this year’s budget. It is a $50 million project. How many years will the residents of Muswellbrook have to wait, at the rate at which that project is receiving funding?

The member for Paterson mentioned Weakleys Drive, another very important project on the national highway. I went there with Laurie Brereton when he was roads minister in 1995 and he announced that project—I think it was then some $33 million. There is still not a sod of soil turned. Why? Because the Howard government was elected in 1996. They cut the funding to the national highway project. They have since been skimming money off to Roads of National Importance projects, and there is still not a sod of soil turned on the Weakleys Drive intersection—the point at which Weakleys Drive meets the New England Highway. Yet the member for Paterson is in here asking constituents in that local area to be thankful that in this year’s budget we got not $30 million but $1.5 million, and thankfully next year we get another $20 million. In other words, after all of this time, the project will hopefully reach completion in the foreseeable future. But all those residents who commute every day from Maitland and beyond, further up the Upper Hunter to Newcastle, will be waiting at those traffic lights in queues kilometres long for at least two years and probably longer, depending on the period of the construction phase.

The other big infrastructure project in the electorate that is so important—and some people see it as a sporting facility—is Energy Australia Stadium in Newcastle, the home of the champion Newcastle Knights. It is not just a sporting field; it is a driver of the local economy. A couple of years ago, the Carr Labor government acknowledged and recognised this. In doing so, they looked at a University of Newcastle report which demonstrated that the stadium is far more than a sporting facility; it is an engine for economic growth in the Hunter. In recognising that, they gave a significant amount of money—about $23 million initially and I think a little bit more later. Since then, the Newcastle Knights and all those who have a vision for using Energy Australia Stadium for other sports—for example, rugby union; we had the opportunity to have a rugby game in Newcastle during the Rugby World Cup, but of course the stadium was not up to standard—are begging the Commonwealth to match or at least make a contribution to Bob Carr’s commitment to Energy Australia Stadium. But alas, they were disappointed again in this year’s budget.

Returning to the subject of roads, having identified all those points upon the national highway network, along the New England Highway, for which the Commonwealth has responsibility, I should say that we do hold out some hope. Hope springs eternal, and we are hoping that, as a crucial part of the national highway network, the New England Highway will receive some funding on 7
June when John Anderson, the Deputy Prime Minister, announces his AusLink project. Not only are we hopeful, we expect it, because how can you have a commitment to a national transport vision without finishing the national highway project? You cannot possibly claim that the national highway project is complete while ever you have big bottlenecks and dangerous sections, as we do right throughout the New England Highway, throughout the Upper Hunter. You cannot claim the vision and the completion of that project unless you address these matters. So we look forward to that being done within the AusLink project in the not too distant future.

I want to return to my original point—that is, the lack of leadership and vision. These are the things we do not see in Commonwealth budgets anymore. We got the Intergenerational Report, which told us what we already knew, but we had no real action taken in response. We never hear the government talking about nation building, the very things that will address structural unemployment, for example. We never see any leadership amongst the states. We see bickering between the Commonwealth and the states these days, because there is no leadership at the Commonwealth level.

It surprises me that the government has not been prepared to pick up the ball where the Keating government left it and to run with it. No-one can deny the success of the reforms of the Hawke and Keating years. I am very pleased to have finally heard even the Prime Minister, in a more candid moment, acknowledging that fact. But one of the things that does surprise me is that the Howard government just seems to have dropped the vision and leadership ball. There is no other area in which that is more apparent than in my own area of responsibility, in particular in mining.

This is the Prime Minister’s approach to energy in this country: committee after committee, task force after task force, which result in nothing, and the occasional announcement of a big contract somewhere—the late arrival of the Prime Minister to announce a big gas project, for example. I saw on the front page of the Australian yesterday that he is going to meet Arnold Schwarzenegger. Obviously he has worked out that photo opportunities with George W. Bush at this point in the political cycle, with the deterioration in the situation in Iraq, are going to provide very little political dividend if indeed they do not produce negative responses for him.

The Prime Minister is going to go to California on his trip and he is going to have his photo taken with Arnold Schwarzenegger. This is going to be the photo shoot of the trip. But why is he going to California? He says he is going there to deliver another big gas contract for Australia into the west coast of the United States—one of the biggest markets in the world. My advice to the Prime Minister is to first of all stay out of it, because the last time the Prime Minister got himself involved in negotiations for the export of LNG to another country all he did was drive the price down. All he did was undermine Australia’s export opportunities. The fact is that the quality of our resource, our geographic location and our lack of sovereign risk made Australia odds-on to secure an LNG contract into China. We did not need the Prime Minister in Beijing talking the price down, and we do not need the Prime Minister backing winners on what would inevitably be a monopolistic receival terminal in California. The market will sort it out.

But the big thing the Prime Minister has not shared with us is this: where is the gas coming from? He says he is going to see Arnold Schwarzenegger to convince him to back BHP’s plans—he is picking winners
again, which is the thing he does worst—and build a receival terminal. Then he is going to come back to Australia and say, ‘I have done it again. The man of steel has done it again—I have secured a $20 billion LNG contract with the United States of America.’ I call upon the Prime Minister to give us a little bit more detail on that and to tell us where the gas is coming from. We know it is not coming from the North West Shelf venture, because most of the gas in that project is committed. We know it is not coming from the Timor Sea. So do we assume it is coming from the Gorgon field? Or is it coming from the Scarborough field? It is the Scarborough field in which BHP has some equity. It does not have any equity in the Gorgon project.

So where is the gas coming from? These are the questions the Prime Minister needs to answer. Scarborough is a long way off—no one is even talking about developing Scarborough. If he is talking about taking gas from the Gorgon field, I want to know whether this is partly about giving BHP leverage to get equity into the Gorgon field—not that there is necessarily anything wrong with that, but we want to see the cards on the table. We do not just want the Prime Minister going to the west coast of the United States, standing next to Arnold Schwarzenegger and duping the Australian electorate into believing that he is there talking about a monopoly facility and picking a winner off the west coast of Australia that is automatically going to deliver a big gas contract for Australia. Of course, it is not, and these things need to be explained. We want more than a front pager in the Australian announcing that yet another big deal is imminent.

We had one of those announcements with respect to the Gorgon field and China late last year but, of course, nothing is concrete—not even close to it. I suggest to the Prime Minister that he stay out of international negotiation—an area in which he has got only very poor form—and start talking instead about his plan for a domestic national energy policy. Let us hear the Prime Minister talk about our own medium- to long-term needs. Instead of him just talking about exports, let us hear the Prime Minister start asking questions about our own medium- to long-term needs so that when we are assessing what is in the Australian interests in terms of exports and the price at which we might be selling those goods we know what is in Australia’s long-term interests in terms of our own domestic needs.

What will inevitably happen is that the companies will come back to the Australian community in 10 years time when we are really ready to talk seriously about weaning ourselves off imported oil—and we are seeing the consequences of that at the moment—and talk about shifting to gas in particular. The companies will be telling us, ‘That is fine, but you are going to have to pay a heavy price because all the easier to win, lower extraction cost gas is gone and the Australian consumer is going to have to pay the consequences.’ That is fine—let us talk about these export contracts. They are a good thing for Australia and we all support them, but let us have more from the Prime Minister in terms of energy policy than a photo shoot with Arnold Schwarzenegger. If he wants to talk about a $20 billion contract into the west coast of the United States, we want to know now how he intends to deliver it. We want to know how he is going to transform that into a real benefit for all Australians.

This is just one facet of energy policy. What about our local electricity and gas networks? The reforms of the Keating era, as I suggested, are overwhelmingly supported. All the gains from those reforms, particularly in the utilities sector, where we had publicly owned vertically integrated monopolies, are well recorded and well recognised. But what
about ongoing reform? It is a process that has stalled since March 1996. There is so much unfinished business there and in a sense the government have now acknowledged that by commissioning the Parer report, which has identified a whole range of deficiencies in our energy markets—in the electricity and gas markets, which are marked most by over-regulation and duplication of regulation. They have acknowledged it by commissioning a report which has given us a whole range of recommendations in relation to both electricity and gas, but there has been no response. There has not been one page of a response to the Parer report. When will the government get serious about picking up the reform ball again?

On another energy matter—petrol prices—when will it get serious and take more than a spectator’s approach to the changing dynamic in our retail petrol market? With oil prices going through US$40 a barrel, it becomes even more critical, firstly, in terms of weaning us off oil-based fuels and, secondly, in terms of reigning in the market power of the major oil companies which dominate the retail market. There is a range of things which can be done which become particularly important in the face of the emerging duopoly in the retail market. The two key things that can be done are: strengthening section 46 of the Trade Practices Act, specifically outlawing predatory pricing; and opening up the terminals to independent players to enhance competition in the market. (Time expired)

Mr BARTLETT (Macquarie) (1.15 p.m.)—Any budget involves finding the right balance between meeting the expenditure needs in a range of essential services, supporting those in need, minimising the pressure on taxpayers and exercising responsible fiscal management. Clearly this budget does all those things and continues this government’s proven record of achieving that balance. In the limited time available I would like to briefly expand on each of those areas. The budget addresses a number of priority areas of need, allocating increased or new funding to a number of areas. Time prevents an exhaustive or detailed discussion, but a summary of the main areas might be helpful.

Firstly, this budget allocates $41 billion to health over the next year, including $2.85 billion for the government’s program to strengthen and protect Medicare, and introduces a new safety net—an extra level of protection that was never there under Labor. Funding of $41 billion for health next year doubles the amount provided under Labor in 1996. The fact is that this government is delivering record spending on medical services, medical research and immunisation. Record levels of immunisation were reached. There is funding for a whole range of new programs. The federal government is providing record assistance to the state governments to help them with their public hospitals, which, I have to say, they cannot seem to manage in New South Wales anyway. Overall there has been a doubling of health spending. We hear the rhetoric from the other side, but this government is delivering double the spending on health that the last Labor government managed to spend.

Secondly, the budget provides $17 billion on education for next year—up by 5.4 per cent from this year. For schools there is $7.6 billion, supporting both government and non-government schools, as we need to. The point worth making is that we hear a lot about the controversy of funding for state schools. This budget brings the increase in direct funding by this government for state public schools up to 68.7 per cent over the last eight years. That is, this government has directly increased funding for state public schools by almost 69 per cent since it has been in office—far faster than the commit-
ment of state governments, which have prime responsibility for state schools.

Another feature of this budget in the area of education is the commitment of $18 million for a medical school for the University of Western Sydney—an announcement greeted very positively by my community and which will bring strong education benefits and strong health benefits to the people of Western Sydney, the Hawkesbury and the Blue Mountains. I am delighted that the government has responded to this need in our part of Sydney.

Thirdly, there is strongly increased spending by this government in the area of aged care. In fact, there is an extra $2.2 billion in funding over the next four years, including extra capital funding. Some of that is an immediate injection: $513 million extra before the end of this financial year. That is an immediate injection which, for nursing homes and hostels in my electorate, in the Blue Mountains and the Hawkesbury, will mean an extra $3.8 million within the next six weeks. In addition to that there will be another $438.6 million in capital funding over the next five years, extra recurrent funding, and an extra 27,900 residential and community aged care places over the next three years.

It is worth pointing out that since the coalition has been in government we have increased the number of aged care places by 55,600, substantially making up the terrible shortfall left by Labor’s neglect when they left office. Another 27,900 places will be provided over the next three years. In all, by next year spending on aged care will have doubled from $3 billion in 1996—it is already $6 billion this year—to $6.7 billion next year. So we are already spending double the amount that Labor was spending on aged care when they were in office. As well as that, we have put in extra effort to improve accreditation and standards for aged care facilities right across this country.

There is increased funding for veterans. The provision of an extra $604 million over the next four years was announced in this budget, bringing total expenditure for veterans to $10.6 billion by next year—up from $6.5 billion under Labor. Specifically, we have more than doubled spending on veterans health care, from $1.8 billion in 1996 to $4.4 billion under this budget. There is a raft of other new initiatives, programs and services for our veteran community that Labor never even thought of spending and could not deliver.

There has been further spending in other areas, including enhancement of Australia’s defence and security. There is an extra $755 million for security and intelligence capability, which is so necessary in this very fragile, volatile and insecure world. There is an extra $1.5 billion for defence over the next five years, bringing the total increase in defence spending under this government to $39.7 billion. The prime responsibility of any government is to do whatever it can to ensure the security of its people. That is a responsibility that this coalition government has taken very seriously and it has committed the funding to deliver on that.

I could talk about many other areas in this budget. There is a commitment of $5.3 billion for science and innovation and an extra $1.1 billion for Australian land transport under AusLink, in addition to the $2 billion announced earlier this year. There will be an extra $461 million over the next four years for carers of people with disabilities, including an immediate bonus of $1,000 for carer payment recipients and $600 for carer allowance recipients.

There will be an extra 44,000 child-care places, particularly for the much-needed out-of-school-hours service for school-age chil-
There will be an extra $400 million for the environment, bringing the amount to a record $2.4 billion next year—well above, far above, what we ever saw under Labor. We get the empty rhetoric from the other side again about the environment, but this government has been delivering, and continues to deliver, record levels of funding for the environment. I could go on and on about the increased spending measures in the budget.

The second area that I want to mention is the measures aimed at reducing the financial pressure on taxpayers and families. The budget delivers these in two ways: firstly, through reduced income taxes and, secondly, through increased family payments. With income tax cuts, we see a third stage in the reduction of income tax levels delivered by this government. You will remember, Mr Deputy Speaker Hawker, that in the year 2000, as part of the new tax system, we delivered massive income tax cuts. We cut income taxes by $12 billion. Then, in last year’s budget, we reduced income taxes again by another $2.4 billion. And in this budget, over the next four years there will be a further reduction in income taxes of $14.7 billion. We hear the criticism from the other side, we see the crocodile tears, but we have delivered far better income tax cuts than the opposition has ever been able to.

These income tax cuts significantly and importantly will reduce the disincentives faced by middle-income earners—those who are just about to go into the 42 per cent tax bracket. For instance, someone who is currently on average weekly earnings and who does a bit of extra overtime or gets a pay rise would be pushed into the 42 per cent tax bracket. These tax cuts are aimed at reducing those disincentives at that middle-income level, so it will involve raising the threshold at which the 42 per cent cuts in: from the current level to $58,000 from 1 July and then to $63,000 next year. For the higher tax level of 47 per cent, the threshold will be raised from the current level to $70,000 from 1 July and then to $80,000 next year.

These changes in the thresholds will ensure that, even with predicted income and pay rises next year, 80 per cent of taxpayers will remain in the 30 per cent tax bracket or less. It is worth pointing out again that these are part of this government’s ongoing tax reform, part of this government’s ongoing efforts to reduce income taxes. If you look back over the last four years and include this package, low-income earners—those on $20,000 or less—will have had a 23 per cent reduction in income tax. Income earners on $50,000 will have had a 21 per cent reduction in their income tax levels and higher income earners a reduction of 18 per cent.

These tax cuts are under threat under Labor. Remember that, in the year 2000, Labor opposed measures to bring tax relief to middle-income earners. Labor has already ignored the challenge of guaranteeing that the second tranche of these income tax cuts will be delivered. In fact, they have refused to guarantee that those income tax cuts will be delivered. The point is that Labor’s record and Labor’s refusal to give an unequivocal guarantee make it quite clear that the second tranche of these tax cuts will be seriously under threat, and will probably be jeopardised the same way that the promised 1-a-w tax cuts were, should we have a Labor government.

The other area of relief for families is the massive increase in family tax benefits announced in this budget—benefits totalling $19.2 billion over the next five years. It is worth noting that these family tax benefit improvements come on top of increases in previous years by the coalition aimed at improving the financial position for our families. They are measures that have helped families to juggle the joint responsibilities of
work and parenting. They are measures that have significantly improved living standards for families around Australia. The two parts to this package—family tax benefit part A and family tax benefit part B—will deliver in total an extra $600 each year for many families. The more relaxed withdrawal rates will mean that the effective marginal tax rates for those parents working part-time and re-entering the workforce will be reduced to take the pressure off these families. So the combined effect of the tax cuts and increased family tax benefit means that almost all families will be substantially better off.

I will give you two simple examples. A single income family earning $45,000 with two young children—one under five—will be $48.55 a week better off just through the tax cuts and family benefit. If they take up the option of the superannuation co-contribution they will be better off by even more than that—by $61.05 a week. Another example is a dual-income family with a total income of $65,000, split 67 per cent to 33 per cent—a two to one split. With three children—one under five—that family would be $39.84 a week better off. If they took the offer of the government’s superannuation co-contribution they would be $53.73 a week better off.

Many families around this country will be $30, $40 or $50 a week better off because of this budget. And what do we have the opposition doing? They are scratching around trying to find some sort of negative—trying to put a negative spin on it—instead of supporting and praising these measures that will improve life for our families. Families across Australia—families in my electorate of Macquarie, the Blue Mountains and the Hawkesbury—are delighted with these improvements. But, again, these improvements cannot be guaranteed under Labor. The shadow finance spokesman refused to guarantee the family tax benefits and the tax cuts beyond 2004-05. These benefits—these tax cuts and increased family payments—are under serious threat under Labor.

This budget has provided massive increases in funding for essential services and infrastructure. It has increased funding and reduced taxes dramatically to take the financial pressure off families. The third thing it has done is continue this government’s record of sound and responsible fiscal management. It is to this that I want to turn in the remaining five minutes of my speech.

This budget delivers another surplus, the seventh in a row under this government—a surplus of $2.4 billion, which will again go to reducing the legacy of debt left under Labor. That debt, which in 1996 when Labor left office was $96 billion—or 19 per cent of GDP—has been reduced, by this government’s careful responsible approach, to $25 billion, which is only three per cent of GDP. We have repaid over $70 billion of Labor’s debt. Compare the fact that we have delivered surpluses for seven years in a row with the deficit after deficit that Labor delivered in their last five years. And these were not small deficits; they were deficits which, in five years, totalled $68 billion. These deficits averaged almost $14 billion a year for their last five years.

And that is on top of all the asset sales that we had. Just remember that, in those last five years of Labor, they not only ran up those massive deficits but sold almost everything that was not nailed down: Qantas, the Commonwealth Bank, the Commonwealth Serum Laboratories—a long list. Yet, in spite of selling all those assets, they still ran up deficits averaging almost $14 billion a year. This matters because it means that, as we have repaid roughly three-quarters of that, we have reduced substantially the annual interest servicing costs—that is, instead of $8 billion a year of taxpayers’ money merely going
down the drain to service Labor’s debt, as it was in 1996, now less than $3 billion is required to service government debt. This means over $5 billion extra a year going into health, education, essential services, infrastructure and reducing tax pressures. Responsible, sound economic management delivers benefits to all Australians.

There are many other dividends—many other benefits—from this sound, responsible approach to management. The strong economic growth that we have had, despite trouble all around the world, has enabled the country to generate some 1.3 million jobs and reduce unemployment from the average of 8.5 per cent that we saw during Labor’s 13 years to 5.6 per cent. Inflation, which averaged 5.2 per cent under Labor, is now down to two per cent. Home loan interest rates averaged 12.75 per cent for 13 years of Labor. It was not just one year of high interest rates; they averaged 12.75 per cent for 13 long, miserable years. Yet interest rates now, because of this government’s responsible management, are down to just over seven per cent.

Home owners in my electorate are delighted by the reduction in their interest payments. They are terribly afraid of what will happen to interest rates if Labor is returned to office. In my electorate, someone paying off a mortgage on a loan of $200,000 is saving $575 a month, tax free, on what they would have been paying when Labor left office in 1996, when interest rates were 10.5 per cent. The important point is that these results are not an accident; they are not just a fluke. They happened because of careful, sound, responsible economic management.

These things are under jeopardy if Labor are returned. Look at their record. Basically every Labor government in memory has been an economic vandal. Look at the legendary financial incompetence of the Whitlam government. Look at the $97 billion debt left by the last Labor government. Look at the recession they said we had to have. Look at the massive 17½ per cent interest rates they gave us. Look at the sheer incompetence of the New South Wales state Labor government that cannot deliver adequate services in hospitals, schools, infrastructure or law and order.

Look at the unfunded promises we are already hearing from the Labor Party. Look at their refusal to rule out tax rises. Look at their commitment already to a new national payroll tax across the country. Look at their commitment to slug mining companies an extra $500 million a year. There is a real threat if Labor are elected. The economic security of this country and the wellbeing of Australians have been enhanced through the sound fiscal management of this government and would be seriously jeopardised under the economic vandalism of Labor. This budget has delivered, and continues to deliver, on extra services, tax cuts, support for families and responsible fiscal management in each of these areas. It stands in clear contrast to Labor’s record.

Mr DANBY (Melbourne Ports) (1.35 p.m.)—I rise to speak on Appropriation Bill (No. 1) 2004-2005, the ninth and last budget of the Howard-Costello government. This budget is, as the Leader of the Opposition said in his speech in response to the budget, a political patch-up job, a short-term fix for the next election. As such, it will serve as a suitable epitaph for a cynical and destructive government which has done much to damage Australia’s social fabric. This government has no plan for Australia’s future beyond polling day. It hopes to repeat the trick it pulled at the 2001 election, throwing massive bribes at sections of the electorate thought to be in danger of defecting to the opposition. In 2001, it was self-funded retirees and peo-
people in regional areas. This time it is young families with children, servicing high mortgages, particularly in the western suburbs of Sydney.

As I said in an article in the *New Observer* magazine predicting that Mr Howard would do this, the Prime Minister obviously keeps a picture of Jeff Kennett on his desk to remind him of correct election strategy as far as spending public money is concerned. But, as the Leader of the Opposition also said, the government always spends up big before elections. Then, as certain as night follows day, it claws money back in the years that follow through higher taxes and family debts, higher Telstra line charges and user-pays in education and health.

In considering the political strategy behind this budget, I am reminded of a comment by the Prime Minister’s friend the President of the United States, George W. Bush. Paraphrasing Abraham Lincoln, he said at a dinner: ‘You can fool some of the people all of the time—and those are the ones you have to concentrate on.’ I think President Bush was joking, but the Prime Minister and the Treasurer seem actually to have taken him literally. They seem to think that they can once again bribe and bluster through an election campaign with the usual rhetoric about how only the coalition can be trusted with Australia’s finances—as we heard from the last speaker—regardless of the fact that it was the Hawke-Keating governments that integrated us with the international economy. Perhaps the current government have forgotten how Abraham Lincoln’s famous line ends: ‘You can’t fool all of the people all of the time.’

The Prime Minister and the Treasurer bribed, bluffed and bullied their way back into office in 2001, but they will find it a much harder trick to pull off again. The Australian people have seen over the past three years the truth of the Leader of the Opposition’s words that, with the Howard government:

It gives and then it takes, but it never lasts. It never lasts with the Howard government.

Yesterday I listened to the excellent budget debate speech given by the honourable member for Braddon, who represents a regional seat with large numbers of low- to middle-income families with children—exactly the kinds of families that the Treasurer claims will benefit from his budget. The member for Braddon showed clearly how hollow that claim was, and it is one of the reasons I am sure he will be re-elected.

Melbourne Ports is a different electorate. In terms of weekly family income it is the 10th wealthiest electorate in Australia. It is the second wealthiest electorate represented by a Labor member. On this side of the House only the honourable member for Sydney’s constituents have a higher per capita income. Both the honourable member for Sydney and I represent large numbers of people who work in growth industries such as the media, arts, tourism, medical and scientific research, information technology and higher education. These overall statistics conceal a great deal of social reality in my electorate. As I said in my first speech to this House, Melbourne Ports is an area where some people are looking for their next million while others are looking for their next meal. It has many high-income people. It also has many people with very difficult economic circumstances, many people who depend on government support, many lone parents struggling to bring up children, many elderly people living on their own and a distressingly large number of people who are homeless, who have drug and alcohol problems or who suffer from mental illness.

Just around the corner from my electoral office in Fitzroy Street, St Kilda, are the fa-
cilities of the Salvation Army and the Sacred Heart Mission, who provide services for so many of these people, mostly on a voluntary basis. They have been put under increasing pressure year by year by this government ignoring these kinds of problems. Every day they provide meals for hundreds of people. My electorate staff do their best to help many of the people with these social and economic problems. One of the major problems facing people in Melbourne Ports is that they have to deal with the administration of Centrelink. The staff at the South Melbourne and Windsor Centrelink offices do their best but are overworked and underpaid. The system is deliberately structured to make it as difficult as possible for people to gain access to the benefits they are entitled to. The system also leads to people running up huge debts through no fault of their own, and without any warning, which they are then often required to repay. The welfare agencies and my office have to pick up the pieces afterwards.

When I look at the budget to see what relief the large number of struggling people in my electorate can hope to obtain from this government, I am disappointed, though not surprised, to find that it is very little. There is nothing to encourage bulk-billing by doctors and thus relieve the pressure on low-income families to meet out-of-pocket medical expenses. There are no commitments to undo this government’s disgraceful decision in 1996 to abolish the Keating government’s dental scheme. As the honourable member for Lalor has repeatedly pointed out, there is no funding for vaccinating children against deadly pneumococcal disease.

Medicare is one of the great achievements of the Hawke Labor government. We all know the current Prime Minister opposed Medicare as a matter of principle from the moment of its birth, just as he opposed its predecessor, the Whitlam government’s Medibank. He was Treasurer in the Fraser government, which dismantled Medibank. But now that Medicare is so widely supported by the Australian community, the Prime Minister knows he dare not move against it openly. Instead, the government has a policy of strangling Medicare by stealth. People in my electorate, no matter what their income level, support Medicare and oppose this government’s insidious campaign to undermine it. There is nothing in this budget to change their minds on this matter.

Instead of taking steps to restore bulk-billing and Labor’s dental health scheme, this government is wasting $20 million on another dishonest television campaign to persuade voters that it is doing something to fix up Medicare. As the honourable member for Lalor has pointed out, that money could have paid for 800,000 bulk-billed consultations. Does the government seriously think people in my electorate will be fooled by this publicity stunt? No amount of advertising can cover up the fact that, under the Howard government, Medicare is bleeding to death.

One of the distinctive features of my electorate is the very high number of tertiary students. More than 10 per cent of the residents of Melbourne Ports are students. I have two fine campuses in my electorate: the Caulfield campus of Monash University and the Victorian College of the Arts, where I recently attended a very splendid arts graduation. Many students at other universities—Melbourne, Monash and RMIT—live in my electorate. Every week I get letters and emails from tertiary students and their families about the increased burden of debt that they are being forced to take on as a result of the sharp increases in HECS fees. As we know, HECS fees will rise again at most universities next year—in most cases by the full 25 per cent which the Minister for Education, Science and Training is now permitting. This means that from next year students will
be paying as much as $15,000 for an arts degree, $20,000 for a science degree and $40,000 for a law degree. They will be graduating with huge levels of debt, making it much harder to buy a home or start a family. If the government is concerned about the reasons for Australia’s declining birthrate, it might start by looking at the consequences of some of its own policies.

Even worse is the fact that this budget does nothing about the crisis facing the families of the many well-qualified students—including graduates of the government, Catholic and Jewish schools in my electorate—who cannot get a place in an Australian university. This year 20,000 qualified applicants missed out on a place. Those places are going instead to students who are not necessarily as well qualified as those who are currently missing out but who can afford to pay full fees—fees as high as $150,000. Qualified Australian students deserve a fully funded HECS place at university. Labor’s policy is to abolish this government’s regressive policy, to make an additional 20,000 places available and to reverse the 25 per cent hike in HECS. This is a policy that many students and parents in my electorate will certainly welcome.

The coalition intends campaigning again as the only party which can be trusted with Australia’s defences. The budget allocates a total of more than $18 billion for defence for the 2004-05 year, yet everyone connected with the ADF knows how overstretched and underresourced the ADF is as a result of the commitments in Iraq, East Timor and the Solomons. It would seem an elementary proposition that if the government commits defence forces to military operations it must fund them appropriately. The government owes a duty not only to the taxpayer but also to the personnel of the ADF for putting their lives on the line, usually at the cost of great disruption to their families.

Last week we learned from a new report from the Australian Strategic Policy Institute that the government is funding the ADF on the cheap, depriving our defence forces of necessary new equipment so that the funds originally earmarked for that can be diverted to paying for current operations—most notably last year’s commitment of forces to Iraq. This may be because the government wants to conceal from the Australian people the real cost of that commitment and the extent to which it was diverting defence resources from other parts of the defence budget.

We learned that the Howard government has delayed over $2.2 billion worth of defence capital projects since the defence white paper of 2000. These projects have been deferred until 2008-09 at the earliest. The funds have been diverted to meet increased ADF personnel costs, which have risen by nearly $740 million over the last year. Everyone understands why those costs have risen. It is because the ADF is heavily committed to overseas operations. Governments can make these commitments but, once they are undertaken, they have to make sufficient outlays to pay for the extra personnel costs. What the government is doing is shifting funds from capital purchases to personnel costs.

As the shadow minister for defence, Senator Evans, pointed out last week, none of the top 20 defence projects that were in the planning stage at the time the Howard government came to office have yet been delivered. Four have been cancelled and the rest have been pushed back into the indefinite future. Defence technology is extremely expensive and also has long lead times between when it is ordered and when it becomes available for operations, so delays currently being imposed by the Howard government on meeting the ADF’s capital equipment needs mean the ability of our defence forces to respond to crises in our own region will be set back for years ahead. As important capi-
tal assets such as the F111s head for retirement, the ADF’s operational capacity may be seriously jeopardised by the Howard government's short-sighted cost shifting.

I would like to comment on another element of this budget, and that is the foreign aid budget. On this aspect of the budget, one well-informed commentator said:

Despite having economic growth in excess of 3.5% and a very healthy economy, our aid as a proportion of GNP still languishes around 0.26%, well below the internationally agreed benchmark of 0.7%.

... ... ... ... The US have increased foreign aid by one third in the last two years.

And I might say that that increase is largely in the area of assistance with opposing the AIDS pandemic in Africa—a move of the Bush government that is little noticed but would have much wider support than their commitment in Iraq. The person who made that comment continued:

The least we could have done in such economic prosperity is match that commitment.

That comment was made by that other Costello, Tim Costello, the Treasurer's brother. As we sit here, a new humanitarian crisis is unfolding. In the Darfur province of Sudan, Arab militias backed by an Islamist military regime are engaging in a campaign of ethnic cleansing against the African population of that country. Aid agencies accuse the Sudanese government of launching aerial attacks against defenceless villagers and committing serious human rights violations, including mass killing, looting and rape. Already hundreds of thousands of people have fled from their homes and tens of thousands have been killed. According to the UN, the refugees are being systematically starved in what amounts to a campaign of ethnic cleansing. Up to 300,000 people are in immediate danger of death.

So far, I have not heard a word from the Minister for Foreign Affairs about what is going on in Sudan or what this government intends to do about it. I am pleased to hear from the honourable member for Hindmarsh that the government has now committed $5 million to emergency relief in Sudan. I cannot help but think of the $109 million which, as Senator Faulkner was able to discover at Senate estimates this week, the government intends to spend on bogus advertising campaigns to secure its re-election. As that other Costello identified, some of that money would at least make a contribution to helping those people who are facing genocide in Sudan. When we remember events like Rwanda, as we did in a private member's motion earlier this week, we have a direct obligation to try and prevent events such as the impending genocide in Sudan. It is amazing what areas of international affairs get greatly reported on. I think it is particularly odious for those who support the United Nations that the representative of Sudan—a country that has embarked on genocide at the moment—is chairman of the UN Human Rights Commission.

I now turn to one area of particular interest to me as Deputy Chair of the Joint Standing Committee on Electoral Matters, and that is the government's proposed changes to electoral legislation and the appropriation costs of that over the next five years. According to the government’s own figures, it will cost $15.1 million over five years to implement these roll integrity measures. In my view, the government is spending $15.1 million to disenfranchise people. It is spending $15.1 million to propagandise while reducing the quality of Australian democracy. Talk about money being badly spent!
As I have previously explained, in the 11 years from 1990-2001, there were five elections and one referendum, amounting to six mass votes by the Australian people. Each time, 12 million Australians voted. Six times 12 million is 72 million, which is the number of times the Australian people voted during that period. The number of proven cases of electoral fraud by the Electoral Commission in that entire period was 72. That is one case of electoral fraud per million votes in that period. That is a great testament to the integrity of the electoral roll. The fact that the government is going to spend $15.1 million to restrict participation in electoral democracy when we had only 72 cases in 11 years, during which 72 million people have voted, works out at about $200,000 per case of electoral fraud.

Let me outline what the government are planning to do. They are planning to close the electoral roll on the day the election is announced. Those people who are listening to this broadcast should be quite clear about what this means. The Fraser government did this in 1983. They closed the roll on the day the election was announced, and it disenfranchised nearly 90,000 young people. It is those people who use the period between the announcement of the election and the five days grace that they are given to enrol to vote.

Whatever side of politics we are on in this House, we have a responsibility as democrats to see that in a compulsory voting system as many people as possible have their entitlement to vote and participate looked after. In fact, the government have acted against the recommendations of the Chair of the Joint Standing Committee on Electoral Matters—the member for Kooyong, who sits on the other side of the chamber; a member of the government; a person who actually knows something about electoral integrity. Against his recommendations, against the unanimous recommendations of his committee, they plan to close the electoral roll on the day of the vote.

The Parliamentary Secretary to the Minister for Finance and Public Administration argued in the House that this was necessary to improve the electoral roll. On three previous occasions when this government was elected, the system allowed 17- and 18-year-olds to enrol to vote. Is he suggesting that the Howard government was elected in an invalid way? That can be the only conclusion from the government’s deliberate decision to spend $15 million on fraudulent advertising to tell us about the election roll when there are only 72 proven cases. This action is against the specific recommendations of the government’s own chair of the committee, the member for Kooyong. The effect will be to disenfranchise 85,000 young people. What a wonderful expenditure of public money—to actually reduce democracy rather than increase it!

Many members of the government are very uncomfortable about this because they know that there are members of the National and Liberal parties who sit on the joint committee who unanimously accepted the report recommendations that we should leave the system exactly as it is. The government claims that it is concerned about electoral fraud, yet for years it has ignored the Australian Electoral Commission begging for more money to address their concerns about not having enough money to carry out their basic functions. According to Mark Davis in the Australian Financial Review, the Department of Finance and Administration supports the AEC’s view that the government has been underfunding them for a decade and that they have been suffering a funding shortfall.

The government says it plans to spend between $50,000 and $250,000 on advertising to ensure 17- and 18-year-olds are on the roll
to vote. While this is important, the government is planning to spend $109 million on various advertising campaigns to help it get re-elected. If it spent no money at all on advertising to tell us about the integrity of the electoral roll and just left things as they are, more people would have the right to vote. This is a farcical situation and the government is appropriating public money to be spent on a fraudulent election campaign to try to limit the number of people who can vote. If it left the system as it is, 17- and 18-year-olds, who have as much right as anyone else to vote, would be allowed to enrol in the usual period of five days grace that they are given. (Time expired)

Mrs HULL (Riverina) (1.55 p.m.)—It is a pity that my speaking time is going to be cut short by question time today because I would have liked to be able to expand at length on what little understanding the Labor Party has of rural and regional Australia. Just two days after the release of this government’s fine budget, I had a call from my local media to question me about a press release that they had received from the Labor Party. The press release said that there was nothing in this budget for rural and regional Australians—that rural and regional Australians had missed out. I said to my local media, ‘I find this quite incredible.’

Does the Labor Party think that I do not have mothers in my electorate who are going to get a payment of $3,000 on the birth of their child that will rise to $5,000 by 2008? Does the Labor Party think that I do not have aged care facilities or that I do not have elderly people in my electorate who rely on care in hostels and nursing homes, facilities that will receive $3,500 per bed before 30 June 2004 so that they can upgrade their capital works and infrastructure? Does the Labor Party think that I do not have families in the Riverina who will benefit from the $600 increase in their per child payment under family tax benefit part A before 30 June 2004 or who will benefit again from a further $600 after reconciling their current year entitlement? Does the Labor Party think that I do not have single-income families in the Riverina who will see a change in their income test for family tax benefit B which will allow more mothers to access this payment whilst in part-time work? Does the Labor Party think that I do not have carers in my electorate who are caring diligently for people—their loved ones, family members and friends—who will receive a bonus $1,000 payment, and that I do not have people in my electorate receiving a carers allowance who might receive a bonus $600 payment? Does the Labor Party not think that I have these people in my electorate of Riverina? Does the Labor Party think that I do not have Riverina income earners who will benefit from the latest income tax cuts?

It was absolutely staggering to find that the Labor Party did not realise that in the Riverina I also have veterans on gold and white cards. These veterans will be able to see specialists now that we have given an extra 15 per cent for consultations with specialists plus 20 per cent for procedures, which is on top of their 100 per cent Medicare rebate. They can now be adequately assessed and care can be delivered to those veterans in my electorate of Riverina. Does the Labor Party not know that I have Riverina wineries that will receive a tax rebate of $290,000 annually under the wine equalisation tax-free threshold? Does the Labor Party not know that I have Riverina, Murrumbidgee and Coleambally irrigators and water providers in the business of providing water to primary producers who will have access to water facilities taxation concessions and land care taxation concessions that will enable them to effectively carry out their work with respect to the supply of water into the future?
Also, the Riverina has low-income earners, quite a significant number of whom contribute to superannuation. Does the Labor Party not know that those on incomes up to $28,000 will receive up to $1,500 from the government in a cocontribution of $1.50 for every $1 that goes into a superannuation fund? There are a significant number of things in this budget that obviously the Labor Party think do not apply to rural and regional Australia, and that staggers me. The lack of knowledge that they have about rural and regional Australia is quite surprising.

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

QUESTIONS WITHOUT NOTICE

Health: Pneumococcal Vaccine

Mr LATHAM (2.00 p.m.)—My question is to the Prime Minister. Prime Minister, six months ago I asked if the government would fund the pneumococcal vaccine for all Australian newborn babies. Despite the same question being asked on three other occasions, the Australian people still do not have an answer. Will the Prime Minister now adopt Labor’s plan and fund this vaccine for all Australian newborn babies?

Mr ABBOTT—I thank the Leader of the Opposition for his question. I can inform the House that, as outlined to the House by the Prime Minister on previous occasions, the government is in discussion with the company, Wyeth, about how quickly we can get access to this vaccine and about what price it will be. I can say this: we do want, if we can, to provide this vaccine, and we do want to provide it, if we can, as quickly as possible. What we will not be doing is paying for it by ripping away the MedicarePlus safety net. If you look at the Labor Party’s policy, it is proposing to fund a universal pneumococcal program by scrapping the MedicarePlus arrangements that were made in the Senate, including the MedicarePlus safety net. We are not going to provide one lot of people with a benefit by ripping off a benefit from other people.

Foreign Affairs: United States of America

Mr LLOYD (2.02 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the importance of Australia’s alliance with the United States and the steps the government is taking to strengthen it? Is the minister aware of any alternative policies?

Mr DOWNER—First, can I thank the honourable member for his question. I know he is one of the members on this side of the House who understands the importance of the American alliance. While the government does not agree with the American administration on everything—on the comprehensive test ban treaty, on the International Criminal Court, on some other private issues or on American agricultural trading policies—there is no doubt that we have a profoundly strong view that the alliance with the United States is fundamental to our security. During the war against terrorism, particularly in relation to the challenges we face in South-East Asia with Jemaah Islamiyah and like organisations, the assistance that the United States is able to provide in that war against those terrorists—particularly the intelligence assistance, the defence technology, the tremendous dynamism that they are able to bring to regional diplomacy to encourage countries in the region to address those terrorists organisations—is fundamentally important to our national interests. It is not surprising that over the last eight years the government has unashamedly strengthened the alliance with the United States. We have fought together in the war against terrorism.
We of course cooperate in Iraq. We have negotiated a free trade agreement with the United States. We have worked very closely together on the issue of counter-proliferation of weapons of mass destruction—a very good example of that being our support for the Proliferation Security Initiative—and we are working with the Americans on the issue of missile defence.

Are there any alternative policies? Well, the interesting thing about the opposition on this issue is that their positions are constantly changing and there are great divisions within the opposition. I do not think we should underestimate the depth of division there is in the opposition on the issue of the American alliance. As the House knows, the Leader of the Opposition has a history of making vicious and often rather foul-mouthed attacks on the United States, the alliance and the President of the United States, and I do not think we want to revisit that. But when the member for Werriwa became the Leader of the Opposition, he started, at the beginning of that time, to tell a different story, as though within a matter of a few days his whole personality had completely changed. Everything he had stood for had been abandoned when he went into the Labor Party caucus room and almost literally draped himself in the American flag—quite incomprehensible, really—and said, ‘I am a very strong supporter of the American alliance.’

What is interesting is that he has not been able to hold to that 4 December position for very long. Every sign is beginning to re-emerge of the Leader of the Opposition’s anti-Americanism. The Leader of the Opposition opposes the free trade agreement with the United States, which offers us $6 billion a year. He is against missile defence cooperation. He is against the Proliferation Security Initiative. He wants to cut and run from Iraq and abandon our allies. There is not any sign that that curious event of 4 December was anything but yet another one of the Leader of the Opposition’s publicity stunts—something at which he is a master. The fact is the Leader of the Opposition’s anti-Americanism was illustrated by his decision to cancel his visit to the United States next month. He invented the excuse that there would be an early election, despite the fact that he is not only allowing his frontbenchers to go to America but—as the Treasurer pointed out yesterday—allowing the member for Hotham, for some reason, to go to Kenya.

Mr Hardgrave—Ask Laurie.

Mr DOWNER—What is interesting, though, about the Labor Party is the depth of the divisions on this issue. The member for Brand and Senator Ray, for example, who are unequivocal supporters of the American alliance, are finding their experience and advice is being ignored for that of Dangerman, the member for Kingsford Smith apparently; Paul Keating, who is a great source of advice; and even Gough Whitlam. I thought it was very revealing that in the Bulletin of 18 May an informed source, talking in a very favourable article about the Leader of the Opposition, said, ‘Latham’s private views about the Australian-American alliance are said to be extreme.’ I think there is every sign that this is true. I think there is every sign that he rejects the Hawke legacy, he rejects the Beazley-Ray legacy, and that on these issues he adopts, apparently, the foreign policy of Dangerman. There is a curious juxtaposition here in the way the Leader of the Opposition seems so totally obsessed with the state of the union addresses of Bill Clinton and the writings of the glib Dick Morris. Other than that, it has to be said that there is a kind of visceral anti-Americanism coming through which I do not think, in the end, at a very difficult and dangerous time in global history, is for a moment going to be in the interests of Australia.
or the Australian people. I think it is about time the Leader of the Opposition—instead of playing games and thinking he can get away with saying absolutely nothing of any substance to the Australian public—came clean and started telling people a bit more about what he really believes in.

Iraq: Treatment of Prisoners

Mr Rudd—My question is to the Prime Minister. Prime Minister, when were Australian personnel in Iraq, either civilian or military, first made aware of allegations of prisoner abuse in Iraq?

Mr Howard—This question is obviously prompted, as most opposition questions are—the first three or four—by something in the newspapers. Can I deal with this question by first of all stressing that there is absolutely no suggestion whatsoever that Australian soldiers or other military personnel serving in or around Iraq have been involved in any way in the abuse of Iraqi prisoners which we have seen portrayed in the media. I have already answered questions on this subject as to my knowledge, and so have the Minister for Defence and the Minister for Foreign Affairs. The advice consequent upon the story in the Sydney Morning Herald today that we have from defence is that the ADF has not been involved in the incarceration or interrogation of Iraqi prisoners. Even more significantly, defence has publicly stated that no ADF member witnessed any mistreatment of detainees.

Mr Wilkie—When did you know?

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

Mr Howard—On the essential question

Mr Rudd—Yes, I am, Mr Speaker. The point of order is relevance to the question, which asks simply this: when were Australian personnel in Iraq aware of allegations—

Mr Howard—I will return to the paragraph. I will take a moment to answer this question, because I assume it is accepted as an important matter, and I therefore intend to deal with it in a detailed fashion. I will return to the Herald article, which says:

… Major O’Kane’s role suggests that assurances by the Defence Minister, Robert Hill—

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

Mr Howard—This question is obviously prompted, as most opposition questions are—the first three or four—by something in the newspapers. Can I deal with this question by first of all stressing that there is absolutely no suggestion whatsoever that Australian soldiers or other military personnel serving in or around Iraq have been involved in any way in the abuse of Iraqi prisoners which we have seen portrayed in the media. I have already answered questions on this subject as to my knowledge, and so have the Minister for Defence and the Minister for Foreign Affairs. The advice consequent upon the story in the Sydney Morning Herald today that we have from defence is that the ADF has not been involved in the incarceration or interrogation of Iraqi prisoners. Even more significantly, defence has publicly stated that no ADF member witnessed any mistreatment of detainees.

Mr Wilkie—When did you know?

The Speaker—I warn the member for Swan!

Mr Howard—The suggestion made in today’s article in the Sydney Morning Herald of a cover-up is quite absurd. It is also highly offensive in that it seeks to imply a link between Australian personnel and these appalling abuses. To illustrate that point, could I read from one particular part of the story. It says, inter alia:

… Major O’Kane’s role suggests that assurances by the Defence Minister, Robert Hill—

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

Mr Howard—On the essential question

Mr Rudd—Yes, I am, Mr Speaker. The point of order is relevance to the question, which asks simply this: when were Australian personnel in Iraq aware of allegations—

The Speaker—The member for Griffith is a relatively new member to this chamber—certainly compared with the time that I have spent here—but even he will be aware that, by any interpretation of the standing orders, the Prime Minister’s answer is relevant to the question.

Mr Howard—I will return to the paragraph. I will take a moment to answer this question, because I assume it is accepted as an important matter, and I therefore intend to deal with it in a detailed fashion. I will return to the Herald article, which says:

… Major O’Kane’s role suggests that assurances by the Defence Minister, Robert Hill, that Australian military personnel were in “no way associated with these abuses” may be misleading. I just want to say that that is a pretty contemptible and pathetic attempt by the Sydney Morning Herald to imply some kind of guilt by association. That is what that story is into, and can I say that some of the member for Griffith’s questions go dangerously close to doing the same thing. Can I specifically go to the substance of this issue: that I am advised...
that a report by the International Committee of the Red Cross in October of last year covered general concerns about detainee conditions and treatment. Major O’Kane, as part of his work in the coalition headquarters in Iraq, prepared a draft response to that report. A separate report by the Red Cross, in February of this year—and once again this answer is based on the current advice of the defence department—raised allegations of ill treatment of detainees.

It would appear at this stage that the article in the *Sydney Morning Herald* has either inadvertently or deliberately conflated those two reports—the one in October and the one in February—and has blurred the two of them and, in the process, could well have done a serious injustice to Major O’Kane. To suggest that, because Major O’Kane drafted a response to the October report, he or the Australian government were in some way aware of the more serious allegations to follow in a separate report some months later is quite nonsensical.

I am in fact advised that Major O’Kane witnessed no interrogations or mistreatment of detainees and has previously reported to the defence department that he believed internees were being treated with humanity and in accordance with the Geneva convention. I repeat that: I am advised by the defence department that Major O’Kane witnessed no interrogations or mistreatment of detainees and has previously reported to Defence that he believed internees were being treated with humanity and in accordance with the Geneva convention.

We are now all aware of the photos of incidents of serious abuse which have been displayed in the media. Our government have made it very clear how concerned and appalled we are by these incidents, and we very warmly welcome the strong and decisive action that has been taken by the governments of the United States and the United Kingdom to investigate these incidents and to bring those responsible for them to justice.

Let me repeat that, as I indicated earlier, the first time I became aware of the scale of the alleged abuses was at the time most other Australians did, sometime in April when the photographs emerged. There was a CNN report in January. I may or may not have seen that at the time—I cannot specifically recall that. It has already been indicated—and I would have to check the record to get the precise language used by the defence minister, the foreign minister and perhaps me—that various reports were sent back by our people on the ground in Baghdad during the early months of this year. But I would have to recall the record to attest precisely to what those details were.

Let me finish by stating again that there has been no Australian involvement in these incidents. No Australian personnel have been involved. All of this is about trying to imply some guilt by association, because that is the stock in trade of the Australian Labor Party. They do not like to be reminded of it, but it is the stock in trade of the Australian Labor Party. Just as the overwhelming majority of the 139,000 Americans who are serving bravely and in very difficult circumstances in Iraq cannot be held responsible for the appalling abuses of a few, so it is the case that the 850 Australian defence personnel serving in and around Iraq should not in any way be associated with those abuses. There has been no Australian involvement. Australia was not an occupying power. Australia did not detain or accept prisoners in Iraq. Up until the circumstances which brought this matter to international prominence broke, Australia had not been given any reports from the ICRC, although not formally but informally I understand a report or some reports have subsequently come into the hands of the Australian government.
Australian Defence Force: Deployment

Mrs MOYLAN (2.18 p.m.)—My question is to the Minister for Foreign Affairs. Would the minister inform the House how Australian troops are advancing Australia’s national interests in Iraq? Are there any alternative views?

Mr DOWNER—I thank the honourable member for Pearce for her question. She travelled with me to Baghdad during the course of last year and met with Australian soldiers there, amongst other people, and I know what support she has given to them. The ADF deployment in Iraq is vital to advancing our national interests in Iraq. It provides security for the Australian representative office which is absolutely essential for the tasks that it undertakes—representations, lobbying for Australian companies, assistance with humanitarian programs and so on. As I pointed out to the House yesterday, without those 86 soldiers our mission would close. That is the advice of the Department of Foreign Affairs and Trade, and that is the advice we would take.

The House would be aware that HMAS Stuart and two P3C surveillance aircraft are defending Iraq, from further afield, from terrorists and that HMAS Stuart notably foiled an attack by terrorists on an oil terminal on 24 April. What more is the ADF doing? It is training the Iraqi army and navy so they are able to take over the security of Iraq. So I would have thought what the Australian troops were doing in Iraq made perfect sense. Anybody who had been briefed on this issue—and the Leader of the Opposition still has not sought a briefing on this question—would understand the importance of having those people there. It seems to me that it is absolutely common sense. The day after the bomb went off about 100 metres from the Australian mission the Leader of the Opposition was reported in the Herald Sun as saying that his position was to bring the troops back home, and he said on 27 April:

We haven’t got a huge military and we’ve got other choices and priorities to make in terms of the defence of Australia.

The member for Brand, the former Leader of the Opposition, made a speech last night. I read it this morning. It is a long read, but it is a very interesting speech, to be fair. It is not always flattering about the government or me, but that is the nature of party politics. It is a thoughtful speech made by somebody who knows something about these issues. The former Leader of the Opposition, the member for Brand, makes the point that it is well within Australia’s capacity to provide at least the force now being provided by Italy, Poland, Ukraine and the Netherlands—which is four times the size of ours. He went on to say that we have plenty of troops available. I am not saying the member for Brand is arguing that we should be sending many more troops to Iraq, because he is not. But I am saying that the member for Brand, who knows something about defence policy, is clearly contradicting the off the top of the head remarks made by the Leader of the Opposition.

What is interesting is that the member for Griffith supports both views. The member for Griffith did an interview with a German newspaper—a Berlin newspaper—Die Tageszeitung. There used to be, by the way—honourable members will remember this; those who have been here for a little while—a convention in Australia that you did not go overseas and bag your government or bag your policies. Do you remember that? I think we remember that. The member for Griffith may be—as you, Mr Speaker, have said—a rather new member, but he might like to be reminded that going and speaking to Die Tageszeitung and bagging the Australian government for the benefit, no doubt, of the Berliners who are reading the newspaper is...
not really in very good taste. You are not on the side of Australia if you are going out and bagging us to the Berliners. Let us just make that point. You might think that the German Social Democratic Party approved. But in the end do you know whose side we on this side of the House are on? We are on Australia’s side. That is the side we are on.

In this curious interview the member for Griffith says, ‘Policy changes in Australia would include an early withdrawal of Australian troops from Iraq.’ That was the position he articulated. Does that surprise anybody? Yes, it does surprise me, because less than 24 hours after the bombing by the Australian embassy in Baghdad, on the question of whether our 86 troops should stay there, the member for Griffith was not for withdrawing the troops. He was saying, ‘We’re looking for advice.’ He says one thing to the Berliners and he says another thing to Australians.

I have to say—and the Treasurer made this point yesterday—that the Leader of the Opposition needs to be scrutinised by the media and he needs to be scrutinised by the parliament and he needs to be scrutinised by the Australian people. There is nothing but policy confusion on the side of the Labor Party. There is no clarity in what the Labor Party would do. Somebody should ask the Leader of the Opposition a simple question; somebody should ask this: do you want to close down our office in Baghdad or will you leave 86 troops there to protect them? What is the answer to that question? The Leader of the Opposition, having read in Dick Morris’s book that you do this, will sit there and say nothing because Dick says to say as little as you can to the public. That is what Dick says.

Mr Latham interjecting—

Mr DOWNER—The Leader of the Opposition is drifting back into the sort of gutter that he has lived so much of his life in. Dick says, ‘Do not tell the public too much.’ That is why you say nothing and you will not answer that serious question. The Australian public have a right to know if ever this country should be so unwise as to elect you the Prime Minister.

Iraq: Treatment of Prisoners

Mr RUDD (2.25 p.m.)—My question is to the Prime Minister. Prime Minister, when were officials in Australia, either civilian or military, first made aware of allegations of prisoner abuse in Iraq?

Mr HOWARD—I already indicated in the earlier answer that there were reports that came back in the earlier part of the year. I would have to check the record to say exactly when. I would be very happy to check the record of what has previously been said. If there is anything further I need to add I will.

Economy: Performance

Mr HUNT (2.25 p.m.)—My question is addressed to the Treasurer. Would the Treasurer outline to the House official data which confirms that the strength of the Australian economy remains at historically high levels? Are there any risks to economic growth which would impact on the job prospects of Australians, particularly workers in my electorate of Flinders?

Mr COSTELLO—I thank the honourable member for Flinders for his question. I can inform him that the capital expenditure survey for the March quarter was released today. Measured by chain volumes, it showed that capital expenditure fell 2.5 per cent in the March quarter but it remains 3.9 per cent higher over the year. The volume of capital expenditure remains at historically high levels following six per cent growth in the last six months and 14.8 per cent growth in 2002-03. The decrease in the March quarter appears to have been caused by a decline in the importation of civil aircraft, and ab-
stracting from those aircraft it appears that underlying capital expenditure was broadly unchanged for the quarter.

For the current financial year, 2003-04, businesses are expecting to reduce capital expenditure by 1.7 per cent. But this would convert to solid growth in volume terms when you take into account the recent appreciation in the exchange rate and the significant falls in the price of imported machinery and equipment as a result of that. Business investment will make a solid contribution to economic growth in 2003-04. Looking at the expectations for the next financial year, 2004-05, businesses are expecting to increase the value of their capital expenditure by between three per cent and six per cent. Again, the fall in the price of imported equipment will contribute to very solid growth in volume terms. This is showing that business investment will be a big part of our growth in 2004-05.

Can I just give a comparative figure the member for Flinders would be interested in? In the last eight years of the Labor government business investment grew 3.6 per cent per annum. Over the term of this government, private business investment has grown 8.2 per cent per annum. That is more than double the rate of growth under the last eight years of the Labor Party. Why? Interest rates are low. I was asked about people in Flinders. I know that home buyers in Flinders and small businesses in Flinders will appreciate the fact that interest rates are low.

Profitability of business is very high. The profit share to GDP is as high as it has ever been in Australian history. We have taken taxes off Australia’s exports. We have cut capital gains tax; we have cut company taxes; we are cutting income taxes. We have locked in low inflation. None of this is an accident. It is not something that happens by fluke. It is not something that failed mayors with their nostrums of various economic theories could produce by accident if they were put into positions of trust in the Australian economy. It takes consistent economic policy to produce outcomes for Australia’s businesses and for Australia’s families and for the employees who depend upon them. That economic management is something that this government has fought hard to put in place and will not be surrendering.

Veterans: Entitlements

Mr ORGAN (2.30 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware of the United Nations Human Rights Committee’s finding of 18 September 2003 in the Edward Young case that Australia is in breach of article 26 of the International Covenant on Civil and Political Rights by refusing to recognise that Mr Young is entitled to a veterans’ affairs pension due to the war service in Borneo during World War II of his deceased same-sex partner of 38 years? Why does the Prime Minister think that gay, lesbian, transgender and intersex Australians should be treated differently and actively discriminated against?

The SPEAKER—In fairness to the member for Chifley, with regard to whose question I raised this matter yesterday, I should also indicate to the member for Cunningham that, like the member for Chifley’s question, his question is allowed to stand but the use of a name is generally seen as unhelpful in the question.

Mr HOWARD—In answer to the honourable member for Cunningham, I am aware of that finding. It has been the longstanding policy of governments of both persuasions to pay a veterans’ affairs entitlement according to criteria which apply in relation to relationships in the rest of the community—namely, married or de facto relationships as commonly understood. It has not
been the disposition of governments of both persuasions over the years to change that.

I have announced today on behalf of the government certain changes in relation to superannuation which we think are fair and will expand the categories of people who will be able to exercise superannuation benefits and entitlements without tax penalty, and it goes significantly beyond extending that to people in same-sex relationships. Indeed, it includes quite a lot of other relationships that can be regarded as characterising financial interdependency, including sisters and brothers, adult independent children and their parents and also, very importantly, an extension in relation to handicapped children of elderly parents—or indeed parents of any age—who may, for understandable reasons, not be living with those parents. I think they represent very important, very positive changes which I know will be widely welcomed in the Australian community.

Employment: Policies

**Mr RANDALL** (2.32 p.m.)—My question is addressed to the Treasurer. Would the Treasurer outline to the House the benefits to Australians of policies directed at creating jobs? Are there still impediments to jobs growth? What are they and how could they be fixed?

**Mr COSTELLO**—I thank the honourable member for Canning, and can I say what a pleasure it is to have him here in the House representing the seat of Canning—and may he stay in the House a very long period of time. I also thank him for the opportunity to talk about job creation. I think the House will be interested to know that, since this government was elected in 1996, there have been over 1.3 million new jobs created in Australia. The unemployment rate is at 5.6 per cent—as low as it has been in 23 years. Indeed, in the last six months alone, 164,000 new jobs have been created, 80 per cent of which have been full-time jobs.

The most important thing that a government can do for a family is create the economic conditions in which that family has the opportunity to find work. If a family does not have somebody who is in the work force bringing home an income, then it does not have the stability and the financial support that it needs. So it is our view that everything that can be done should be done to help job creation in this country—and that is not just the view of this government. I would like to refer the House to the OECD economic survey which quotes a survey done by D. Harding in 2002 which found—get a load of this: Unfair dismissal laws in Australia contributed to the loss of about 77,000 jobs from businesses which used to employ staff and now no longer employ anyone.

The OECD survey also said:

Countries that have a decentralised bargaining system and more relaxed employment protection legislation are better equipped to innovate in industries characterised by multiple and rapidly evolving technologies.

What they are saying is that if you have a flexible workplace, ease of hiring and firing, you can innovate in those high value add areas.

Although unemployment is low by historical standards, the point is this: unemployment could go lower in Australia if the Australian Labor Party would get out of the way and pass this government’s unfair dismissal law changes. They have now been rejected 40 times in the Australian Senate. And there is the evidence, endorsed by the OECD: 77,000 more Australians could get their foot onto the ladder of opportunity—they could get into the work force and start going up that ladder—if the Australian Labor Party would get out of the way and allow this government to reform unfair dismissal laws.
I must say that there are days when you read the press with a heavy heart and there are days when your heart leaps from within you as you read the morning press. I must say that one of those days was today, when I think the hearts of so many Australians leapt from within them by reading today’s Australian. Labor’s workplace relations spokesman, Craig Emerson, has admitted that small businesses do not hire staff because of the ALP’s union backed unfair dismissal—

Mr McGauran—The whistleblower!

Mr COSTELLO—The opposition whistleblower.

Mr McGauran—Put him in witness protection.

Mr COSTELLO—As the honourable member for Gippsland says—

Mr McMullan—Mr Speaker, I rise on a point of order. Past Speakers have upheld the point of order that allegations which have been rejected specifically by members, by way of personal explanation, are not proper to be repeated by members in the House. This is a matter that has been rejected by the member for Rankin in a personal explanation this morning, explicitly and totally, and—

Government members interjecting—

Mr McMullan—Their interjections indicate that they are aware of the personal explanation and make the breach of standing orders more severe.

The SPEAKER—A point of order has been raised about a personal explanation made in my presence this morning by the member for Rankin, where the member for Rankin indicated that the press report of what he was alleged to have said the day before was inaccurate.

Mr COSTELLO—We certainly welcome the fact that there does seem to be some sense returning to the Australian Labor Party and in particular the member for Rankin.

Honourable members interjecting—

Mr COSTELLO—Somebody interjects that he denies it. What, does he deny that there is some sense returning to the Australian Labor Party? We welcome the fact that it appears that some sense is returning to the Australian Labor Party. In particular, we welcome the recognition that the small businesses of Australia will become employment-averse if they are subject to the risk of litigation under unfair dismissal laws which have been found by the OECD to have destroyed jobs, or not to have allowed the creation of jobs, and which are restricting the small businesses of Australia in a way they should not be. On this side of the House, we support small business. While the Labor Party refuses to allow small business to be rescued from the shackles of those unfair dismissal laws, the Australian Labor Party will always stand condemned by the small business community of Australia.

We say that the member for Rankin is right. He was right when he spoke at that meeting last night, when he said:

That when he ran a small business he did think about what might happen if he had to dismiss someone.

That is a quote, and it is not denied.

Mr McMullan—Mr Speaker, I rise on a point of order. The Treasurer is deliberately and explicitly reiterating matters to which I drew your attention previously and which have been refuted expressly—

The SPEAKER—I was listening closely to the Treasurer’s comments, because of the ruling I had given. Nothing that he had said prior to the member for Fraser’s point of order reflected uncharitably on the member for Rankin.
Mr COSTELLO—The member for Rankin was quoted in the Australian—a quote which is not denied—as saying that he did think about what might happen if he had to dismiss somebody, as hundreds of thousands of small businesses do at the moment. Small business and their employment prospects in this country are too important to the future of Australians for the union backed members of the Australian Labor Party to insist on union rights and union power, at the expense of small business. It is about time that the union bosses that control the Australian Labor Party were told to get back into their box, that they will not be listened to, that the businesses of Australia are too important, that the jobs of Australians are too important, that those young people who want to get on the ladder of opportunity should have the chance to work, that the Australian Labor Party will not for the 41st time block these unfair dismissal laws, that we will get on with sensible industrial relations reform, that small business will get a go and that more jobs will be created in Australia.

Dr Emerson—Mr Speaker, I seek leave to table a copy of the personal explanation that I made at 9 o’clock this morning and which was delivered to the minister’s office.

Leave granted.

Fuel: Prices

Mr FITZGIBBON (2.41 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware of recent comments by the Macquarie Bank’s Chief Economist, Mr Richard Gibbs, who predicts that crude oil prices could hit $50 per barrel? Further, is he aware that such an increase would result in a 10c per litre petrol price hike? Prime Minister, given these comments and the implications for petrol prices, will the government now adopt Labor’s plan for petrol prices, including an overhaul of the Trade Practices Act to ensure that the Australian motorist is not ripped off by those who seek to exploit and profit from higher petrol and oil prices?

Mr HOWARD—I am not specifically aware of that report but I have certainly read a lot of reports that speculate about the impact of a further increase in the price of crude oil. Let me say that the current price of crude oil is influenced by a lot of factors. It is influenced by the increased demand for crude oil, particularly from China. It is influenced by the onset of the summer season in the United States and by the depletion of the strategic oil reserve in the United States. It is also influenced by the unsettled conditions in the Middle East.

While we are into predictions, I think that, if the coalition were collectively to cut and run from Iraq, that country would be plunged into great bloodshed and chaos, and the impact of that on the price of crude oil would be absolutely disastrous. So anybody who is running around saying that the price of crude oil is due exclusively to what is happening in Iraq—as I think the Leader of the Opposition was trying to do in Queensland last week—ought to contemplate the consequences of the West walking out of Iraq and handing that country over to the terrorists, the reaction that would create among neighbouring Arab states and the absolutely catastrophic effect that would have on the stability of crude oil prices. If you want crude at $50 a barrel, support the Latham policy on cutting and running from Iraq. That is what you ought to do.

As for the review of the Trade Practices Act, with very great respect to the member for Hunter, the idea that some kind of review of the Trade Practices Act is going to have any direct or real effect—or even an indirect or delayed effect—on the price of crude oil is quite fanciful. The price of crude oil is set by a combination of international circumstances. The member for Hunter knows that.
Just before concluding, I say that the price of petrol at the bowser is now 5c to 6c lower than it would otherwise have been had it not been for the excise changes that this government introduced three years ago. If we had had automatic indexation of excise—and I remember introducing those changes very well and, if I remember rightly, they were supported at the time by the Australian Labor Party. The member for Hotham, the man of the magic pudding, criticised it. But it is 5c to 6c lower as a result of those changes.

Workplace Relations: Unfair Dismissals

Mrs MAY (2.45 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister outline to the House the burden of unfair dismissal laws on small business? How do these laws damage jobs growth? Is the minister aware of any alternative views?

Mr ANDREWS—I thank the member for McPherson for her question and recognise the great and continuing support which she provides for the many small businesses in her electorate. Labor’s cloak of hypocrisy on its stand on unfair dismissals legislation was unwrapped this week by the member for Rankin. As the Treasurer indicated, in the story in the Australian today, we have the member for Rankin quoted as saying that when he ran a small business he did not think about what might happen if he had to dismiss someone.

This is not the first time that a member of the opposition on the frontbench has actually criticised the unfair dismissal laws on behalf of that party. One of the other members of the frontbench, at the other end of the front bench, also said something about unfair dismissal laws when he said this on the Small Business Show: ‘Well, my wife constantly tells me that she could afford to put on one more person, or would like to put on one more person, but is fearful of unfair dismissals.’ The difference is of course that the member for Hunter, who said this, was up-front and open about saying it, unlike some other comments we have heard recently from another member of the frontbench of the Labor opposition. But what is interesting about these unfair dismissal laws, which, according to COSBOA, cost something like 50,000 jobs in Australia and, according to the OECD, something like 77,000 jobs—

Dr Emerson interjecting—

Mr ANDREWS—The member for Rankin jokes about that. I would say to the member for Rankin that the cost of even one job is too many, let alone 50 or 60 or 77,000 jobs. But what is interesting about this is not only the fact that the Labor Party has voted against our changes to make these unfair dismissal laws fairer for small business in particular in Australia on some 40 occasions but the fact that the member for Rankin, in this report today, is quoted as saying:

... the ALP recognises the concern among small businesses and has proposed changes to streamline the laws and remove “the perception” that the laws cost jobs.

We on this side of the House and in this government are not concerned about the perception; we are concerned about the reality that these laws cost jobs—a reality that the Labor Party stand in the way of every time and oppose our propositions to change the laws. But it is worse than this. It is not just a question of the ALP’s past record in relation to this; it is a question of what they actually propose to do if they are ever elected to government.

As the Treasurer says, they do not read their own policy platforms very often, but we certainly scrutinise them, and I would like to bring to the attention of the House the recent National Platform and Constitution 2004 of the Australian Labor Party. In chapter 3, at
paragraph 94, there is the following provision:

Labor will ensure that filing fees are not a barrier to access to relief from unfair dismissal.

We are talking about a filing fee of $50. The Labor Party are proposing to remove the filing fee, which would lead to a flood of frivolous and vexatious claims for unfair dismissal. Everywhere I go around Australia, small business operators come up to me and complain about frivolous and vexatious unfair dismissal claims.

I was out in the member for Macarthur’s electorate just a week ago, where a small business operator—he and his wife run a business—was telling me about an unfair and frivolous claim which meant not only additional costs to that small business owner for the professional advice he had to seek but also that he had to take a day out of his business to go and front up because of this claim. This is happening to literally thousands and thousands of small business operators right across Australia. And what does the Labor Party propose to do? To remove a filing fee so we get a flood of these claims. This is absolutely outrageous.

On top of that, we have a proposition here in the national platform of the Labor Party to go further and allow unions to make a single application in the case of mass terminations. So we will get more of these claims which will destroy jobs in Australia. What this indicates once again is that, when it comes to managing the economy and managing the workplace relations system in Australia, the Australian Labor Party have no clue whatsoever. They simply cannot be trusted in this regard.

Victoria: Senate Candidate

Mr ZAHRA (2.51 p.m.)—My question is to the Prime Minister. Prime Minister, do you recognise these comments made about Victorian Liberal Party Senate candidate Jim Forbes when he was the Liberal Party candidate for McMillan? ‘As a dairy farmer, teacher, former local councillor and father of three, Jim understands the concerns of local families and has the experience to be a strong voice for McMillan.’

The SPEAKER—The member for McMillan will come to his question.

Mr ZAHRA—And, Prime Minister, do you recognise the two people in this photograph? Prime Minister, given that these comments were made by you just 2½ years ago and that this photograph shows you and Jim Forbes, why is it that you indicated in question time yesterday that you did not know Jim Forbes but that you were relieved that he was in an unelectable position on the Liberal Party Senate ticket? Prime Minister, given Mr Forbes’s unwarranted and insulting attack on the people of Mirboo North, which I mentioned yesterday, why don’t you do us all a favour and get the Victorian branch of the Liberal Party to disendorse this bloke?

The SPEAKER—I have no intention of allowing questions of that nature, which produce a chorused response, to stand.

Workplace Relations: Unfair Dismissals

Mr HAASE (2.53 p.m.)—My question is addressed to the Minister for Small Business and Tourism. Would the minister inform the House how imposts such as Labor’s unfair dismissal laws are destroying jobs? Is the minister aware of any recent criticism of the unfair dismissal laws from a surprising source?

Mr HOCKEY—I thank the honourable member for Kalgoorlie for his very well-informed question. It is quite true that the Labor Party’s unfair dismissal laws have had a negative impact on Australian small business. In fact, according to COSBOA, they cost small business in excess of 50,000 jobs, and that is just from the application of the Labor Party’s unfair dismissal laws at a fed-
eral level. When I went through the Hansards in search of the reasons why the Labor Party is opposing our changes, which propose to exclude the application of unfair dismissal laws to small business, I came across the words of the member for Rankin, who said:

It—being the government—continues to bang on about unfair dismissal laws costing jobs. It does that despite having been told... that its claim is spurious and wrong.

As the Treasurer told the House, we looked at the paper this morning, and it said:

At a closed meeting of more than 20 members of the Council of Small Business Association in Canberra on Tuesday night, Dr Emerson presented Labor’s policy and said he understood the problems business had with the unfair dismissal laws.

It goes on to say:

According to several people at the meeting, Dr Emerson then said he had not employed extra staff for his small business because of fears about the unfair dismissal laws.

So I thought, ‘Wow, this is a significant step forward—the spokesman for the Labor Party on workplace relations conceding that even he did not employ someone because of the unfair dismissal laws.’

The SPEAKER—I must point out that the member for Rankin has already indicated this morning, by way of personal explanation, that that did not happen.

Mr HOCKEY—I am coming to that, Mr Speaker. I want to deal with a statement made this morning. This morning the member for Rankin addressed the House, and I ask my colleagues to understand the words carefully, because the member for Rankin did not deny in his words that he said that on Tuesday night. He said:

Having been told last night by a representative of COSBOA that I made no such statement at the meeting, the journalist persisted with the story.

So, in fact, the member for Rankin has not in this place yet denied that he uttered the words which are reported in the Australian today. He has not denied it in this place. He went around it, saying that COSBOA denied it, and we have no evidence that COSBOA have denied that.

Dr Emerson—You are going to get some shortly.

Mr HOCKEY—We would be intrigued to get it. We will be waiting for it to come shortly. We are systematically asking people who attended the meeting exactly what was said. As soon as we can get the reports that are out at the moment on further comments made by individuals at those meetings we will bring them to the attention of the House.

We want the member for Rankin to deny that he said those words in this place, because as far as we are concerned he is playing games. He said the words. The allegations were backed up by a number of people in today’s Australian that he said the words that he did not employ an individual in his business because of the unfair dismissal laws. He came in with a cute personal explanation, when everyone who was at the dinner who was paying attention to his words knows that the member for Rankin uttered the words that he did not employ someone because of the unfair dismissal laws.

But what we do know about the Labor Party is this: the Labor Party have a history of going behind closed doors and saying one thing to people and then coming into the parliament and going public and saying something entirely different. That is the way they operate. They are hypocrites. They operate one way behind closed doors to business and they operate another way when they are dealing with the Australian public.
Banking: Fees

Mr GRIFFIN (2.58 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware of Reserve Bank of Australia statistics showing personal bank fees soared to more than $3 billion last year and have increased by 161 per cent since 1997? Isn’t it the case that the government’s hands-off approach to regulating the banks has failed to restrain bank fees? Given that Australian households are under record financial stress, why won’t the Prime Minister adopt Labor’s plan to direct the ACCC to monitor bank fees and charges, to impose some discipline on the banks and to provide some relief for Australian families?

Mr COSTELLO—I thank the honourable member for his question. I indicate at the outset that the government’s policy in relation to bank fees is the same policy the Labor government had from 1983 until 1996. At no time in those 13 years did the Australian Labor Party ever have control over or monitoring of bank fees.

Mr Griffin interjecting—

The SPEAKER—The member for Bruce has asked his question!

Mr COSTELLO—I thank the honourable member for his question. I indicate at the outset that the government’s policy in relation to bank fees is the same policy the Labor government had from 1983 until 1996. At no time in those 13 years did the Australian Labor Party ever have control over or monitoring of bank fees.

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Mr COSTELLO—I thank the honourable member for his question. I indicate at the outset that the government’s policy in relation to bank fees is the same policy the Labor government had from 1983 until 1996. At no time in those 13 years did the Australian Labor Party ever have control over or monitoring of bank fees.

The RBA’s credit card interchange fee standard is expected to reduce credit card interchange fees by around $400 million a year—a reform which the RBA put in place and which was endorsed by this government. Also, over the period since 1996, margins on loans have come down quite considerably. It may well be that in previous times banks were covering themselves and making profits through margins, and increased competition has actually improved the benefits for consumers by reducing those margins.

I want to conclude by indicating two areas where this government has dramatically improved the situation for fees on bank accounts. The first is that this is the government that abolished the bank account debits tax as part of our GST reforms. I will go further than that and say that, as part of the GST reforms which this government implemented and which the honourable member opposed, on 1 July 2005 the financial institutions duty will be abolished, saving people $1.4 billion in fees on banking.

I got an agreement from all of the Labor treasurers at the last meeting of the ministerial financial council for that abolition to take place on 1 July 2005—let me say, not before time. The abolition of that tax will be paid for by the state GST revenues, now in a record position as all of those states enjoy the growth of revenues. It is the coalition government that is insisting that that revenue be used in part to reduce taxes—not the Labor states and not the Labor opposition; it is the coalition government that is doing it. We look forward to 1 July next year, because tax reform keeps rolling on with the abolition of $1.4 billion in financial institutions duty.

Workplace Relations: Reform

Mr JOHN COBB (3.02 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister...
advise the House how the government’s workplace relations reform agenda in the transport sector has helped business in regional Australia? What further workplace relations reform would benefit these businesses and are there any alternative policies?

Mr ANDERSON—I thank the honourable member for Parkes for his question. Indeed, transport and logistics constitute nine per cent of the Australian economy and there are a lot of people in both large and small business in the sector. It is very important to jobs right across Australia—I think the Minister for Trade pointed out that one in five Australian jobs depends on trade, and one in four in regional areas.

Reform in the transport sector has been successful in many ways. We have real transport costs at their lowest levels ever in Australia, which is quite an achievement in itself. But, of course, it is within the transport portfolio that you find perhaps the most potent example of the need for and benefits of industrial relations reform right across Australia. That, of course, is in the waterfront. When we were in opposition, no more potent an example existed by which you could demonstrate to people the need for industrial relations reform and talk about the national disgrace that was our waterfront.

We had had endless inquiries into it. I think, if my memory serves me correctly, there were 39 inquiries between 1945 and us coming to power. Interestingly, the Labor Party—occasionally you will get a little bit of an outbreak of honesty over there; just occasionally—had actually conceded that the waterfront needed something done about it and they had set up a program called WIRA—the Waterfront Industry Reform Authority. It failed, but they at least conceded there was a problem.

When we came to power we said again that we were going to have a go at industrial relations reform on the waterfront. What happened when we announced the modest target of 25 container movements an hour on average across our major ports? The ALP and the union movement, having failed to reform the waterfront, said, ‘That’s un-Australian—you can’t achieve it in the Australian context.’ Did we achieve it? Yes, we did. For the last 13 consecutive quarters we have exceeded our own target and, indeed, in the last quarter we were managing around 27 container movements per hour on average. This is a very potent symbol of what can be achieved. There is no doubt it is greatly to the benefit of people in rural and regional Australia and exporters generally. When you raise this at community forums and inform people that it would all be sacrificed under a Latham government because Martin Ferguson—

The SPEAKER—Order!

Mr ANDERSON—The member for Batman, rather—would give the waterfront back to the MUA, you can see them visibly react with horror. But there is another way you can get a reaction. You can say to people, ‘Do you know that 41 times we have attempted to relieve you of the burden of unfair dismissal laws and 41 times the Labor Party in the Senate has opposed that reform?’

Opposition members interjecting—

Mr ANDERSON—They contest the number. They say it is not 41, it is only 40. The fact is that you have repeatedly blocked it.

The SPEAKER—Order!

Mr ANDERSON—The Treasurer enjoys watching Lateline. I am not quite such a fan of that. My old mate Tony Jones—we were at university together—has shifted a bit of political ground since then. I do not find I have quite so much in common with him anymore.
Mr Costello—You have more interesting nights than I have!

Mr ANDERSON—I do not know that I do have more interesting nights than the Treasurer—we will stay out of that! I have to say I enjoy my early morning copy of the *Australian*. I was delighted this morning to find a lot of very encouraging news about Farmhand, which of course the *Australian* was involved in, and water politics.

But I was even more delighted when I thought I had at last discovered a kindred spirit on the opposite side. I have not found much in common with them before—not much in common with the member for Rankin—but I discovered two things. He had been a small business employer. I have been one of those and I still am. I thought: ‘This is very interesting. He has employed people. He will understand then that unfair dismissal is a real problem.’ Indeed, he went on to confirm it. According to several people at the meeting that he attended just a couple of nights ago, Dr Emerson said he had not employed extra staff for his small business because of fears about the unfair dismissal law. Before I was in this place—as a minister, I stress—I was in precisely the same situation. I stopped employing young people, having got caught up in this web, because it became impossible to proceed. Several young people in my area did not get a start because of the actions of one young person I took on, who embroiled me and my manager in this mess, and we said, ‘It is not worth it.’ I thought we had a kindred spirit. Do you know why I do not believe his denials? Precisely because he has been a small business employer—that is why I do not believe his belated denials.

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

Mr ANDERSON—Mr Speaker, he has been a small business employer—that he does not deny. Not many people opposite have been a small business employer. Plenty on this side have; the person who asked the question has. If you have been an employer in the small business sector, you know what a problem this is. You know it costs jobs. I see the member for Rankin does not deny that. He has been an employer—he knows it costs jobs and he does not deny it. He really belled the cat recently when he made this very interesting comment:

The Labor Party and unions are in partnership once again.

Who are they in partnership with once again? The union movement. What percentage of the private sector work force belong to the union? Seventeen per cent. I tell you what: they are not just against small business, they are not just against the employers, they are taking the side of the unions against the workers and, in particular—to the shame of the Leader of the Opposition—young workers looking for a job. Here is a challenge: side with the workers and move against the union movement on unfair dismissal.

**Employment: Mutual Obligation**

Mr ALBANESE (3.09 p.m.)—Is the minister aware that Work for the Dole participants are painting murals, making candles and putting on puppet shows? Is the minister also aware of the Borland and Tseng report commissioned by the government, which concluded the Work for the Dole program’s ‘effect on exit from unemployment payments becomes progressively more negative’? When will the government get serious about preparing the unemployed for real jobs by adopting policies like Labor’s Youth Guarantee: Learn or Earn policy? Why did the minister yesterday announce more ‘play for the dole’ projects, including kite making?

Mr BROUGH—This is not an unexpected attack from the member for Grayndler. He is a member who just cannot
say anything positive, does not understand or appreciate the positive nature of Work for the Dole—what it does for individual self-esteem and employability and what it does for the community. I invite the member for Grayndler to actually sit down with some of these purposeful individuals, who are trying to do something for themselves and their community and build a better self-esteem and a better opportunity for themselves. That is what Work for the Dole does.

I am very well aware of the report in today’s Melbourne press, which went on to be on 3AW today. And it was interesting, because a number of personnel that are participating in those particular programs rang the program. I have got some of them here. One was a 58-year-old. As a 58-year-old she, or this person, volunteered. Now she or ‘Dale’—I don’t know whether Dale is male or female; I did not actually hear, I am just reading from the Media Monitors report—says: ‘I am 58 and I don’t have many qualifications.’ She, oh it is she, says she is unemployed and is defending Work for the Dole. This is the person that we are here to help—a 58-year-old, mature worker who wants a hand. We make no apologies for helping these people and for what they are doing.

What did she say? She says that she is on the dole and she is painting murals and electrical light poles, and she says, ‘I am making the area more attractive, and I am trying to destroy graffiti.’ We all know that when you let graffiti blossom, you also let crime flourish. Here are people who are unemployed, who are working on a community activity, who are feeling positive about what they are doing and who are doing something for themselves and for their community. This is about the first rung of the ladder of opportunity. This is about people feeling good about what they are doing and achieving for their community.

It is interesting that in the Media Monitors today there were also some other reports. Here is one from the ABC Southern Queensland, and it talks about a very worthwhile project where Work for the Dole members are teaming with Rotary Club members to produce, from bicycle parts, wheelchairs to go to Fiji to help young people with muscular dystrophy to be mobile. This is the sort of project that that lot over there ridicule. This is the sort of project that you want to see removed from the face of Australian society. The member for Grayndler talks about the Labor Party policy for youth. The fact is: it is a fraud. It says that in the next financial year some 8,000 young people will be helped through their project.

Ms Jackson interjecting—

The SPEAKER—I warn the member for Hasluck.

Mr BROUGH—I would like to ask the member for Grayndler: who is he going to deny this service to? It certainly does not go to the member for Herbert’s electorate—I know that much. And it does not go to the member for Paterson’s electorate. It does not go to those people who need it. It is Labor picking winners again, where every young person who is in need, who is on an unemployment benefit and has disadvantage is being helped by the coalition government, not only through Work for the Dole but through a full suite of employment programs. That is why unemployment is coming down under the Howard government.

Fuel: Excise

Ms GAMBARO (3.14 p.m.)—My question without notice is to the Prime Minister. Is the Prime Minister aware of any proposals to increase excise on petrol or diesel? What is the government’s response to such reports?

Mr HOWARD—I thank the member for Petrie. I know that she expresses the concerns of many in her electorate about the
price of petrol at the present time, due as that is to circumstances beyond the control of the Australian government and beyond the control of retailers of petrol in Australia. I would have thought in the current circumstances that nobody in their right mind would be proposing an increase in excise, but I am wrong: I plead guilty to not understanding the motivations of some.

What has been drawn to my attention is an article in a local newspaper in Western Australia under the heading ‘ALP president launches $2.50 a litre petrol plan’. I think it is interesting that this should come to my attention on the same day that the member for Hunter says that we can solve it all and get crude down to 50c a barrel by amending the Trade Practices Act. This excellent newspaper report is the best newspaper report I have read today—no, it is the second best. Dennis Shanahan’s article in the Australian reporting the member for Rankin is the best but this one follows as a close second.

It is written by Vida Caruba and it says:
The Western Australian government should increase Perth’s petrol prices to $2.50 a litre to encourage more sustainable modes of transport, according to the Western Australian Sustainable Transport Coalition. The recommendation is in the Perth-based group’s ‘Oil: living with less’ policy, scheduled to be launched on Thursday by national ALP president Carmen Lawrence.

‘Oil: living with less’—there is an invitation and a nice photograph. Dr Carmen Lawrence will launch it. It goes on to state:
Western Australia faces crossroads as global oil supplies peak and transport costs soar. Personal and state transport is heavily dependent on cheap oil—

So let’s make it dearer!—
But the finite resource is running out. We must act now to reduce oil vulnerability.

So I had a look at the pamphlet: it is quite nice; it is professional. I am sure the member for Fremantle would not have been associated with something she did not professionally feel comfortable with. It is a very well put together document. I read the very first recommendation. Listen to this—it says:

1. Incrementally increase excise on petrol and diesel—incrementally, though; they are being fair—to European levels.

Not to some new level that is a bit higher—not to some sort of Labor level that is a bit higher. There are no half measures with the ALP national president; we will go to European levels.

The member for Petrie asked me, ‘What is the government’s response?’ I do not think that this is the time to be increasing excise on petrol or diesel. I can say on behalf of the federal parliamentary Liberal Party and, I am sure, on behalf of the federal parliamentary Nationals, on behalf of the entire Liberal Party organisation and the CLP—everybody!—that we do not believe in increasing the level of excise; we believe in having as cheap petrol as world circumstances will allow. We have the policies in place. We have the low inflation. We cut excise. We got rid of the automatic indexation of excise three years ago. If you want the cheapest possible petrol in Australia, vote Liberal or National.

Telstra: Service Charges

Mr TANNER (3.19 p.m.)—My question is also to the Prime Minister and it relates to whether now is the time to be massively increasing the price of having a telephone in your home. I refer to statements by Telstra chief financial officer, John Stanhope, at Senate estimates that under the government’s Telstra price control regime Telstra’s massive line rental fee hikes will increase its revenue by $200 million in the next financial year and that reductions in call prices will only cost Telstra $20 million in reduced revenue.
In view of Telstra’s latest annual profit figure of around $3.4 billion, will the government now adopt Labor’s plan to freeze line rental fees and require Telstra to give more money back in lower call prices so that Australian consumers are no longer ripped off?

**Mr WILLIAMS**—The first thing I point out to the member for Melbourne in relation to his question is that Telstra is a corporation under the Corporations Law. It operates under the board and the management.

**Mr Tanner**—And under your price control regime.

**The SPEAKER**—The member for Melbourne has asked his question.

**Mr WILLIAMS**—And it was the Labor Party who put it into that position. The government does impose retail price controls on Telstra, and the purposes of doing that are to drive efficiency improvements and to lower prices for end users in markets where competition is not yet fully developed.

**Mr Tanner**—It’s not working well, is it?

**Mr WILLIAMS**—Within this constraint, this corporation may vary its prices as it considers appropriate. Telstra’s compliance with the price control regime is assessed annually by the ACCC, and a breach of the licence condition can be penalised very heavily—in fact with a $10 million fine. One of the objectives of the price controls is to gradually remove the access deficit, as recommended by the ACCC and the Productivity Commission, in order to improve competition in telecommunications markets. To achieve this, Telstra is required to reduce a bundle of service prices by 4.5 per cent less CPI, and it is limited to increasing line rental controls by CPI plus four per cent.

**Mr Tanner**—Why have they gone up 13 per cent then?

**The SPEAKER**—The member for Melbourne on three occasions has been reminded of his obligations.

**Mr WILLIAMS**—The nub of the member for Melbourne’s question suggests that line rental prices are affecting low-income consumers. There is in place a scheme under which Telstra provides assistance to low-income earners. One-hundred and seventy million dollars a year is provided for that purpose, and the administration of it is supervised by a committee—the Low-income Measures Assessment Committee—on which a range of consumer organisations are represented. We want to see effective competition in the telecommunications market. That is what will drive prices down. When the access deficit has been removed, that is what we will get.

**Education: Reading**

**Mrs BRONWYN BISHOP** (3.22 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House of a new initiative which will help year 3 students who are having difficulty in reading? Is the minister aware of other statements in this vital area?

**Dr NELSON**—I thank the member for Mackellar for her question and very strong commitment to standards in all things, particularly education. When this government was elected in 1996, it set as its No. 1 priority in the area of school education focusing on fundamental standards—in particular, in reading, writing and numeracy. The member for Goldstein, against opposition from the states, unions and, indeed, the federal Labor Party, developed the National Literacy and Numeracy Plan. This government invested $736 million in that plan, and in 1998 a national system for testing school students in years 3 and 5 for literacy and numeracy against national benchmarks was developed. Whilst a lot of tests are conducted in Austra-
lian schools, unfortunately only in four juris-
dictions—Victoria, Western Australia, the
ACT and the Northern Territory—are the
results of national benchmark tests reported
to parents.

Our challenge as we face the future is not
just to educate our children to be proud Vic-
torians or New South Welshmen and women,
it is also to prepare them to be Australian and
global citizens. Last year in Australia, 24,000
students in year 3 could not pass a basic na-
tional benchmark reading test. That means
that there are 24,000 students in year 4 today
who did not pass the national year 3 bench-
mark reading test, and of those students
15,500 of their parents do not know that that
was the case. In other words, if you want to
set a child up for failure in secondary school
and in life, do not teach them how to read or
write, do not test them against national
benchmarks and do not report that to parents.

I announced last week on behalf of the
government a quite significant change in
approach to helping to deal with the problem
of illiteracy amongst young children. For the
first time, the government will deliver a $700
learning tuition coupon to the parent of every
child that failed the national year 3 bench-
mark test last year in those states and territ-
ories that do report those results to parents.
Unfortunately, the Queensland Premier, Mr
Peter Beattie, speaking on Queensland radio
last week was doing one of two things—he
was either lying to the Queensland commu-
nity or showing his ignorance in relation to
what is reported to parents. In fact, the
Queensland Premier said this to Ross Miller:
They are provided—
that is, the results—
There is material provided to the Commonwealth.
These reports go to the parents, as you would
expect. This is a minor technical issue.
The fact is that the parents of the 5,500 chil-
dren in Queensland who did not pass the na-
tional year 3 reading benchmark last year
would not have seen this sheet. This is how
the results are reported against the national
benchmarks for reading.

This government is determined to put
power into the hands of parents. A $700
learning tuition coupon will go to the parents
when those parents have received the results
of the 2003 national benchmark test. I say to
the Leader of the Opposition: if the Leader
of the Opposition has any influence in the
Labor Party, could he please implore Mr
Beattie to implore Paul Lennon in Tasmania,
Mr Rann in South Australia and, in particu-
lar, Bob Carr in New South Wales to get the
results of the national reading benchmark
test for 2003 out of the vault and to parents
in the next month, and then this government
will deliver to those parents a learning tuition
coupon, worth $700, which can be redeemed
at the school so that the children can get
some one-to-one tuition with teachers or a
private tutor to bring them up to speed with
their reading. In other words, the government
is about driving national standards and put-
ting power into the hands of parents. There is
no stronger evidence of the need for this than
the words of parents themselves.

Mr Bevis interjecting—

The SPEAKER—I warn the member for
Brisbane! I draw his attention to his obliga-
tions.

Dr NELSON—The Labor Party may not
think that reading and understanding how to
read are important in life, but this side of the
parliament most certainly does. In 2002, one
parent in the review commissioned by state
education ministers in relation to benchmark
reporting said:

There is nothing wrong with being told that you
are not achieving, because there’s nothing better
than a feeling that you have achieved after work-
ing to overcome it. Not telling us isn’t fair to the
child, and it doesn’t fit the reality of living in the
bigger world. It also isn’t fair to the parents, because they were denied the opportunity to make life better for their child.

This government’s learning tuition program, in addition to the $400 million a year it provides to support children with learning needs, is about making sure that children are equipped in school with the absolute fundamentals—and that is the ability to read. Some teachers in Australia should spend more time teaching our children how to read, write, count and communicate than producing political material and distributing materials in relation to school funding that present falsehoods and half-truths. The responsibility we and teachers have is to support parents in teaching our children how to read, write, count and communicate. That is the priority of this government, and it has been for 8½ years—and learning tuition coupons will drive it a lot further.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Banking: Fees

Mr COSTELLO—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Treasurer may proceed.

Mr COSTELLO—Financial institutions duty has been abolished and bank account debits tax will be abolished on 1 July 2005. Apparently, in my answer I reversed those two and had them the wrong way around.

Health: Pneumococcal Vaccine

Mr ABBOTT—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr ABBOTT—I was asked today about the pneumococcal vaccination and I pointed out that any government move to vaccinate people against pneumococcal would be fully funded with new money. I also pointed out that the ALP was funding this by taking existing benefits away. I have a statement here from the Leader of the Opposition talking about Labor’s pneumococcal program, and it says that this will be funded by redirecting funds from the Howard government’s MedicarePlus deal. I table the statement.

QUESTIONS TO THE SPEAKER

Parliament House: Security

Mr McMULLAN (3.31 p.m.)—Mr Speaker, I want to ask an unusual question of you. Would you pass on my appreciation—and the appreciation, I am sure, of other members who have been associated with them in the past—to the security personnel who were at the front of the building this morning. At seven o’clock this morning there was a small memorial event conducted by one of my constituents, Mr Kayani, in memory of his brother, who tragically committed suicide there, as you will remember, two years ago. It was a little unorthodox for it to be held there and the security staff were very discreet and very helpful. On a couple of occasions, workers, not knowing that this event was going on, were using noisy equipment. They were discreetly handled by the security personnel so that the event could be conducted with due dignity. I thank them for that; it was beyond the requirements of their duties. I ask you to convey on my behalf, and on behalf of the family, our thanks to them.

The SPEAKER—Just let me respond to the member for Fraser on behalf of all members of the House and say that, as is frequently mentioned by members of the House, we do appreciate what the staff of this parliament do. In this instance, particularly to the security staff, I will pass on your sentiments, member for Fraser, and I believe the sentiments of all members of the House.
who are grateful for the way in which our staff professionally do their jobs.

PERSONAL EXPLANATIONS

Mr JOHNSON (Ryan) (3.32 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr JOHNSON—You bet.

The SPEAKER—The member for Ryan may proceed.

Mr JOHNSON—Yesterday in Senate estimates, Labor senator John Faulkner made certain allegations regarding the nature of a community function that I hosted last month with the Australian cricket captain, Ricky Ponting, and General Peter Leahy, Chief of Army. These need to be corrected. The forum was a community event for students to encourage and inspire them—

Mr Melham—Where was he misrepresented?

The SPEAKER—Order, member for Banks! The member for Ryan will come to the point of the misrepresentation. As was indicated to the member for Solomon, a great deal of detail is not needed, but we do need to indicate the misrepresentation so it can be corrected for the record.

Mr JOHNSON—I am happy to enlighten the member for Banks.

The SPEAKER—You will also be enlightening the chair.

Mr JOHNSON—Senator Faulkner’s suggestion that Ryan schools were involved in cross-subsidising Liberal Party fundraising is totally inaccurate, false and malicious. No Ryan schools contributed to any expense associated with the forum or made any donation to the Liberal Party to participate. The forum was not in any way a fundraiser for either the Ryan campaign or the Queensland Liberal Party.

Mr BEAZLEY (Brand) (3.34 p.m.)—Mr Speaker, I seek leave to make a personal explanation.

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

Mr BEAZLEY—I do.

The SPEAKER—The member for Brand may proceed.

Mr BEAZLEY—I claim to have been misrepresented by the Minister for Foreign Affairs in question time today. The foreign minister implied that last night, in a speech, I advocated a larger Australian contingent in Iraq. I did not. What I wondered, given the level of government rhetoric, is why they did not.

QUESTIONS TO THE SPEAKER

Parliament: Photographs of Proceedings

Mr SIDEBOTTOM (3.35 p.m.)—Mr Speaker, I have a question of you. You might recall that last night in this House I raised the
issue of the need for more privacy laws related to the use or misuse of mobile phones, particularly mobile phone cameras, and the incorporation of an audible signal when a photo is being taken. I wonder if you could clarify your guidelines in relation to the use of mobile phones and mobile phone cameras in this House. The reason I ask that is that yesterday during a division a senior government minister took a picture of this side of the House. They certainly did not deny it when confronted with that and continued to use the phone—I suspect to transmit the picture. There was probably no ill intention in this, but surely this is contrary to acceptable House practice, contrary to the privacy of members of this House and disrespectful of members of this House.

The SPEAKER—Let me indicate to the member for Braddon that I am unaware of the instance to which he refers. In defence, not only of all members of the House but of the Parliamentary Press Gallery, who abide by regulations laid down by the Presiding Officers and enforced by the Joint House Committee, I would, of course, consider any use of a camera on the floor of the House to be quite improper and inappropriate. I am including in that mobile phones. As far as I recall, there was an issue like this 12 months ago over SMS messages. It was generally agreed that, while computers are allowed on the floor of the chamber, the use of SMS messages should, at best, be very discreet in order not to distract anyone else. I see messaging, as everyone else would, as quite separate from telephone calls or the use of phones as a camera. Any use of a camera would be inappropriate.

The SPEAKER—The minister may proceed.

Dr NELSON—in my answer about national benchmark reporting, I may have said on one occasion that we expect the year 2000 reports to go to parents. Just to make it absolutely clear: it is the 2003 results of national benchmark reporting that must be sent to parents before they will be eligible for the coupon.

PERSONAL EXPLANATIONS

Mr FITZGIBBON—Mr Speaker, I wish to make a personal explanation.

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

Mr FITZGIBBON—Yes, on two occasions.

The SPEAKER—The member for Hunter may proceed.

Mr FITZGIBBON—In a question to the Prime Minister during question time, I asked the Prime Minister whether he was prepared to back Labor's plan to amend the Trade Practices Act to prevent price exploitation and profiteering in the retail petrol market. In response to a question from the member for Petrie, the Prime Minister suggested that I asked him to amend the Trade Practices Act in a way which would keep oil prices low; and, of course, I said no such thing.

The second misrepresentation relates to an answer given by the Minister for Employment and Workplace Relations who, during question time, perpetuated the habit of government ministers of taking me out of context with respect to my attitudes on unfair dismissals. That I can wear. What I do not accept is the fact that, on each occasion a minister chooses to quote me from the Small Business Show some four years ago, the quote changes. The Hansard record will show that the quote attributed to me today
does not match the earlier quotes attributed to me by a range of government members. I am sure the Hansard will show that. In future, Mr Speaker, I suggest that ministers should be required to authenticate the quote. If they have got it wrong, they should apologise.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Workplace Relations: Unfair Dismissals

Mr Andrews—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The Speaker—The minister may proceed.

Mr Andrews—In quoting the member for Hunter, I referred to a quote which was also used by my predecessor the then Minister for Employment, Workplace Relations and Small Business. The quote, on 17 November 1998, from the member for Hunter, was:

Well my wife constantly tells me she could afford to put on one person or would like to put on one more person, but is fearful of unfair dismissals ...

I table the press release.

The Speaker—There is a certain absurdity about this exercise. I will hear the member for Hunter, and the matter will be closed.

Mr Fitzgibbon—I do appreciate your patience, Mr Speaker. What the minister has just confirmed is that he was not quoting me from the Small Business Show; he was quoting former Minister Reith.

The Speaker—The member for Hunter has made his point and will resume his seat. I call the patient member for Bruce.

QUESTIONS TO THE SPEAKER

Matters of Public Importance

Mr Griffin (3.41 p.m.)—I am overcome by your compliment, Mr Speaker. My question relates to the selection of the MPI today. The normal practice is to take a question from the opposition, although I know you have the concession to do what you wish in that situation. However, given that over the last 18 months there have been some four unfair dismissal bills debated in this House, and on the last occasion some three months ago some 12 members spoke for nearly four hours, I am wondering why that choice was made, given the question of bank fees as faced by the Australian community. Nearly $23 million is being taken out per day in total fees—over $400 per household—and bank fees totalled some $3 billion in 2003.

The Speaker—Let me indicate to the member for Bruce that, if he were to take a look at page 562 of House of Representatives Practice, he would find that one of my predecessors said that the Speaker cannot be required to give reasons for choosing one matter ahead of another. However, I am quite prepared to say to the member for Bruce, and my staff can verify this, that both matters landed at a meeting I was attending on the second floor of the House. Neither side of the House nor any individual lobbied me on this matter. I would agree with the member for Bruce that this was a difficult choice, but it did seem quite reasonable—given that the vast number of MPIs had, rightly and properly, been submitted and accepted from the opposition—to allow one to go to the government.

TABLING OF DOCUMENTS

Mr Zahra (McMillan) (3.43 p.m.)—Mr Speaker, I seek leave to table a number of documents.

The Speaker—Could the member for McMillan list the documents.

Mr Zahra—Thank you, Mr Speaker. The first document I seek leave to table is a letter from the Prime Minister to electors of McMillan endorsing Jim Forbes as a candidate for McMillan.
Leave not granted.

Mr ZAHRA—The second document that I seek leave to table is another letter from the Prime Minister to electors of McMillan endorsing Jim Forbes as the Liberal candidate for McMillan.

Leave not granted.

Mr ZAHRA—The third document I seek leave to table is a colour photograph of Jim Forbes and the Prime Minister—someone whom apparently the Prime Minister does not know.

Leave not granted.

AUDITOR-GENERAL’S REPORTS

Report No. 48 of 2003-04

The SPEAKER—I present the Auditor-General’s audit report No. 48 of 2003-04 entitled Performance audit: the Australian Taxation Office’s management and use of annual investment income reports, Australian Taxation Office.

Mr Tanner interjecting—

The SPEAKER—There are requirements under the standing orders which would have people instantly removed from the House for interrupting while the Speaker is on his feet. I am not inclined to apply them, but I do expect to be allowed at least the courtesy of being heard.

Mr Tanner interjecting—

The SPEAKER—Since no other language is understood by the member for Melbourne, I warn him!

Ordered that the report be printed.

MATTERS OF PUBLIC IMPORTANCE

Small Business

The SPEAKER—I have received letters from the honourable member for Indi and the honourable member for Bruce proposing that definite matters of public importance be submitted to the House for discussion today.

As required by standing order 107 I have selected the matter which, in my opinion, is the most urgent and important; that is, that proposed by the honourable member for Indi, namely:

Australia’s urgent need for reformed unfair dismissal laws to assist small business to create jobs.

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

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

Ms PANOPOULOS (Indi) (3.46 p.m.)—I was a little disappointed with the member for Bruce. The member for Bruce thinks that there has been enough discussion on the unfair dismissal laws and the burden that small business has suffered, but until the Labor Party in the Senate, after 40 times refusing to pass reforms to let small business get on with the job, support the government’s reforms to unfair dismissal laws there will never be enough discussion in this House.

From one end of my electorate of Indi to the other, small business owners and operators have pleaded with me for the government to do something about unfair dismissal. Unfortunately I have to say to them, ‘We’ve tried.’ Since 1996 we have tried 40 times, but in our parliamentary system there is a thing called the Senate and the legislation has been stymied in the Senate. But let us not blame the institution of the Senate. Forget the Greens, the Democrats and other non-government senators; as I was reminded by some of my coalition Senate colleagues this morning, it is the Labor Party in the Senate that has refused to support the government and pass these important reforms. Let us not forget that. The Labor Party has the power to ensure that these reforms get through but chooses to do nothing.
The Liberal Party’s commitment to small business is undoubted. I am proud to stand here not only as a member of the Liberal Party and part of this government but as a product of a small business. I had the great pleasure and privilege, from the age of 12 until well into my late 20s, of working in the family milk bar. My parents could not employ additional workers, because of the fear of the additional costs that would be incurred. I learned a lot—in fact, I learned enough to forge me for my current responsibilities.

In the lead-up to the 1996 election, what were small businesses telling the Liberal and National parties? Small businesses were saying, ‘Please fix the economy; get it right. We just want to be able to get on with the job of growing our businesses and creating jobs for Australians.’ Now we have the trifecta of unemployment at 5.6 per cent—and in my electorate, proudly, it is at 3.8 per cent, the lowest in rural and regional Australia—housing interest rates of 6.55 per cent (unlike the 17 per cent interest rates under the last Labor government) and inflation of two per cent. So we have got the economy right. The one thing remaining to be done to help small businesses is that holy grail: reform to Labor’s unfair dismissal laws. Why won’t the opposition support these commonsense reforms? Quite simply, the Labor Party just do not care about small businesses. They do not believe that small businesses are their constituency, so they will just ignore them.

The government are committed to small business because we understand the daily sacrifices that owners and operators of many small businesses make not just in their personal lives and the economic risks they take but in their lifestyles, the manner in which they raise their families and the time commitments they need to put in to get their business up and running. We understand that small business is the engine room of the Australian economy and the best thing that we can do to let people get on with running their small business and creating jobs is to remove debilitating legislation. That is why it is so critical that the Labor Party see the light and, if they can find it in their hearts to empathise with these people who often do it tough on a day-to-day basis seven days a week, help pass reforms to unfair dismissal laws.

How else have we suffered so far? Studies have shown that the unfair dismissal laws have cost 50,000 jobs which could have been created. The Melbourne Institute of Applied Economic and Social Research has found that the cost to small and medium sized businesses of complying with unfair dismissal laws has been at least $1.3 billion and has contributed to the loss of 77,000 jobs. Why do Labor disregard these statistics? Why do they disregard the difficulties and fail to recognise the importance of small business? Perhaps some light was shed on this matter by the former Leader of the Opposition, the member for Brand, when he said, ‘We’ve never pretended to be the party for small business.’ His honesty is refreshing indeed. And, perhaps in an unguarded moment, even the member for Hunter was compelled to be honest in 1998 when he said, ‘Well, my wife constantly tells me she could afford to put on one person or would like to put on one person but is fearful of unfair dismissals.’

And what about the member for Jagajaga? The member for Jagajaga forgets the disgrace of the last Labor government; forgets the fact that her party when last in office forced one million people onto the dole queues. She was asked on Channel 10 on Meet the Press by Paul Bongiorno:

But, Jenny Macklin, isn’t it a fact that a casual job is better than no job?

The response was:
Well, I don’t think that’s the case, especially if you’ve got a family to feed.

So here we have the Labor Party saying, ‘We don’t want to create extra jobs; we don’t care that 77,000 jobs have been lost and that an extra 55,000 jobs couldn’t have been created. In fact, let’s go even further: let’s just cut out all casual jobs altogether.’ It is old style Labor. They have a preference for putting people on welfare instead of freeing up the economy and letting people find employment and have some sort of life.

But why is there such hostility to small business and to these reforms? We have the Labor Party on record often enough. Perhaps it lies in their reliance on their lifeline, their umbilical cord to the trade union movement. Even some of them have been a little brave at times and have been honest about the union movement. I am indebted to Michelle Grattan of the *Age*. In an article on 9 May 2004 she said:

In 2002, ACTU president Sharan Burrow suggested Latham ‘must have lost the plot’ when he proposed helping workers buy shares. The Australian Manufacturing Workers Union’s Doug Cameron said Latham was ‘a professional politician all his life ... who, because he lives in Campbelltown, is able to pull a cloak of working-class respectability around himself for the ... BS— he goes on with.

Furthermore, we are also indebted to Michelle Grattan for reminding us of certain statements that the Leader of the Opposition made. In the article, he admitted:

… ‘modern trade unionism (has) become too big, centralised and bureaucratic’; the previous year he warned that the union movement ‘runs the risk of becoming yet another dinosaur’.

Such bravery from the Leader of the Opposition. We can only hope that he finds the personality of old and actually tries to engage in the reforms that the previous leader, Simon Crean, tried unsuccessfully to embark on with the union movement.

But the real gem is the admissions that have been made by a very prominent, high-profile member of the opposition frontbench. These admissions relate to the unfair dismissal laws introduced by the last Labor government and their impact on small business and the ability of small business to employ people and create more jobs. As we are well aware, it has been reported that the member for Rankin admitted to small businesses on Tuesday night that when he ran a small business he did not employ extra staff because he was apprehensive and fearful about unfair dismissal laws. Did he think that such an admission would not get out? Did he think he was the only person in that room who would be able to verify what he said? I hope the member for Rankin’s admission was not a slip but part of a new era; a new era in which the Labor Party may perhaps empathise with small business.

The problem with the personal explanation made by the member for Rankin today is that it highlighted something about the new Latham Labor Party, and that is they think they can get away with saying one thing to one group and then saying another thing to another group. They think that just because they can wipe something off the Internet it disappears off the face of the earth. It does not. They cannot be in this day and age and in this current political era—and nor should any political party want to be—a chameleon and change their colours depending on which room they are in and depending on which group they speak to.

I plead with the member for Rankin: come clean. What do you really believe? Are the unfair dismissal laws disadvantageous? Do they prevent small businesses taking on extra employees? Did they affect your decisions? This has been put on the record by the
member for Rankin and he has a responsibility to add to the growing chorus in the Labor Party that are uncomfortable with the lack of commonsense that is adding to the burdens that small business have.

We know the member for Rankin and the Labor Party should not pick and choose, but they do. They choose the union movement. When the member for Rankin was an employer perhaps he had some empathy for small businesses. But perhaps if he is not genuine in his empathy for small business anymore it is quite understandable. He is fortunate and privileged enough to have a job with a monthly salary guaranteed, unlike small businesses, which have to do it tough every day.

But maybe the member for Rankin and the rest of the Labor Party do not care about small businesses because there is a bit of money involved. You just have to look at their masters; their union thug bosses, who have bought the Labor Party lock, stock and barrel with $40 million donated to the Labor Party since 1996. You would not look that sort of gift horse in the mouth, would you?

Mr Baldwin—And Centenary House.

Ms PANOPOULOS—And Centenary House. I say to the Labor Party: liberate yourselves from the shackles of your blackmailing labour bosses. Forget about the physical violence that some of you have been subjected to by these union bosses. Regretfully, on other occasions you have been forced to make unwise decisions against the national interest. Forget about the criminality of some elements of the union movement. Free yourselves and reveal yourselves to be the visionaries that you claim to be. Adopt some commonsense and flexibility and do something for small business. Do something for this nation, instead of posturing and taking headlines from the latest tabloid newspaper to get a bit of cheap publicity. Actually stop and think why you are here: you are here to assist in making decisions for the betterment of this nation.

There is an urgent need for reform to the unfair dismissal laws. Fundamentally, our responsibility is to remove undue hindrances, to remove legislation that prevents those who create money, who create jobs, in this society from getting on with it. It has already cost small business millions of dollars. It has already cost thousands of jobs.

The ball is in the court of the Labor Party. In the Senate, they can make the right decision and they can pass—on the 41st attempt, as mentioned by the Treasurer earlier—the reforms of the unfair dismissal laws and assist small business. My invitation to the opposition is: come and join us; step into the 21st century; refuse to be held to ransom by the thugs and the criminals that pay you all these millions of dollars; and, for once, try and do the right thing by this very important sector in the Australian community.

Dr EMERSON (Rankin) (4.00 p.m.)—Statements by government ministers and the member for Indi, through the last hour or so, are false. It is a fact that government ministers in this parliament are constitutionally incapable of telling the truth. The small business minister invited me to deny claims that I told COSBOA at a meeting the night before last that I had not hired staff—

Dr Nelson—Mr Deputy Speaker, I rise on a point of order. I ask the member to withdraw that reflection on government ministers. I will not repeat what he said, but he should withdraw his comment in relation to ministers telling the truth.

The DEPUTY SPEAKER (Hon. I.R. Causley)—It was in general, and I do not think it was towards an individual. There is no point of order.
Mr Hockey—Mr Deputy Speaker, on the point of order: we took offence at the comments and we ask that he withdraw them.

The DEPUTY SPEAKER—I just ruled that it was not out of order.

Dr EMERSON—The small business minister invited me to deny claims that I told COSBOA at a meeting the other night that I had not hired staff for fear of unfair dismissal laws. I deny that claim. I deny that claim here and now. I denied it this morning at 9 o’clock when I made a personal explanation, a copy of which was personally delivered to the minister’s office, and I deny it here again now.

Mr Hockey—You personally deny it?

Dr EMERSON—I deny it here again now, Minister. Which part of that can’t you understand?

Mr Hockey—The whole lot.

Dr EMERSON—Which part of that can’t you understand?

Mr Hockey—Deny that you ever said that.

Dr EMERSON—The minister invited me to deny it. I do deny it—as I did in that personal explanation. We might just explore the circumstances. There was a COSBOA meeting to which I was invited, along with around 15 or 20 members of the business community—and a staff member of the small business minister. I wonder who the source in this secret meeting might have been. ‘A little bird’, I was told by Dennis Shanahan. He originally said, ‘A little bird told me,’ and then he said, ‘Oh well, it was a big bird’—big bird Hockey. Big bird Hockey went up to Dennis Shanahan and said, ‘I’ve got a secret—

The DEPUTY SPEAKER—The member for Rankin will refer to members by their seat or by their position.

Dr EMERSON—He said, ‘I’ve got a secret to share with you. At this closed secret meeting the member for Rankin said the following things.’ That is the source—the little bird who then spoke to the big bird who then spoke to Dennis Shanahan of the Australian. So let us have a look at the claims in the Australian. They include: ‘... claims that he himself did not hire staff for the same reason’ and ‘... some claim he said that when he ran his own consultancy business he did not hire staff because of his concerns about the laws’. And it goes on to say:

According to several people at the meeting, Dr Emerson then said he had not employed extra staff for his small business because of fears about the unfair dismissal laws.

All that is absolutely false. I deny it absolutely. When I spoke to the journalist in question, I made that clear.

When the journalist rang, there were in my office two members of COSBOA, who were at the meeting the night before, following up a number of matters that we discussed—in front of your Liberal Party staff member, Minister. I said to them, ‘I’ve just had a call from Mr Shanahan, who claims that I said that I did not put on staff for fear of unfair dismissal laws,’ and both said, ‘That’s completely untrue. What can we do about it?’ I said, ‘Perhaps we could get someone to ring Mr Shanahan’—and so they did. The man who in fact rang Mr Shanahan was Rob Mallett. Rob Mallett rang Mr Shanahan to say, ‘The statements that are attributed to Craig Emerson are untrue—were never made.’ Mr Shanahan, the journalist, said to me, ‘I have now been rung by Rob Mallett, who has advised me of the contents of his conversation with you.’ I said to Mr Shanahan, ‘He has advised that the statement attributed to your source is untrue.’ Mr Shanahan said, ‘Thanks for the emails. I have spoken to Rob Mallett and will include
The official spokesperson from COSBOA—

Mr Hockey—Official spokesperson?

Dr EMERSON—rang Dennis Shanahan and Dennis Shanahan said, ‘I will include his denial in the story.’ I looked for the denial in the story—which I would think would be a perfectly reasonable thing to do, given that Mr Shanahan said that he would include the denial—but I could not find it. So I contacted Mr Shanahan again and I said, ‘You failed to keep your commitment as set out in your email to me. In that story there is no mention of Rob Mallett’s denial. I also provided you with the phone number of Alan McKenzie. Why didn’t you ring him? I could have provided others too.’ Mr Shanahan said in response, ‘I don’t have final say on what bits of the story appear in the paper.’

Ms Panopoulos interjecting—

Dr EMERSON—So there you go: he filed it and it was removed. But COSBOA denied the claims when they spoke to Mr Shanahan—and COSBOA are right. The COSBOA spokesperson contacted Mr Shanahan and said, ‘This is untrue.’ I heard the member for Indi use the word ‘b...s...’. In fact, when I rang this particular fellow, he said, ‘That is b...s...’

Mr Hockey—Which fellow?

The DEPUTY SPEAKER—Minister!

Dr EMERSON—And he was not talking about bachelors and spinsters, I can tell you.

Mr Hockey—Which fellow?

The SPEAKER—The minister is warned!

Dr EMERSON—Mr Mallett said it was b...s... —and it is b...s...! The truth of the matter is that the government, since the paper appeared this morning—

Mr Swan—You are in trouble, Joe.

The DEPUTY SPEAKER—The member for Lilley will be in just as much trouble!

Dr EMERSON—has been hammering members of COSBOA, trying to get them to put out a statement and even produce statutory declarations, and members of COSBOA are pretty unhappy about this. They are pretty unhappy about the intimidation by this government to try to get them to put out false statements—and they will not put out false statements.

As a consequence, you may see a statement from COSBOA saying: ‘This was Chatham House rule but we do not want to enter into it.’ That is fair enough but, of course, it was never Chatham House rule—God bless their little cotton socks! They said it was Chatham House rule, but I point out that a Liberal Party staff member was there. So I conducted a conversation lasting 2½ hours, in front of a Liberal Party staffer, knowing I was in a public meeting. At the end of the meeting, they said, ‘We reiterate that this was Chatham House rule.’ I said: ‘Again, Mr Chairman, there is no prospect of it being Chatham House rule, nor do I want it to be. As far as I’m concerned, this is a public meeting because a staff member of the Minister for Small Business and Tourism has been at the dinner table all night taking notes’. And I anticipated that he would do what they always do, which is to rush back and say: ‘I’ve got a little secret. No-one noticed that I was there.’ Of course, we did notice that he was there, and it did not bother me in the slightest. I was participating in an open meeting and that is why I absolutely deny the statements attributed to me, that I said that I did not hire staff as a result of concerns about the unfair dismissal laws. There is one other objective fact that refutes this: I did hire a staff member—

Mr Hockey—A casual worker.
Dr EMERSON—Oh, it was only a casual worker. Is that right, Mr Hockey? I thought you were pretty keen on casuals. He says it was only a casual worker. We hired a staff member for a specific project, and when the work on that project was completed we terminated the employment. She was quite happy. She got some money. We terminated her employment with no difficulty. How could I possibly have said that I did not hire any staff because of fear of the unfair dismissal laws when, in fact, I did hire staff? That is what I set out in the personal explanation this morning. Big bird went up to the press gallery all in a flap. He went to Dennis Shanahan. Dennis Shanahan said to me, ‘The big bird told me.’ He went up there in a flap and said, ‘There was this secret meeting, and—

The DEPUTY SPEAKER—The member for Rankin will refer to members by either their title or their seat.

Dr EMERSON—Minister Big Bird went up there flapping his wings—

The DEPUTY SPEAKER—The member for Rankin will refer to people by their title or by their seat.

Dr EMERSON—as if he had some great secret. This is the minister who was demoted because he was the only person in the government—or just about anywhere else in the business community—who failed to see the HIH collapse coming—‘I didn’t know anything about that. I am only the responsible minister!’

Mr Sidebottom interjecting—

The DEPUTY SPEAKER—The member for Braddon is warned!

Dr EMERSON—The fact is that the government’s policy on unfair dismissal laws is absolutely opposed by Labor. We believe that every working Australian, whether employed in a bigger business or a smaller business, has a right to protection against being dismissed unfairly. In the form of a private member’s bill, we have put forward a proposal to streamline the processes. But we will continue. When are you going to get the message? You say it is 40 or 41 times. When will the government get the message that we will not pass that legislation?

If that legislation were somehow to pass, and that remedy were not available, two remedies still are available. One of them is the common law right to claim against being dismissed unfairly, and the other is the antidiscrimination process. If people go through the antidiscrimination process it will be much more protracted, much more expensive and will defeat the entire purpose that this government says it has in exempting small businesses from the unfair dismissal laws. That is why we will not support it. We expect that every Australian has a right to be protected against unfair dismissal, whether they are in a big business or a small business. In any event, if the government were to get the legislation through, it would not be better for small business; it would be worse. It would be much worse for small business. The fact is that this government continually and deliberately misrepresents Labor policy. Why do I say that the government misrepresents Labor policy?

The DEPUTY SPEAKER—The member for Rankin will withdraw ‘deliberately misrepresents’.

Dr EMERSON—The government misrepresents Labor policy. This minister is a habitual offender in misrepresenting Labor policy. He said earlier in the year:
… the Labor Party intends to force employers to provide additional benefits to casual employees, such as holiday and sick leave. This ignores the fact that many casual employees already receive loading to compensate for these benefits.
The ALP intends forcing its solution on the workplace, where many employees have chosen casual employment for the flexibility it offers.

Mr Swan—Another lie.

The DEPUTY SPEAKER—The member for Lilley will withdraw that comment.

Mr Swan—I withdraw.

Dr Emerson—It was completely untrue. Then, on 6 May, the same minister said: ‘The fact is, Labor’s proposals would be compulsory.’ That is also completely untrue. He then said that Labor has a plan for a national portable long service leave scheme. That is also completely untrue. Just recently, the member for Dobell sent a letter—no doubt drafted in the ministry of truth, in the minister’s own department or office—which said the following about Labor’s industrial relations laws:

1. Labor will force employers to pay long service leave to employees who have accrued that entitlement in previous jobs under different circumstances.

That is completely untrue.

2. Labor will coerce small businesses to convert their casual employees to part-time permanents, with all the extra costs involved.

Completely untrue.

3. Labor will extend the power of union officials to enter businesses, including home based businesses.

Untrue. We will not be extending the powers of unions to go into homes. The letter goes on to say that Labor will allow unlimited strikes. That is also completely untrue.

The fact is that this government is getting desperate. This government knows that it is in its last months, perhaps in its last weeks. Do you know what this government does when it gets into trouble? It makes misleading statements—and I am being very polite. It made untrue statements in relation to the night that I shared with members of COSBOA and, ever since, has sought to intimidate them into putting out false statements about what I said.

This is the government that said there would never, ever be a GST. We all remember that. It is the government that said there would be no $100,000 university fees. Who said that? The Prime Minister of Australia—not once, not twice; many times. This is the government whose former health minister, before the last election, when asked on Meet the Press whether the Pharmaceutical Benefits Scheme was sustainable, said, ‘Yes, of course it’s sustainable.’ After the election the government introduced legislation to increase payments by families in relation to the Pharmaceutical Benefits Scheme, a measure that we have blocked. They also said that health insurance premiums would fall as a result of measures they had adopted.

But probably the most infamous statement was to do with the ‘children overboard’ affair, when they knew that children had not been thrown overboard but went to the election saying that they had been, because it suited them. This is a desperate government that has no grasp of the truth. It is a government that is constitutionally incapable of telling the truth. It is a serial offender and it should be condemned for bringing this motion into the parliament.

Dr Emerson interjecting—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Rankin!

Mr Hockey (North Sydney—Minister for Small Business and Tourism) (4.15 p.m.)—The member for Rankin should perhaps read the standing orders. I know he is not one that complies with rules. I was intrigued, in this debate, to hear the response of the member for Rankin just then.

Dr Emerson interjecting—
The DEPUTY SPEAKER—The member for Rankin would have realised I did my utmost to have him heard in silence. I would expect the same respect now, thank you.

Mr HOCKEY—Given that the member for Rankin has declared—correct me if I am wrong—the COSBOA dinner a public meeting, because he used those words—

Dr Emerson—Effectively.

The DEPUTY SPEAKER—The member for Rankin!

Mr HOCKEY—He says ‘effectively’. Let Hansard know he says ‘effectively’. A member of my staff was there, who I am told identified himself upfront—

Dr Emerson—Yes, that’s right.

Mr HOCKEY—which the member for Rankin acknowledges, and therefore it was a public meeting. Given that the member for Rankin has now come into this place and denied that he uttered the words which are alleged—he nods his head—and given that he has talked about some of the discussions in that meeting, the Chatham House rule no longer applies.

Dr Emerson—It never applied.

Mr HOCKEY—It never applied, he says.

The DEPUTY SPEAKER—The member for Rankin seems to not understand the standing orders so I will read the relevant standing order to him. Standing order 55 says:

When a Member is speaking, no Member may converse aloud or make any noise or disturbance to interrupt the Member.

If the member for Rankin cannot abide by that, I will use standing order 304A.

Mr HOCKEY—I want to place on the record that the member for Rankin has agreed with me that a meeting held by COSBOA, attended by the member for Rankin and a number of other individuals on Tuesday night, was in his view a public meeting. He says that, because there was a member of my staff invited to the meeting by the President of COSBOA and he was in attendance. The member for Rankin nods his head.

It goes one step further. Even though the Chatham House rule was applied to the meeting, the member for Rankin accepts now that it no longer applies because he is the one that in this place disclosed some of the conversations at that meeting last Tuesday night. That is the fundamental point of the debate. The member for Rankin now accepts that it is fine for the people that attended the meeting to disclose their recollections of what the member for Rankin said at that meeting about the unfair dismissal laws and obviously about other issues that were raised in the course of that meeting—specifically, his own previous business experiences and the question of whether he was dissuaded from employing an extra person on his staff because of the unfair dismissal laws. We will put that to one side for the moment.

This matter has some way to go because there are a number of different recollections of the content of the meeting. Why are we so interested in this? We are interested in this because time and again we hear reports from small business people and people right across the business community that Labor Party frontbenchers go into meetings and give them a wink and a nod that everything will be okay should the Labor Party be elected to government.

It is the same Labor Party that on 40 separate occasions in this parliament has voted down legislation amending the unfair dismissal laws, despite the best endeavours of the minister for workplace relations and his predecessors to try to free 1.1 million small businesses from the very heavy burden of the unfair dismissal laws. The parliament has
voted the legislation down only because of the opposition of the Labor Party, the Democrats and the Greens in the Senate. Yet, if there is a smidgin of evidence that the man who leads the charge for the Labor Party in opposing our changes to the unfair dismissal laws recognises that it is having some impact on employment—and it did have an impact on employment in his own case—then it says everything about the Labor Party’s hypocrisy. It also says everything about our position on unfair dismissals—that we are right, that we are here batting for small business people and that we are batting for employment growth.

It is interesting that, when he came into this place this morning to deny the contents of the article in the Australian, the member for Rankin said:

A story in the Australian today reports claims that I told a small business meeting that I had not employed extra staff for the small business I ran before entering parliament because of fears about the unfair dismissal laws. Having been told last night by a representative of COSBOA—today that representative became ‘a spokesperson’, but okay—that I made no such statement at the meeting, the journalist persisted with the story. The truth is that our small business did employ an extra staff member and had no difficulty terminating the employment. This fact, reported in the same story, completely refutes the claim.

That is a very cute way of saying, ‘COSBOA denied that I said it.’

Dr Emerson—I deny I said it.

The DEPUTY SPEAKER—The member for Rankin has denied that he said it.

Mr HOCKEY—It has taken until this afternoon for the member for Rankin, under the pressures of the parliament and knowing full well that there are others out there that contradict his recollections, to deny that he ever said that. I suppose in the fullness of time we will know whether he really did. In the fullness of time we will wonder whether others are prepared to put their names on the record—

Dr Emerson interjecting—

The DEPUTY SPEAKER—The member for Rankin should read 304A. I have warned him that I would use it.

Mr HOCKEY—and state their recollections of the words of the member for Rankin on Tuesday night in the same way that they are prepared to do it off the record. Of course, from time to time small business groups fear retribution. There is no doubt about that. In this case some of the small business people at the table on Tuesday night were closely associated with the CFMEU and a number of other organisations. We accept that.

Dr Emerson—Mr Deputy Speaker, I rise on a point of order. I regard that as offensive. That is an inference that members of the CFMEU would intimidate members of COSBOA—that is absolutely outrageous.

The DEPUTY SPEAKER—Order! There is no point of order.

Mr HOCKEY—we also recognise that there were some members at the table at the dinner on Tuesday night who might not recollect the statement. But it goes one step further for people to deny outright that the words were ever uttered, because that assumes that they were listening to every word that the member for Rankin said. I do not think even we could manage that task, even under the duress from time to time of this parliament.

The simple fact is that the Labor Party has a history of saying one thing in the boardrooms and another thing to the public. It is a long history. The member for Rankin is adept at it. He did it in relation to the portability of long service leave. On the floor of the Labor
Party national conference he moved an amendment to ensure that there was going to be portability of long service leave and he then comes into this place and denies that it is Labor Party policy. He moved the amendment on the floor of the Labor Party national conference and then denied it. What a surprise! In relation to casuals, redundancy and unfair dismissal the Labor Party has a poor record.

*Dr Emerson interjecting—*

**The DEPUTY SPEAKER**—Order! Member for Rankin, how many times do I have to warn you!

**Mr HOCKEY**—Out of all this, the fundamental point for the member for Rankin is this: we are on to you. The member for Rankin should be aware that we are following his every word. When he sells one message to small business people and comes back into this place and pulls the rug out from under them we are going to be on to him. *(Time expired)*

**Mr BRENDAN O’CONNOR (Burke)** *(4.25 p.m.)*—I must have been somewhat confused when I read the subject of the matter of public importance this afternoon, because it refers to the urgent need for reforming the unfair dismissal laws. All we have heard from the minister today is an attempt to undermine the credibility of the member for Rankin and assert things that are clearly not the case, as confirmed by independent witnesses. He fails to instead turn his mind to the important matters that go to small business and work and family policies that Labor wish to put in place if elected to government. If the minister and the member for Indi had any concerns about public policy and important issues then they would have addressed those matters that would have gone to the unfair dismissal laws. But clearly even now they find it very difficult to cogently argue in favour of their position.

There are not many opportunities for a backbencher, and certainly for a government backbencher, to raise a matter of public importance. You would have thought that, if the member for Indi had one opportunity in this parliamentary term, she may have looked to address the outrageously low bulk-billing rate in Indi. The electorate of Indi has one of the lowest rates, if not the lowest rate, for bulk-billing of any electorate in Australia. She had the opportunity this afternoon to raise that issue in this place on behalf of all constituents of Wodonga, Yarrawonga and many other cities and towns in that electorate and to look after those people that are finding it very difficult to find doctors that bulk bill. That electorate has one of the lowest bulk-billing rates—and yet she has brought nothing about that to the attention of this House and clearly instead wants to involve herself in a simple, pathetic stunt to waste the parliament’s time.

Labor believe that we can find an efficient way to deal with matters that go to unfair dismissal. We believe that working people deserve recourse if they have been unfairly dismissed, but we believe there are ways in which we can make things more efficient and expedite matters before a court or tribunal. We do not believe that you should be able to convert an effectively permanent employee into a casual employee purely because they are employed by a business with fewer than 20 employees. We do not consider it fair for an employee not to have any right of redress if they are unfairly terminated. It is unfair for the government to say otherwise.

One of the reasons this bill comes up again and again is because this government will go down as fitting small business up for GST—this government will go down as converting all small business proprietors into tax collectors. That is what this government has left as a legacy for small business. To distract the attention of the public away from the fact
that it has imposed such a difficult constraint upon small business, it continually argues that Australian workers who work in a small business have no rights of recourse, no right of redress, if they have been unfairly dealt with.

This MPI has been a stunt. The member for Indi should have been focusing on bulk-billing rates in her electorate—the lowest bulk-billing rates in the country. The minister, if he was concerned about these matters, would have been providing his solutions to the issue of the balance of work and family. He would have been talking about how we can make sure that we have prosperous companies but at the same time ensure that there are decent and fair employment rights for all employees of this country.

ADJOURNMENT

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

That the House do now adjourn.

Indigenous Affairs: Kurnell Peninsula

Mr BAIRD (Cook) (4.30 p.m.)—I wish to draw the attention of the House to the protection of the Kurnell Peninsula. I have spoken before on this issue but this time we have had some real progress thanks to the assistance of the Minister for the Environment and Heritage, Dr David Kemp. Kurnell is a place of great importance to residents of the Sutherland Shire. It is also of great historical and cultural significance to all Australians as the place where Australia became a European settlement upon the landing of Cook in 1770 and the subsequent settlement some 18 years later.

Last Tuesday Dr Kemp visited the Kurnell Peninsula, and during his visit I presented to him a nomination for the inclusion of the Kurnell Peninsula on the national heritage register. The event took place at a community gathering at Commemoration Flat in the Botany Bay National Park, which is just metres from Cook’s landing place. Along with the minister and a significant number of Kurnell residents the presentation was attended by Mr Michael Richardson, New South Wales shadow minister for the environment; Mr Malcolm Kerr, state member for Cronulla; Kevin Schreiber, Mayor of Sutherland Shire; Mr Merv Ryan representing traditional owners; Mike Patrick and Christine Hopkins of the National Parks and Wildlife Service; and Mr Bob Walsh OAM, who in particular has shown a lifelong commitment to the protection of the Kurnell area.

This register, which was created under the Environment Protection and Biodiversity Conservation Act 1999, seeks to protect places that have outstanding natural, Indigenous or historical heritage value to the nation. The nomination, which was accepted by the minister, includes the entirety of the peninsula with the exception of residents’ homes in the Kurnell village and the oil refinery which is located adjacent to the village. I have nominated the peninsula on all three grounds under the act—that it has outstanding natural, Indigenous and historical value to the nation.

The Kurnell Peninsula’s natural heritage value is beyond question. As the House would recall, it has over 95 per cent of remaining salt marsh communities and more than 50 per cent of remaining mangrove communities in the Sydney basin. The Kurnell Peninsula also provides vital wading habitat for migratory birds which travel from as far away as Siberia and Japan. It was for this reason that the Towra Point wetlands were designated in the early eighties as an official Ramsar site.

The Kurnell Peninsula’s Indigenous values are beyond comparison in Australia. It was at this site that the first momentous meeting of Indigenous and European cultures
occurred on Cook’s landing in 1770, and again when the First Fleet under Captain Arthur Phillip arrived in 1788. There is a range of Indigenous sites that were important to Aboriginal life in the Sydney basin prior to the arrival of Europeans. These sites include carvings, ceremonial sites, middens, stone tools and burial sites. It is fortunate that parts of the dune system and the Botany Bay National Park have helped to preserve many of these sites.

I was particularly pleased that Mr Merv Ryan was present at the nomination. Merv Ryan is the representative of the Gwyegal people, who are a clan of the Dharawal nation, the traditional owners of the land. It was Mr Ryan’s ancestors who met Captain Cook on his landing and were again present when the First Fleet landed some 18 years later. Merv was instrumental in helping me to prepare the nomination and he and the elders of the Gwyegal have supported the efforts to protect Kurnell wholeheartedly.

As for the historical values of the peninsula, I have already mentioned the landing of Cook and the important studies by Banks and Solander and the landing of the First Fleet some 18 years later. Kurnell also has a collection of memorials commemorating the historic events, the earliest of which was erected in 1822, while the later obelisk dates from 1870. Assessment of the Kurnell nomination against the stringent national heritage criteria will be undertaken by the independent Heritage Council over the next 12 months. The council will then advise the minister whether the peninsula has national heritage value.

Once the site is listed, it will mean that the environmental, Indigenous and cultural values of the site will be protected under federal statute. It will mean that, without the approval of the Minister for the Environment and Heritage, a person cannot undertake any action that has, will have or is likely to have a significant impact on the national heritage values of Kurnell, and this will be backed up by criminal sanctions for anyone not complying with the act. I now hope that the birthplace of our nation will finally be fully protected under law against the pressures of an expanding city, sandmining and continued development.

**Indigenous Affairs: Reconciliation**

Ms GRIERSON (Newcastle) (4.34 p.m.)—Today I rise to register my continuing support for Indigenous Australians and pay my respects to them as the original owners and carers of this land we share. For them this is a special week which celebrates our Aboriginal and Torres Strait Islander people—a people who enrich the identity of this nation and did so long before the ‘birthplace’ came about that the previous member mentioned in his speech. But I must also register my disappointment for them and for this nation that today, on the 37th anniversary of the referendum that granted Indigenous Australians formal recognition as our citizens with the support of 91 per cent of voters, we also see this racist government presenting for introduction into the House a bill to abolish ATSIC.

There is no sensitivity there and apparently no spirit of reconciliation either. And more importantly, there is no apology to Indigenous people that, on every indicator of quality of life and socioeconomic status measure for Indigenous people, this government over eight years through the departments it administers has failed to achieve significant progress of any kind. What a blight on the human rights and social justice history of this place. But, of course, this ‘blame everyone else’ government would have us all believe that that failure is someone else’s fault—obviously, it would think, the fault of Indigenous people themselves.
and, perhaps it would also purport, the fault of the peak body for Indigenous people, ATSIC.

It does not take too much conscience or knowledge to know that that is not true—just another white lie. The figures are shameful. I quote from the Social Justice Report 2003, and in doing so I pay tribute to Bill Jonas, the Aboriginal and Torres Strait Islander Commissioner of HREOC—a Worrimi man from my region—who presented this report. Let us look at some of those indicators. For Indigenous household income there was minimal increase. The increase in individual income was much less than the increase for non-Indigenous people. The employment participation rate was 54 per cent against 73 per cent for non-Indigenous people. The unemployment rate for Indigenous Australians is three times higher. In education, 69 per cent of Indigenous people are progressing to year 11 against 90 per cent of non-Indigenous people. Home ownership for Indigenous people is at 13 per cent as opposed to 40 per cent for non-Indigenous people.

Indigenous people make up 20 per cent of the total prison population. If you are an Indigenous Australian, you have 16 times the chance of imprisonment than non-Indigenous people. Since 1997 Indigenous juveniles have made up 42 per cent of all incarcerated juveniles—and that rate has been consistent. Life expectancy for Indigenous females is 62.8 years. The life expectancy for Indigenous males, 56.3 years, shows a slight improvement, but I do not think the government will have to worry about aged care costs for Indigenous males. Indigenous babies have twice the chance of having a low birth weight, and the infant death rate is 2½ times greater than for non-Indigenous children.

It is sad to continue because, whilst for many people they might be just statistics, for Indigenous people they are the everyday, real life struggles and personal tragedies that they experience. It is their sons and daughters that those figures represent—it is their babies, their frustrated youth and their family members and leaders who are struck down in their prime.

So I would like to share some of the Indigenous success stories, particularly from the region of Newcastle and the Hunter, that have grown out of the efforts of Indigenous people. This week a rally was held on the forecourt lawns of Parliament House to celebrate the CDEP scheme—the employment schemes run by Aboriginal people for Aboriginal people. In Newcastle Youloe-Ta, our local registered CDEP, is funded at present for 266 participants. It grew from Yarnteen, which was set up in 1993, and has continued to have outstanding outcomes.

One in particular was the success of Yarnteen, granted $100,000 from Microsoft USA—not from the Australian government—to network all CDEPs across New South Wales. It is an outstanding program. In our region it also has a registered training organisation at Yamalong, which is also a bush tucker tourist site of great renown and an education and conference centre. I always enjoy visiting Yamalong. When I do visit, I watch young people grow from lacking in confidence with their heads down to glowing with pride, especially when their families come along just to watch them. It is an outstanding achievement and I pay tribute to the Aboriginal people of the Hunter Region for their commitment, dedication and absolute determination to provide leadership and ongoing success for Indigenous Australians.

Dobell Electorate: Tumbi Creek

Mr TICEHURST (Dobell) (4.40 p.m.)—I rise today to convey to the House the results of last week’s Tumbi Creek summit held in my electorate of Dobell. For months I
have been calling for an urgent bipartisan meeting with the state member for The Entrance, the New South Wales Minister for Gaming and Racing, Mr Grant McBride, and Wyong Shire Council, to discuss the dire need for the New South Wales government to provide matching funding for the Tumbi Creek dredging and offline landfill disposal.

I can gladly say that last Friday this multi-level, bipartisan summit meeting came to fruition at Wyong Shire Council. The summit involved Wyong Mayor Brenton Pavier, Deputy Mayor Neil Rose, state member for The Entrance, Grant McBride, and me. Before I discuss the summit, I must say that my approach has been straightforward from day one. For the future of the Central Coast, we must do the proper job and not allow truck loads of sludge to be removed from the mouth of Tumbi Creek and dumped into what is already a shallow estuarine lake.

The summit discussed options to dredge and remove sludge from a heavily silted Tumbi Creek without dumping it into Tuggerah Lakes. It looked at the dredging of about 5,000 cubic metres of spoil, which could last about five years, and it discussed dredging an alternative, wider channel, removing about 15,000 cubic metres of spoil, which could last for 10 years or more before further dredging would be required.

This discussion of options to remove the silt from Tumbi Creek without dispersing it onto the lake bed came after Wyong Shire Council debated and unanimously passed a rescission motion in March this year to stop the dumping of 15,000 cubic metres of silt. Dumping the silt was the financially viable but environmentally disastrous plan of the New South Wales government, rather than see the land fill carted away.

The proposal to dump silt into Tuggerah Lakes was neither approved nor disapproved by the federal government’s environmental department, contrary to the state member for The Entrance’s comments in the Central Coast Express Advocate of 24 May. The federal department, having no jurisdiction over this matter, simply stated that it could not dictate either way. Despite the federal government having no responsibility over the Tuggerah Lakes system, but given my strong lobbying on this issue, I was successful in gaining the federal government’s support for the expenditure of $340,000 in Regional Flood Mitigation Program funding. The Regional Flood Mitigation Program agreement requires that both the federal and state governments agree to the expenditure of funds. Should this amount not be sufficient to fund a third of the final costs of disposing of the silt, I have always said that I am willing to lobby my government for additional funding to do the job properly, as the people of Dobell demand.

It has been very disappointing up to this point that the New South Wales government has failed to acknowledge its responsibilities to the lake that they own—our environment is worth much more than that. However, I am hopeful that, as a result of this summit, the New South Wales government and Grant McBride will join with Wyong Shire Council and the federal government to do this important work at Tumbi Creek in the manner demanded by the Central Coast community.

The state member for The Entrance, while not expressing his support for the project outright, has agreed to accept a proposal from council outlining the manner of the dredge works that will be undertaken once this has been finalised and the amount of funding the council is seeking from the New South Wales government to undertake the project. This issue is too important for cheap politics and game playing. We are talking about an issue that affects residents of the Central Coast, our tourism industry and future generations. While it is disappointing
that no firm decision could be taken, as I would have liked, I am hopeful that we are all thinking the same and are committed to ensuring an outcome which benefits the local community as well as the environment. I am hopeful that a positive resolution will be made by Wyong Shire Council at its meeting on 9 June. I stand ready to support the work of Wyong Council and the state member for The Entrance, Grant McBride, to ensure that sludge is not dumped into our precious lake system.

**Human Rights: Israel**

**Mrs IRWIN (Fowler) (4.44 p.m.)**—This week Amnesty International released its annual report, which documents the human rights situation in 155 countries during the year ended December 2003. While it details serious human rights abuses in many countries, Amnesty’s report on Israel and the occupied territories stands out as a tragedy which demands world attention and action. According to the report:

At least 103 Israeli civilians were killed by Palestinian armed groups. Almost half of the victims were killed in suicide bombings.

Under the heading ‘Killings and attacks by the Israeli army’ the report states:

Around 600 Palestinians, most of them unarmed and including more than 100 children, were killed by the Israeli army in random and reckless shooting, shelling and bombing or as a result of excessive force.

Some 90 Palestinians were killed in extrajudicial executions, including more than 50 uninvolved bystanders, of whom nine were children. Others were killed in armed clashes with Israeli soldiers.

As well as Palestinians who were killed or maimed, the report mentioned US activist Rachel Corrie and UK journalist James Miller, who were killed by Israeli soldiers in Gaza. However, the report states:

Most Israeli soldiers and security force members continued to enjoy impunity. Investigations, prosecutions and convictions for human rights violations were rare.

Further, it states:

In the overwhelming majority of the thousands of cases of unlawful killings and other grave human rights violations committed by Israeli soldiers since the intifada began, no investigations were known to have been carried out.

The report noted:

Israeli settlers in the occupied territories repeatedly attacked Palestinians and their property.

It also noted:

In most cases attacks by Israeli settlers on Palestinians and their property were not investigated and those responsible were not brought to justice.

However, the report did point out:

In October three Israeli settlers were sentenced to 12 and 15 years imprisonment for the attempted bombing of a Palestinian girls’ school in 2002.

In recent weeks we have witnessed the destruction of hundreds of Palestinian homes in Gaza. These practices were mentioned in Amnesty’s report. It stated:

The Israeli army destroyed several hundred Palestinian homes and scores of commercial and public buildings, and destroyed or damaged water, electricity and communication infrastructure throughout the occupied territories. Often the destruction was carried out by the Israeli army as a form of collective punishment on the local population.

The report also details how similar acts have left hundreds of innocent people homeless and in one case caused the death of a pregnant mother of 10, who was killed in her bed when a neighbour’s house was blown up by Israeli soldiers. The report goes on to describe the effect of collective punishment, closures and violations of economic and social rights and it says:

Increasing restrictions imposed by the Israeli authorities on the movement of Palestinians in the occupied territories caused unprecedented hardship for Palestinians, hindering or preventing their access to work, education, medical care, family visits and other activities of daily life.
The report describes one of the worst cases in which a pregnant Palestinian woman was denied passage by Israeli soldiers at a checkpoint. She gave birth on the dirt road. Her baby girl died shortly after, and only then did soldiers allow her to walk to the hospital. Other human rights abuses were listed, including the imprisonment of Jewish Israeli conscientious objectors, the forcible transfer of Palestinians from their West Bank homes to Gaza, and concerns about the administration of justice, including Israeli laws banning family reunification for Israelis married to Palestinians. The report concluded:

Certain abuses committed by the Israeli army constituted war crimes, including unlawful killings, obstruction of medical assistance and targeting of medical personnel, extensive and wanton destruction of property, torture and the use of human shields.

Australia and the world can no longer stand by and allow these gross abuses of human rights to continue. (Time expired)

Aviation: Airspace Management

Mr MARTIN FERGUSON (Batman) (4.49 p.m.)—I want to raise a very serious issue: national airspace management in Australia. As the House is aware, Australia is currently undergoing a very technical and fundamental change in the way in which our airspace is managed. In late November, a major part of the new National Airspace System became operational throughout Australia: stage 2(b) of the National Airspace System. This stage changed the status of airspace around many of Australia’s airports and en route airspace and is based on the US national airspace system. It should be noted that, whilst it is solely based on the US system, it has a number of fundamental differences from the US system, just as the physical infrastructure for Australian aviation is fundamentally different from that for the US.

At a board meeting of Airservices Australia in Perth last Friday a number of key decisions about the way forward for airspace management in Australia were taken. The Airservices Australia board considered a number of options to modify the National Airspace System stage 2(b) changes to reduce risks for people in the aviation industry and, importantly and fundamentally, for the travelling public. The decisions of the board meeting were:

The en route class E airspace, that was Class C airspace prior to the NAS stage 2(b) reforms, will not be reclassified to Class C in the enroute section of the airspace at this time;

A minimum requirement to address risk in NAS 2(b) is the expansion of Class C steps over Class C terminal airspace; and

Progress Option 3 and the Industry Option through the Safety Management System.

Option 3 retains class E en route, except between Sydney and Melbourne, with class C airspace around C and D aerodromes and minor mitigators. The industry option retains class E en route, with class C around C aerodromes and a modified class E above D aerodromes up to class A airspace and minor mitigators.

I have chosen to raise this very serious issue this evening to clarify for the Australian public these latest developments in Australia’s airspace management system because, unfortunately and surprisingly, there has not been a word about these significant developments from the Minister for Transport and Regional Services, Mr Anderson. This is an issue very much in the public domain at the moment, as evidenced by the 7.30 Report last evening, which did a very exhaustive report on the difficulties relating to the implementation of the NAS. What worries me is that I believe that there is not enough ministerial attention being given to what are very technical issues—issues that are seriously concerning not only the aviation industry but
also the travelling public. I contend that it is the responsibility of the minister—and I note that he is also the Deputy Prime Minister of Australia—to inform the travelling public and the aviation community of what is going on. But I am sadly reporting this evening that I believe that the minister is neglecting his responsibilities, because he has chosen not to make any detailed statement about the changes that have been pursued by Airservices Australia since 17 February this year.

The minister has not said a word in this chamber about our airspace management system since a question without notice, a dorothy dixer, on 17 February—more than three months ago. That dorothy dixer should have been followed up by a very detailed statement by the minister, because on the evening of 17 February 2004 Airservices Australia effectively said that there were major problems with the NAS. Since that time—and the record shows it—there have been considerable changes to the airspace management system, but the minister has not had the courage or decency to come in here and explain what is happening. Perhaps he is too scared of the political influence of the Prime Minister’s mate Dick Smith and of what he thinks of changes to the NAS—a system that Dick Smith is clearly infatuated with. It is about time we said to the Australian community that the technical experts are running NAS and that enthusiastic amateurs such as Dick Smith are out of the ring. The minister should be prepared to accept his responsibilities and explain what is occurring. (Time expired)

The SPEAKER—Before I recognise the Parliamentary Secretary to the Minister for Industry, Tourism and Resources, I note that normally members of the executive only get the call in the adjournment in order to extend the debate. However, there have been previous instances where they have received the call. This happened with the member for Hindmarsh. Therefore, I think it is entirely appropriate for the parliamentary secretary to have the call if no-one else rises.

Science: Cooperative Research Centres

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.55 p.m.)—I appreciate your consideration, Mr Speaker. Some weeks ago, an independent body assessed the bids by our cooperative research centres for consideration either for extension of funding or to be included within the CRC process. This assessment panel is very independent of government, and it needs to be that way. It works through specific criteria. As a result of that assessment, of the 52 centres that were assessed, 19 were unsuccessful in getting through the first round. Understandably, there was an outcry about the fact that two of those that were unsuccessful—the reef CRC and the rainforests CRC—had not got past the first stage. It provided very fertile opportunities for the opposition to somehow suggest that this government was in no way committed to environmental outcomes and that it was more focused on commercialisation than the public good. It gave the opposition a great opportunity to run headlines attacking the government over the process.

I had grave concerns about the outcome and the future of both of these organisations, as did my colleague the member for Herbert, Peter Lindsay. I made contact with the CRCs, and I discovered that in both cases their funding applications were, you could suggest, ambitious. Of a $200 million pool, between the pair of them they were applying for $130 million. In the case of the rainforests CRC, Professor Nigel Stork conceded to me that he was aware that his application did not fit the criteria, but he had been hoping that maybe it would stumble over into the next round and he would have an opportunity
to get further private support. In the case of the reef CRC, it was conceded by Professor Russell Reichelt that they had misread the process, it was far too generous and they were looking at another way of doing it.

I have got together with my colleague the member for Herbert. We are working with universities, industry and the CRCs to find a way in which the long-term future of both of these organisations can be guaranteed. We have been working very hard over the last couple of weeks. I have put in a primary draft, which has gone to the relevant ministers: Minister Nelson, Minister McGauran and other ministers who have an interest in this.

I was disappointed to see today in a press release from Senator Carr, who had gleaned something in estimates, the suggestion that absolutely nothing had been done and that there was absolutely no consideration whatsoever being given to finding a way through this problem with the CRCs. It concerns me that people like Senator Carr are maybe wishing that these things are going to fail. This also bothers those people who work within the CRCs, because they start to get a bit concerned about their own future. It is important to be able to confirm that there has been a lot of work going on with the CRCs, the universities and industry, working towards a process where we can not only guarantee the long-term future of both of these invaluable institutions but also strengthen them further. To put out press releases of this sort of nonsense is highly inappropriate and grossly inaccurate. I totally refute them.

The SPEAKER—Order! It being after 5 p.m., the debate is interrupted.

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

STATEMENTS BY MEMBERS

Capricornia Electorate: Hearing Impaired

Ms LIVERMORE (Capricornia) (9.40 a.m.)—I wish to draw the attention of this House to the plight of the hearing impaired in my electorate of Capricornia. I bring to the House just two examples of the many people who are affected by the failure of this Howard government to assist those people in our community who are hearing impaired. World War II veteran Gordon Ohl of Keppel Sands has had to wait six months for replacement hearing aids through the federal government public health system. This has had a terrible effect on the quality of life of this 83-year-old. He can no longer enjoy watching television, has difficulty following conversations and talking on the telephone and feels endangered every time he crosses the road. Mr Ohl first contacted Australian Hearing Services in January this year but did not get a hearing test until 5 May. He was then told that he would not get a hearing aid until the end of June. Since my intervention, that has been brought forward to 4 June, but that still represents a six-month wait for Mr Ohl. I understand from my inquiries that Australian Hearing Services in our region is understaffed at present, but surely that is a problem for the government to fix. It should not be people like Mr Ohl who pay the price for this government’s neglect of essential health services.

Clearly, this situation is unacceptable, but the situation facing another of my constituents is even worse. Gregory McDougall was diagnosed with hearing loss at the age of four. He was supplied with hearing aids through the National Acoustics Laboratory until he turned 21. Gregory is now 33 and his position is that, while he has hearing aids, he is able to study. However, without aids he is unable to either study or find employment. The hearing aids he received just before he turned 21 are now beyond repair. Centrelink has informed him that there are no provisions for anyone on Newstart to be given hearing aids. However, as a recipient of Newstart the cost of purchasing hearing aids is well beyond his capacity. Does this mean that he will have to try to survive without hearing aids until he reaches 65? Will he still be expected to try to study or find employment without the assistance of hearing aids? It would seem that, whatever way he goes, there is no provision under the present guidelines for assistance to people like Gregory with hearing disabilities.

Surely we must do whatever we can to support young people like Gregory to actively study or seek employment. For this to occur, Gregory should be provided with hearing aids, while remaining on the Newstart allowance. I am asking the Minister for Health and Ageing to personally review Gregory’s case, as it is obviously one where the system is failing and real assistance is needed to ensure that this man is given every opportunity to lead a fulfilled and worthwhile life in our society and does not spend the next 30 years waiting for a pension at 65 so that he can finally receive the hearing aids he needs to take his place in our society.

Gilmore Electorate: Illaroo Road Public School

Mrs GASH (Gilmore) (9.43 a.m.)—A couple of weeks ago I was privileged to visit the Illaroo Road Public School in my electorate of Gilmore. Not only is Illaroo Road Public School a school of some 540 students but it is a school with excellent teachers, students who really
care about each other and parents who are proud of both the children and the staff at their school. Having said that, the reason I speak about them in the House today is that, at the invitation of Dr Rosie Wade, I spoke with the year 6 classes of 6J, 6W, 6F and 5-6K—about 103 students in all. Their topic was state and federal governments.

It is not often as a polly that I am lost for words, but these young students blew me away with their questions and knowledge of the role of government, both state and federal. There were many questions. What is a term in government? How do you as a member of a party get a vote or a say in parliament? How do you become a member of a political party? And for 1½ hours the questions came, and all required very personal and honest answers. I am often asked why I chose to become a polly. The visit to Illaroo Road Public School is one such answer. What makes it even more rewarding is that at least 10 per cent of the students wanted to become politicians of the future. Illaroo Road Public School will be visiting Parliament House in the near future. Hopefully, parliament will be sitting so that year 6 will have an opportunity to personally meet some of us on both sides of the House.

On a different note, it was of interest to see just how these students work. Dr Wade’s class operates on a system of contractual homework—that is, over a six- to 10-week period, set works are given with various choices, allowing the students to do independent studies with an ability to control their own time management and to explore in-depth their own set pieces of homework. They also make up board games and word games, based on such games as Parliament Unwrapped and Government Galore. Not only is Illaroo Road Public School a school to be proud of but it also happens to be in the street where I live, so you can see that I, too, am very proud of its reputation and, in particular, the students of years 5 and 6. It was a real eye-opener for me to see first-hand how these students work but, what is more, they are actually enjoying the work in politics.

Family Services: Child Care

Mr DANBY (Melbourne Ports) (9.45 a.m.)—Today I would like to again raise the issue of private child-care centres, specifically ABC child-care centres. ABC, the chair of which is former Liberal candidate Sallyanne Atkinson, has around 300 centres in Australia, including one in south Melbourne, in my electorate. Last week the BRW showed that the owner of ABC child-care centres, Mr Eddie Groves, is now worth $175 million, up $70 million from last year.

In the last sitting week I gave a speech on ABC child care. One of Eddie Groves’s employees wrote to me, thanking me for raising the issue. She wrote:

I am ... currently studying my Certificate 3 and earning $12.08 [per hour] on traineeship ... I love my job, the children give me great pleasure and I always give that little bit extra but really I just don’t think I can afford to stay in the industry much longer ... At ABC [we] do all the cleaning in the centre and are expected to tidy the outside areas as well. I believe that if a job includes several roles ie cleaning and childcare then maybe the award wage should reflect this. If ABC had to pay cleaners in each of its centres, it would cost them hundreds of dollars, instead the childcare workers have to perform the role of cleaners to save Eddie more money. Staff are also required to play music at certain times of the day, which is not supplied by ABC and only gets played if staff bring in their own music.

I am sure the standard of care at ABC, especially given the devoted work of child-care workers, is generally good, but I would like to congratulate Mr Groves for moving up to 131 on the BRW rich list. ABC centres refuse to hire sufficient cleaners, refuse to pay staff a decent wage
and require staff to bring in their own music to play to children. I would suggest that child-
care workers who would like to improve the situation should contact the child-care section of
the LHMU. Mr Groves donated $10,000 to the Queensland Liberal Party in 2002-03. Last
week the Treasurer visited one of his centres in Queensland. Did the Treasurer know that the
owner was a significant contributor to the Liberal Party when he decided to visit the centre?
Was this the reason he chose this particular centre?

In my electorate, in Glen Eira, parents have expressed concern that the Liberal controlled
council is considering withdrawing from child-care services and allowing private operators to
move in. Fees have increased significantly in Glen Eira this year, from $48 to $53 a day, and
in July they will increase to around $62 a day. The withdrawal of councils like Glen Eira from
child care is a total disgrace and an abrogation of their responsibility to serve the residents of
my area. It is only since the recent council elections that the Glen Eira council has been think-
ing of withdrawing from child care. The fact that parents and their children have to go on
Channel 10 and make protests to keep the Glen Eira child-care centre open is a total disgrace.
I urge the councillors of the City of Glen Eira to focus on their main concerns and serve the
people of Glen Eira. (Time expired)

Casey Electorate: Mountain District Christian School

Mr ANTHONY SMITH (Casey) (9.48 a.m.)—Last Saturday I had the privilege and hon-
our of attending the official opening of the Primary Learning Centre at Monbulk’s Mountain
District Christian School in the heart of the Yarra Valley and Dandenong Ranges in my elec-
torate. The new centre has been completed and is being used by prep and year 1 and 2 stu-
dents. The opening was a great occasion to celebrate the school and the local school commu-
nity’s significant efforts in bringing about the construction of this building.

The morning involved the new principal, Mr Jo Harder; the vice-principal, Mr Chris Prior;
many of the school’s board members, including Mr Garry Gannon, a former principal; many
members of the local community; parents; and, of course, most importantly, all of the young
students who will use this new facility. Two of the prep students, Riley Allan and Connor Har-
low, along with the principal, had the privilege of cutting the ribbon to officially open the new
centre which they and their fellow students will use.

I wish to pay tribute to the school community. These facilities, costing half a million dol-
lars, are a magnificent achievement for the school. They were able to build this new centre
without a state or federal grant. Not surprisingly, that has involved many years of planning
and a great sacrifice by many of the parents who were involved, not just financially but in
terms of the time they volunteered to bring the project about.

The construction began just last August and proceeded at a rapid pace to ensure that it was
ready for opening last Saturday. The closeness and the commitment of the school community
at Mountain District was illustrated by the fact that the builder who constructed the facility
was himself a former student of the school who returned from travelling around Australia with
his family specifically to build the new classrooms. He lives in Monbulk with his wife, and
his young child attends the school. Similarly, the electrician who worked on the project, Mick
Dillema from Wandin Electrics, put in many hours above and beyond the call of duty to en-
sure that the project was completed on time. Janet Nyhouse also had a lot to do with the pro-
ject. These volunteers were acknowledged and thanked by all on the day. The prep students
themselves confidently shook their hands and presented them with gifts to acknowledge the
work that they had done. As the parents recognise, by sending their kids to an independent school like Mountain District they make a financial sacrifice. They are to be commended for exercising their choice about the sort of education they want for their kids. It was another example of the rich diversity of our education system. (Time expired)

Private Forest Reserve Program

Mr SIDEBOTTOM (Braddon) (9.51 a.m.)—The recent claim made by Senator Eric Abetz in the Advocate newspaper on 18 May 2004 that the Tasmanian government had spent 60 per cent of funds for the Private Forest Reserve Program on administration was incorrect. The senator’s comments show a lack of understanding of this important environmental program. He might learn more about it if he were to consult the speech I made in this parliament on 13 May 2004 to explain it. The last annual report of the program—and I know my colleague the member for Franklin will be interested in this—showed that 60 per cent of all program costs since 1997 had been paid directly to landowners. Only 23 per cent of expenses were for salaries and office costs. The other program costs included 17 per cent spent on legal, valuation, survey and negotiation fees—something that you would expect when you are dealing with the Private Forest Reserve Program.

The program provides financial incentives to landowners to protect important areas of native forest on private land in perpetuity, mainly by registering a perpetual conservation covenant on a land title. These protected areas on private land are part of Australia’s Comprehensive, Adequate and Representative Reserve System. The PFRP has now established 149 forest reserves and 21 other reserves covering an area of 27,781 hectares. I know that they have in their sights 62,000 hectares or more for preservation. The cost effectiveness of the program has set a benchmark for conservation programs not just here but worldwide in securing areas of very high conservation value in perpetuity. The once-only cost of securing protection of these important forests on private land in perpetuity is $506 per hectare. That takes into account all program costs.

Perhaps Senator Abetz could indicate a conservation program anywhere that secures perpetual conservation of such important areas on private land more cost effectively than the Private Forest Reserve Program in Tasmania. Once again, Senator Abetz has got it wrong. I urge him and his Liberal colleagues to back my call for an extension to this program beyond June 2004—an extension not yet officially agreed to by Minister Kemp, contrary to assurances by his unnamed spokesperson that the program will continue.

Chelsea Flower Show

Mr ANTHONY SMITH (Casey) (9.54 a.m.)—Yesterday the Australian public received some great news from the world-famous Chelsea Flower Show in London. A landscaped garden known as Fleming’s Nurseries Australian Inspiration won a silver gilt prize after competing against 24 other landscaped gardens from around the world. This is a great achievement and all of those involved should be congratulated. The achievement of a second prize is even more significant given the fact that this is the first occasion that an Australian garden exhibition has been entered in the show. The garden is a collaboration between Fleming’s Nurseries, landscape designer Jim Fogarty and Semken Landscaping.

Fleming’s Nurseries is a fourth generation family business based in Monbulk in the horticultural heart of the Casey electorate. With 120 employees and more than 200 hectares in pro-
duction, Fleming’s is Australia’s leading supplier of deciduous fruit and ornamental trees. Fleming’s produce, along with the produce of many other horticultural businesses in the Yarra Valley and the Dandenong Ranges, is sold all over Victoria and Australia. Fleming’s Nurseries is a family business run by Don and Dawn Fleming, their two sons Wes and Graham and other members of the family.

Don, Dawn and Wes are currently in London along with the team from Semken Landscaping, which is based in Melbourne’s outer east, and Jim Fogarty, who is also from Melbourne. I wish to mention some of the other people involved who are currently in London: Martin Semken, Mark Bence, Paul Stammers, Mark Stammers, Brad Peters, David Brown, Anne Semken, Mandy Bence, Brian Sparling, Jay Watson and Glen McGrath. I assume that is not Glen McGrath from the Australian Cricket Team. Since the beginning of May they have been working on this landscape garden and all of their efforts have borne fruit.

As Wes Fleming said, taking part in the Chelsea Flower Show will lift the profile of landscaping and horticulture in Australia and communicate the skill, vision and quality of Australian industry to the rest of the world. Just being asked to participate in the Chelsea Flower Show is an achievement in itself, but to win a second prize really puts Australia on the map in an important industry not just in the Yarra Valley but across many of the other outer suburban and rural electorates of Australia. It is a great achievement and it deserves to be recognised.

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

EXPORT MARKET DEVELOPMENT GRANTS AMENDMENT BILL 2004
Second Reading

Debate resumed from 13 May, on motion by Mrs De-Anne Kelly:

That this bill be now read a second time.

Mr COX (Kingston) (9.57 a.m.)—I rise to speak on the Export Market Development Grants Amendment Bill 2004. The Export Market Development Grants Scheme came into operation in 1974. Obviously, it was an initiative of the Whitlam Labor government. The purpose of the scheme is to bring benefits to Australia by encouraging the creation, development and expansion of foreign markets for Australian goods, services, intellectual property and know-how. The EMDG Scheme has played an integral role in encouraging Australian companies to broaden their horizons and expand their customer base overseas via the development of new export markets.

The pursuit of new export markets and engagement in international trade has been central to Australia’s economic development. Sustainable growth in exports means more and quite often higher paying jobs for Australians, and it enables Australia to pay for imported products demanded by Australian industry and consumers. Unfortunately, the government has allowed the EMDG Scheme to run down markedly since 1996-97, when a funding cap of $150 million was imposed on the scheme until 2005-06. According to the Australian Chamber of Commerce and Industry, the real value of the program has now fallen by nearly 20 per cent since the cap was imposed and it is likely to fall by around 27 per cent by 2005-06.

This decline in the real value of the EMDG Scheme creates considerable uncertainty for exporters as it impacts on the amount that they are able to access from the scheme at the end of each financial year. Last year 25 per cent of Australian exporters who had provisional grant
entitlements above $60,000 received only 32.84c in the dollar for their second tranche entitlement. Many exporters would have undertaken major marketing exercises and extensive travel to potential new markets overseas on the basis of receiving a larger payout in the second tranche. Last year’s payout of 33c in the dollar for the second tranche short-changed many exporters and may well have a detrimental impact on their plans to continue to pursue new markets overseas.

The government’s rundown of the EMDG Scheme completely cuts across another arm of its trade policy to double the number of exporters. The government has set an ambitious target to double the number of exporters by 2006-07. Using a base figure of 25,000 exporters in 2000-01, the government has set itself the task of achieving 50,000 exporters by 2006-07. So far things are not looking so good. According to ABS statistics, the number of exporters increased from 25,000 in 2001-02 to 31,450 in 2001-02—a big jump of over 6,000 exporters. But this was largely attributable to a recategorisation exercise. The number of exporters has since fallen to 31,174 in 2002-03. So the government has quite a bit of work to do if it is to double the number of exporters by 2006. This is not going to be helped by the continuing decline in the real value of the EMDG Scheme.

The amendments put forward in this bill are to introduce a not fit and proper person test to be applied by Austrade when assessing entitlement to payment of an EMDG grant. This bill responds to very valid community concerns about the payment of an EMDG grant of $90,000 to a company associated with a former codirector of the collapsed Pyramid Building Society in Victoria. It is completely inappropriate that a former director of the Pyramid Building Society was able to access taxpayers’ funds from this government for his continuing business activities, particularly when Victorian taxpayers have already paid a petrol levy to bail out deposit holders in Pyramid. It is incumbent upon the government to ensure that EMDG funds are allocated only to recipients who are deemed appropriate and worthy by community standards. This does not include former directors of bankrupt financial institutions.

It is in Australia’s interests and the interests of taxpayers that EMDG recipients meet the high standards required to represent Australia professionally overseas and to conduct their international business on a sound basis. Notwithstanding Labor’s concerns about the government’s negligence in allowing the EMDG Scheme to run down and the uncertainty this creates for exporters, Labor supports the amendments in this bill. These amendments are necessary to assure the community that EMDG funds are being used to good effect and that the recipients of such funding are fit and proper persons in accordance with community standards.

Mrs GASH (Gilmore) (10.02 a.m.)—The Export Market Development Grants Amendment Bill 2004 amends the Export Market Development Grants Act 1997, and introduces a not fit and proper person test to be applied by Austrade in accordance with ministerial guidelines when assessing entitlement to payment of an EMDG grant.

Mr JOHNSON (Ryan) (10.03 a.m.)—I am pleased to speak on the Export Market Development Grants Amendment Bill 2004. I support this bill very strongly because it is a bill that is in the interests of my constituency of Ryan and it is also in the interests of small business men and women throughout the country. Therefore, it follows that it is in the interests of this country’s national economic prosperity. The first point I want to make is that it is interesting to note the speakers who will be making presentations on this bill. We seem to have a majority on our side—only one member of the opposition will speak on this bill. I just wonder if that
signals to the electorate the respective support of the government and opposition for (1) this bill, (2) small business and (3) the valuable contribution that small business men and women make to the country, particularly in employing people. It is no secret that this government has been very proactive in making great inroads into the unemployment rates that were left by Labor during their time in office, and we now have record levels of employment in the country.

I think one of the very strong reasons why this is the case is the success of businesses in Australia that export to the world. I have quite a few businesses in my electorate of Ryan that export to the world. One of the reasons they are able do this is because they have, at the head of those businesses, individuals who are creative, entrepreneurial and very much in favour of business making a contribution to the overall prosperity of our country.

The EMDG Scheme is the government’s principal financial assistance program for small and medium sized exporters. It will continue to make a big difference to our small and medium sized businesses who wish to export our fantastic services, skills and products to the world. It provides grants that reimburse up to 50 per cent of the money spent by eligible exporters during the financial year on specified export promotion activities—less, of course, the first $15,000. The scheme has a budget of more than $150 million per annum and it provided some 3,800 grants last year alone. The EMDG Scheme enjoys very strong support in the small business community and, as I have alluded to, in my electorate of Ryan in particular it is a very popular scheme. It is very widely utilised. I know it will continue to have the strong support of small and medium sized businesses in the Ryan electorate. Surveys continue to reflect this, and my interaction with the business community in the Ryan electorate reflects this as well. The scheme has been regularly reviewed and is recognised as a benchmark for effectiveness in government industry support programs in the generation of additional exports.

The Export Market Development Grants Amendment Bill 2004 contains one measure only, which is designed to ensure that EMDGs do not go to applicants or their associates who are deemed by Austrade as not fit and proper to receive such grants according to ministerial guidelines. Currently, a grant to which an applicant is otherwise entitled is not payable if certain provisions of the EMDG Act apply. For instance, grants are not payable for: export marketing expenses for illegal activities; marketing expenses incurred in the promotion of certain publications, films or computer games that have been classified by the classification board, prohibited or potentially prohibited Internet content, or telephone sex services; and if the applicant is not a resident of Australia, does not have an Australian Business Number, has outstanding disqualifying convictions or is under insolvency administration. The legislation does, however, allow for grants to be paid even though the applicant or an associate of the applicant may be viewed as an inappropriate person to represent or promote the public interest of Australia in relation to trade outside of Australia, or for other reasons to receive, directly or indirectly, the benefits and recognition of a government grant. This bill is good for this country.

This bill has the wide support of the Ryan electorate and I want to take this opportunity in the parliament to pay tribute to a number of small and medium sized businesses which have profited substantially from the government’s support of their initiative and entrepreneurial skills. They are creating employment opportunities in the Ryan electorate, throughout Brisbane and throughout Queensland as well. I want to pay particular tribute to the following companies. Firstly, there is Blue Ribbon Seed and Pulse Exporters, who are based in Pullen-
vale in the Ryan electorate. They are in the business of cereal grain wholesaling. They are very successful indeed, and they are making great strides there. I also want to acknowledge Double Brown and Associates, who are in the business of book and magazine wholesaling. They are in Bellbowrie, which is also in the Ryan electorate. They are very creative at targeting a niche market and showing what can be done with entrepreneurial flair and by having a go.

Also in the business of computer software manufacturing is a company called Epitropos Pty Ltd, in Toowong. They are also at the cutting edge of computer software manufacturing—another good example of a local business in the Ryan electorate that is taking advantage of this scheme. The sum of $5,000 that they received is just a small illustration of how a small amount of money, in their case, can have a large impact on their business and its success in terms of potential employment and potential export dollars for our country.

In Kenmore, Greenisle Investments Pty Ltd are a consulting engineering services company. They received grants in 2001, 2002 and 2003 of around $40,000. That is a firm that is also doing very well and making the most of this government’s support for small business and for cutting edge skills and technology.

I want to also acknowledge a Mr Peter Howes, who is the principal at HRM Consulting Pty Ltd, based in Taringa. I have had the opportunity of visiting their business and seeing the fantastic work that they do. They are also involved in the computer and high-tech industry. They provide consultancy services to the world, which is remarkable for a smallish business. They started off very small, in the Ryan electorate, and they have now created a reputation for excellence and reliability in the broader international market. They have received EMDG support as well, and I know that they will continue to employ people in the Ryan electorate, as they are looking to expand their services.

A very interesting business is My Travel Network Pty Ltd, which is engaged in the travel agency business. They are in Toowong. They have received over $100,000. They are another example in my Ryan electorate, of which I am very proud, where there are people who are doing fantastic stuff to employ people and to make a contribution to the Brisbane economy.

Another very interesting business is Tina Jeffrey Design Pty Ltd, at Fig Tree Pocket. They have only received around $14,000 to $15,000 over two years, yet they have been able to make every use of the dollars provided by the federal government to create a niche market. I have had the pleasure of meeting Alan and Tina Jeffrey at my Ryan small business networking breakfasts. They are in jewellery and silverware manufacturing, and they continue to make the most of the scheme. Only recently, I bumped into Tina at the airport, and she was saying to me that their business is expanding and they are looking to try and employ more young people, in particular, and give them the opportunity of learning their craft, which is the manufacture of jewellery and silverware. That is just another fantastic example of a husband-and-wife team living in Fig Tree Pocket in Ryan, where they are getting off their backsides and actually making a difference to our community. They are employing people and thinking constantly about how they can value add to their businesses. They are receiving the support of the Howard government through this very successful EMDG Scheme, where they are able to promote the Australian brand name.

I just want to conclude by saying that, in the Ryan electorate, small business and medium sized businesses play a very strong part in the community. They are at the forefront of com-
munity work. They are at the forefront of supporting local charities, and they are able to do this because they are flourishing and employing people. They are continuing to make a difference in the local economy, and this gives them the opportunity of also being good business citizens, as it were. I think this has been largely possible because of the climate of good governance and the good policies that the Howard government has been able to implement in its three terms in office.

I know that local businesses in my electorate will be very supportive of this scheme, and I have every intention of letting them know that only one member of the opposition spoke on this bill in the parliament today. I just hope that that Labor member is not reflective of the opposition’s views about small business and the important role that it plays in the Australian economy. I am very pleased to say to the people of Ryan that I will continue to lobby very strongly for EMDG support for them. I know that a number of businesses in the Ryan electorate have come to me for support and assistance in how to make the applications to the government to receive the support. I want to reassure them that I will be working very hard to make sure that the EMDG dollars also come our way.

In conclusion, I make a comment about the Ryan Small Business and Employment Advisory Committee in my electorate of Ryan. I thank all those who contributed to that, particularly the previous head of Queensland Austrade, who came to address the gathering of Ryan small businesses last year. He talked about the scheme, about the valuable place of exports in the Australian economy, about the importance of Austrade and what it can do for small businesses and about the assistance that Austrade’s international offices can provide to small and medium sized businesses who want to venture out of their local community and expand into the big, wide world because of the richness of opportunities that other markets provide for us. His presence at that networking breakfast resulted in one of the biggest attendances that I have had over the two years that I have organised the Ryan small business networking breakfast. I thank him again and look forward to the pleasure of working with his successor, who is new to the job of running Austrade in Queensland, and inviting him to address the Ryan small business community.

I would like to convey to the Ryan small business community that if there is anything that I am able to do to assist them as their federal number, they have only to pick up the telephone or pop into the office at 31 Station Road and they will have my full support as the federal number for Ryan to assist them. The EMDG Scheme is a fantastic initiative of the federal government. This bill is very good. It provides appropriate support to those who require it and also ensures that it is not a system that is abused and exploited by those who wish to take advantage of the taxpayers of Australia, who are continuing to make small business very important in this country.

Mr Baird (Cook) (10.17 a.m.)—I am very pleased to speak on the Export Market Development Grants Amendment Bill 2004. I follow up the comments by the member for Ryan and say that it is very interesting to note the dearth of opposition members speaking on issues relating to the economy, taxation, trade and tourism. We have had one speaker from the opposition on this matter and he was out the door faster than Speed Gordon. He hardly spoke. It shows a lack of real focus on the economy and the way in which this economy is built. If you look at Leader of the Opposition’s response to the budget, you will see that economic man-
management did not come into it. All of the soft options like reading books to your children were there, but where were the hard yards with regard to building the economy?

Without trade, this nation is in big trouble. Without incentives to get the Australian manufacturers and small business people out there in the marketplace, we also have significant problems. The Export Market Development Grants Scheme has been operating under both sides of the parliament. When the other side were previously in government, they had the scheme. Of course, it has been reformed since we have been in government, and the success is there to be seen. The Howard government have had a very strong and effective record in relation to trade and, since we have been in government, trade has increased by over 40 per cent and now reaches $140 billion, which is a great achievement.

The areas in which we have been particularly strong include elaborately transformed manufactures, which have gone up by 11 per cent, and processed primary produce, which has gone up by eight per cent. Service sector growth has also been very considerable. Despite the downturns we have seen because of SARS and September 11 and October 12, this year we have seen the benefits of the increased expenditure by the government and a further $235 million being allocated for tourism promotion. It has been well received by the industry. It is this government that expanded the EMDG Scheme to the tourism sector. The education sector has also increased sevenfold since we came to government, which is an amazing achievement.

The EMDG Scheme has been in operation for some years. The coalition, in coming to government in 1996, changed its operation to maximise the number of companies that would gain benefits, particularly aiming at smaller companies and medium sized enterprises. Following the continuing success of the scheme, a further round of legislation was introduced in 2001 to ensure the ongoing nature of the program, at a cost of $150 million. Last year alone, the scheme contributed to over 3,700 businesses. Those businesses generated $5.5 billion in export revenue and employed over 122,000 people. The overall development of the scheme has been very impressive. Since we changed the scheme in 2001 the number of grant recipients has increased by over 25 per cent. Last year the scheme provided over $800,000 in grants to 20 organisations in my electorate.

Not only is the government providing real incentives in these areas of activity, it is also working on the free trade agreement, which does not get support from the other side of parliament. Benefits of $4½ billion are expected from that agreement. That is a tremendous achievement. We are waiting for the Senate report on the free trade agreement. I think the agreement will be one of the great pluses of the time that this government has been in power. The Australia-Singapore Free Trade Agreement and the Australia-Thai Free Trade Agreement are already in place.

This bill seeks to add a ‘fit and proper’ test to the selection criteria for potential recipients of the EMDG Scheme. The test will allow the administrators of the scheme to exercise a degree of discretion over the selection of grant recipients to ensure they meet the fit and proper test. Currently a number of guidelines, including criminal convictions and previous insolvency, are assessed. This test adds a further criterion. The test will be subject to further review by the Administrative Appeals Tribunal. The bill also provides secondary power to Austrade to request and obtain information relevant to the assessment of the fit and proper test.

This bill should be well received by both sides of the House. It is enthusiastically supported by this side of the House. The EMDG Scheme is integral to the overall success of the Austra-
liam export industry. Australia’s exports continue to grow and expand, having gone up by over 40 per cent since this government has been in power. They are the strength and backbone of this economy. The free trade agreements will add to the vibrancy of our export program. All members of the House should support these changes. This is a technical bill related to the fit and proper criteria. It is part of the ongoing refinement of the EMDG Scheme, which has worked extremely well to assist small and medium sized companies into the marketplace. I commend the bill to the House.

Mr PROSSER (Forrest) (10.24 a.m.)—I rise to support the Export Market Development Grants Amendment Bill 2004 following my colleagues the members for Cook and for Ryan. The bill contains one substantive measure, which is to ensure that export market development grants do not go to applicants or their associates who are deemed not to be fit and proper to receive such a grant according to the guidelines to be tabled by the Minister for Trade.

The Export Market Development Grants Scheme is the Australian government’s principal financial assistance program for small and medium sized exporters. It provides grants that reimburse up to 50 per cent of the money spent by eligible exporters during the financial year on specific export promotion activities, minus the first $15,000. The scheme has a budget of $150.4 million per annum and provides around 4,000 grants each year. Currently, a grant to which an applicant is otherwise entitled is not payable if certain provisions of the EMDG Act apply. These include checks for outstanding disqualifying convictions and insolvency administration. The legislation does, however, allow for grants to be paid, even though the applicant or an associate of the applicant may be viewed as an inappropriate person to represent or promote the public interest of Australia in relation to trade outside Australia, or for other reasons to receive directly or indirectly the benefits and recognition of a government grant. It is considered that paying grants in such cases may lead to the mistaken perception that the government condones disreputable behaviour and supports the individual that engages in it.

The changes proposed in the Export Market Development Grants Amendment Bill 2004 will ensure that Austrade, in accordance with ministerial guidelines, can determine whether the applicant or associate of the applicant is or is not fit and proper to receive a grant. The proposed changes are to take effect for the EMDG claims from the 2003-04 grant year onwards. This means applications received and grants paid from 1 July 2004 onwards. The proposed changes will ensure that the export market development grant funding remains focused on cultivating new exporters and is available to those applicants who are most deserving of assistance from this government.

I am sure you will agree with me, Mr Deputy Speaker Causley, and I am sure the Australian public will also agree with the federal government, that we do not condone disreputable behaviour and we will not support individuals or companies that engage in it. The scheme is consistently hailed as a benchmark of effectiveness in terms of government industry support programs. In recent years it has become increasingly popular with the export community. Last year some 3,700 small and medium sized businesses received grants under the scheme. These businesses generated $5.5 billion in exports and reportedly employed 122,000 Australians.

The government has a continuing focus on assisting small- and medium-sized Australian businesses. This is evidenced nowhere better than through the EMDG Scheme. Last year, 65 per cent of EMDG recipients were employing 20 people or fewer. Equally importantly, some 860, or 23 per cent, of the grants were paid to businesses in rural and regional Australia. In
fact, in my electorate of Forrest in the south west of Western Australia, in the year ending 2003 over 29 companies—comprising small and medium enterprises producing export products such as mining, construction machinery, toys and sporting goods, furniture and wood products, meat processing, vegetable exports and of course wine manufactures, for which the south west of Western Australia is famous with its fantastic Margaret River region—have been rewarded by this government for their export promotion activities and have received more than $740,000 in grants as reimbursement for their 2001-02 export operations. These businesses are the quiet, solid achievers and are most deserving of these grants. They are longstanding, well-established businesses operating within my regional electorate. They are the most appropriate businesses to receive benefits and recognition from this government for their continued trade efforts in cultivating export markets.

Currently, under the EMDG Act 1997, even if an applicant may otherwise have been eligible for the grant, there are no provisions to determine the circumstances in which a grant will not be paid, such as if the applicant is not a resident of Australia, does not have an Australian business number, has an outstanding disqualifying conviction or is under insolvency administration. The legislation does not presently allow for the non-payment of a grant to an applicant who may be viewed by the Australian community as an inappropriate person to represent and promote the public interest of Australia in relation to trade overseas, whether by reference to his or her trading history or otherwise.

This government does not condone behaviour considered by the Australian electorate to be inconsistent with acceptable community standards of commercial and personal propriety. We have a duty to taxpayers to ensure that grants paid via government schemes are not paid to recipients other than those who meet these standards. The proposed changes are to take effect for EMDG claims from the 2003-04 EMDG grant year. In other words, this provision will apply to applications received and grants paid from 1 July 2004 on. I commend the bill to the Committee.

Mr VAILÉ (Lyne—Minister for Trade) (10.30 a.m.)—I will wrap up the debate on the Export Market Development Grants Amendment Bill 2004 in the Main Committee. I would like to thank members from both sides for their contributions. It goes without saying that the EMDG Scheme has been a very successful scheme and continues to be so. It is certainly supported wholeheartedly by the government. We always should be vigilant in looking for new and improved ways of delivering assistance, particularly to new entrants into the export marketing regime. Each year, the federal government commits $150.4 million to help several thousand small and medium sized businesses develop sustainable export markets, through the assistance given under the Export Market Development Grants Scheme. The EMDG Scheme is extremely popular within the exporter community and is consistently hailed as a benchmark of effectiveness in terms of government industry support programs.

The coalition government do not believe that EMDG funds should be paid to persons whose behaviour is inconsistent with accepted community standards of commercial and personal propriety. We have a duty to the taxpayers who fund the EMDG Scheme to ensure that grants are not paid to persons who do not meet these standards. The Export Market Development Grants Amendment Bill 2004 ensures that we fulfil this obligation by providing that grants are not payable where the applicant or the applicant’s associates are deemed by Austrade to be not fit and proper persons to receive a grant. Austrade’s power to apply this provi-
tion will of course be exercised within an appropriate framework. Austrade will only be able to make these decisions with reference to ministerial guidelines, and affected applicants will have the right to appeal Austrade’s decision. The consent of an applicant or his or her associates will be required prior to Austrade undertaking criminal or other relevant checks. Austrade will only be able to apply this new provision to applications received from 1 July 2004 onwards.

The bill contains important amendments to the EMDG Act 1997. It will ensure that the export market development grants funding is not provided to individuals or businesses that do not merit government recognition or taxpayer support and that it remains focused on cultivating small and emerging exporters—that is, those businesses most deserving of taxpayer-funded support. In conclusion, this is a refinement to the act and we believe it is worth while supporting it to make sure we properly target the assistance that is being funded by taxpayers.

I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

AUSTRALIAN FEDERAL POLICE AND OTHER LEGISLATION AMENDMENT BILL 2004

Debate resumed from 13 May.

Second Reading

Mr VAILE (Lyne—Minister for Trade) (10.34 a.m.)—I move:

That this bill be now read a second time.

This bill, the Australian Federal Police and Other Legislation Amendment Bill 2004, contains amendments to the Australian Federal Police Act 1979 and the Crimes Act 1914.

The bill represents the final stage of the integration of the Australian Protective Service into the Australian Federal Police.

It will also enable the Australian Federal Police to access Commonwealth investigative powers when investigating state offences which have a federal aspect.

The bill implements the legislative aspect of resolution 16 of the April 2002 Leaders Summit on Terrorism and Multijurisdictional Crime.

The Australian Protective Service was established by the Australian Protective Service Act 1987 and is the Commonwealth’s pre-eminent provider of protective security services.

Protective service officers provide a first response security role at airports, diplomatic and consular premises, Defence establishments and other Commonwealth buildings.

After the devastating events of 2001, the government determined that the Australian Protective Service should transfer from the Attorney-General’s Department to the Australian Federal Police.

Stage 1 of that transfer happened on 1 July 2002 when legal and financial responsibility was transferred to the Australian Federal Police.
The employment framework of the Australian Protective Service was not affected by stage 1 and the Australian Protective Service and Australian Federal Police have continued to operate under separate legislative and employment arrangements.

The Australian Federal Police Act 1979 sets out the functions of the Australian Federal Police, and the powers and duties of AFP employees.

The Australian Protective Service Act 1987 sets out the functions of the Australian Protective Service, and the powers and duties of protective service officers and special protective service officers.

In addition, Australian Protective Service employees are Public Service employees within the meaning of the Public Service Act 1999.

The bill will create a new category of employee (that is, protective service officer) in the Australian Federal Police Act and include the protective service function of protective service officers as a function of the Australian Federal Police.

The Australian Protective Service Act will be repealed.

The transfer of Australian Protective Service employees to the Australian Federal Police will be effected by section 72 of the Public Service Act 1999, which provides that the Public Service Commissioner may determine that Public Service employees cease to be Public Service employees, and become employees of a specified Commonwealth authority.

Australian Protective Service employees transferred to the Australian Federal Police will be entitled to remuneration and other conditions of employment no less favourable than those which applied under existing industrial instruments immediately before the transfer.

Protective service officers currently carry out functions and exercise powers under a range of other Commonwealth acts.

To ensure protective service officers can continue to carry out such functions and exercise such powers, the bill also makes consequential amendments to those acts.

The bill also implements the resolution made at the April 2002 leaders summit to legislate and develop administrative arrangements to enable the Australian Federal Police to investigate state offences incidental to multijurisdictional crime.

The Standing Committee of Attorneys-General and Australasian Police Ministers Council Joint Working Group on National Investigative Powers recommended that this resolution be implemented by amending Commonwealth legislation to enable the Australian Federal Police to investigate state offences with a federal aspect.

A state offence has a federal aspect if the subject matter of the offence is a subject on which the Australian government has constitutional power to legislate.

A state offence also has a federal aspect where the investigation of that state offence is incidental to an investigation of a federal or territory offence.

When investigating federal crimes such as terrorism, people-smuggling, drug importation and child sex tourism, it can become apparent that state offences may also have been committed.

These measures will allow the Australian Federal Police to investigate the totality of criminal conduct where those state offences have a federal aspect and will address the potential
duplication of police resources that arises where otherwise the Australian Federal Police and state police services would need to investigate different aspects of the same criminal conduct.

The Senate made a number of amendments to the bill.

The amendments addressed issues which were raised with the Senate Legal and Constitutional Legislation Committee during its consideration of the bill.

A number of those amendments corrected some minor drafting errors identified in the Bills Digest.

The bulk of the amendments were to amendments in schedule 3 of the bill to finetune those amendments to ensure the Australian Federal Police can use all its existing powers to investigate state offences with a federal aspect.

The government has also accepted the recommendations made by the Senate Legal and Constitutional Legislation Committee in its report on this bill.

These recommendations were that the bill should be agreed to, that advice be sought on whether there would be any legal obstacles to the conferral of jurisdiction on the AFP Board of Reference to settle disputes over the remuneration and conditions of Australian Protective Service transferees, and that the Australian Federal Police report back to the committee within 12 months on the progress of the integration.

After examining this issue, it became clear that the AFP Board of Reference would have no application to Australian Protective Service transferees because the board was provided for under the current AFP certified agreement.

However, advice received by the Australian Federal Police following consultation before the Australian Industrial Relations Commission has also made it clear that the disputes procedures set out in the Workplace Relations Act will apply in their entirety to Australian Protective Service transferees.

The non-government parties made one amendment to the bill in the Senate.

The amendment provides that an expression of an ‘honestly held opinion’ by the commissioner or a deputy commissioner does not constitute misbehaviour under the AFP Act ‘if the commissioner or deputy commissioner believes that it is in the public interest to communicate that opinion, whether publicly or privately’.

This amendment was opposed by the government because it would create a statutory exemption to the grounds for termination for misbehaviour based on the purely subjective belief of the person expressing the opinion.

An exemption such as this could create potentially serious problems, for example, if the commissioner or a deputy commissioner expressed a racist or prejudicial opinion that they honestly held and believed was in the public interest, but would be inappropriate and in some cases unlawful.

In such a case, the person might be in breach of state or Commonwealth legislation dealing with racial vilification, and could be prosecuted for an offence under those laws.

However, these prosecutions are time consuming, and the ability of the government to dismiss the commissioner or a deputy commissioner for misbehaviour does not depend on whether the misbehaviour has resulted in a conviction.
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The complete integration of the Australian Federal Police and the Australian Protective Service, and the ability for the Australian Federal Police to investigate state offences incidental to multijurisdictional crime, are important steps in the government’s efforts to protect Australians from terrorist attacks and consolidate and enhance national security initiatives. I present the explanatory memorandum.

Mr McCLELLAND (Barton) (10.43 a.m.)—I want to address the issues raised by the Minister for Trade. The Australian Federal Police and Other Legislation Amendment Bill 2004 has two aims: firstly, to achieve the legislative integration of the Australian Protective Service and the Australian Federal Police and, secondly, as the minister outlined, to enable the AFP to investigate state offences that have a federal aspect. The opposition has indicated support for this legislation, both from the point of view of general criminal law enforcement and significantly—and unfortunately in this day and age—in respect of potential terrorist offences.

Firstly, we note that the process of the integration of the APS into the AFP began in 2002 when the APS became an operational division of the AFP, as outlined by the minister, and the AFP commissioner replaced the Secretary of the Attorney-General’s Department as the head of that agency. The bill will complete the integration process by bringing Protective Service officers under the Australian Federal Police Act and repealing the Australian Protective Service Act. The integration of the AFP and the APS has long had Labor’s support. Indeed, it was part of our commitment prior to the 2001 election. The bill amends the AFP Act to create a new agency of AFP employee protective service officer and to confer the existing functions, powers and duties of the APS on those officers.

The Public Service Commissioner will make a determination under section 72 of the Public Service Act that APS officers cease to be Public Service employees and become employees of the AFP. Under that section the transferred employees will be entitled to remuneration and employment conditions no less favourable than they enjoyed before the transfer. We again note, as the minister noted, the valuable work of the Senate Legal and Constitutional Legislation Committee. With respect to this matter and a number of other quite controversial and complex pieces of legislation, that committee, in particular in recent years, has done a truly outstanding job on behalf of the parliament overall and ultimately the Australian people.

I note that to give effect to the requirement the AFP Commissioner will make determinations under section 24 of the Public Service Act and section 27 of the Australian Federal Police Act 1979, preserving the remuneration and employment conditions currently in force under the section 170MX award as currently applying to the APS, as the minister outlined.

In terms of the Senate committee inquiry to which I have referred, the bill raises fairly complex issues of industrial law. The committee was assisted by evidence from the CPSU, representing APS officers; the Australian Federal Police Association; the Australian Government Solicitor; the Australian Federal Police; and the Attorney-General’s Department. The committee welcomed the fact that employee representatives appear to have been consulted more extensively on the development of this bill than they have been in the past. I think it is fair to say that all sides approached the amalgamation, if you like, of the two bodies from a position of good faith and with a view to preserve continuity of employment conditions.

The Senate committee inquiry presented an opportunity for any outstanding concerns to be raised. I will not discuss all of those but will focus on the key issue before the committee,
which was the impact of the bill on the employment, understandably, of those transferring APS officers. As I mentioned, the bill uses the machinery in the Public Service Act and the AFP Act to effect a transfer of the employment conditions currently in force under the section 170MX award under the provisions of the Workplace Relations Act. The committee recognised the desirability of all AFP staff being employed under an integrated employment framework to provide operational cohesion to the newly integrated agency, and that has to have merit. However, the committee was troubled by the uncertainty faced by APS transferees in the transitional period until a new certified agreement is negotiated to cover the integrated work force.

It emerged from evidence given by the CPSU, representing transferring APS officers, that there is still concern on the part of these officers about their capacity to maintain their safety net of remuneration and conditions and to access independent review of AFP decisions that affect employment arrangements during this transition period. There was a strong concern that the AFP would be given a free hand to make unilateral decisions altering the remuneration and conditions and that those affected would not be able to seek review of those decisions by the relevant independent authority, which in the AFP is a board of reference constituted under the Workplace Relations Act. It is not fair to the APS transferees to face such an uncertainty and it is plainly against the national interest for people tasked with such a critical protective security role to experience such a fundamental insecurity in their employment arrangements.

On these issues the committee made two relevant recommendations: firstly, that the government clarify that there are no legal obstacles to the conferral of jurisdiction on the board of reference to settle disputes over the remuneration and conditions of APS transferees and, secondly, that in light of these concerns about the employment of APS transferees the AFP report back to the committee within 12 months on the progress of the integration. In response, the Minister for Justice and Customs in the Senate, on the issue of whether there would be any legal obstacle to the conferral of jurisdiction, noted:

Upon examination of this issue it became clear that, given the AFP board of reference was provided for under the current AFP certified agreement, it would have no application to APS transferees at the time of transfer. However, advice received by the AFP following consultation before the Australian Industrial Relations Commission made it clear that the disputes procedures set out in the Workplace Relations Act will apply in their entirety to APS transferees.

I note that, shortly before I rose to speak, the Minister for Trade made a similar point in his speech. We take this—both the quote that I have read out and the minister’s statement in the Main Committee today—to mean that, in the transitional period, APS transferees will retain full access to the Industrial Relations Commission for the full range of disputes that could otherwise be brought before the board of reference if the AFP certified agreement applied to those transferees. I would, however, ask the minister or his representative to clarify in the closing remarks that this is a correct analysis of the situation. I should note that concerns continue to be expressed to us on behalf of APS transferees about the uncertainty of their arrangements in the transitional period. I again make the point that not only is it unfair to these employees to leave them in a state of some anxiety about their future but such a situation inevitably has potential security implications, given the vital counter-terrorism role that Australian Protective Service officers fulfil. They are entitled at the very least to be assured and reassured that the employment security and conditions to which they were previously entitled will continue under the new arrangements.
Before concluding, I will again record Labor’s support for the second aspect of this bill, which is to enable the AFP to investigate state offences that have a federal aspect. This refers to the situation where either the subject matter of the offence is a subject on which the Commonwealth has the constitutional power to legislate or the investigation of the state offence is incidental to the investigation of a federal or territory offence. This measure gives effect to a resolution of the April 2002 Leaders Summit on Terrorism and Multijurisdictional Crime, as was noted by the minister. It remedies the potential duplication of police resources that presently arises where the AFP and state police services need to investigate different aspects of the same criminal conduct, and it has Labor’s full support. Again, through our support for this legislation in the Main Committee, we will endeavour to expedite its passage.

At this point, I will address a point made by the minister in his remarks regarding the government’s acceptance of recommendations suggested by the Senate Legal and Constitutional Legislation Committee, supporting amendments that implement those recommendations. I will address the government’s rejection of a minor party amendment affirming the right of the Australian Federal Police Commissioner to express an honestly held view. We do so by expressing our disappointment that the government is moving an amendment that will negate or remove that minor party amendment. In so expressing our disappointment, we do, however, recognise that the legislation is otherwise important legislation, and we will not be opposing its passage simply as a result of the government moving its amendment to negate that provision going to the ability of the Australian Federal Police Commissioner to express his honestly held view.

I will comment on that matter given that it was raised by the minister. I note that Australians will not forget the way in which Commissioner Keelty was harangued and slandered—and I think there are no other words that are appropriate for that—by Howard government ministers simply for expressing an honestly held view about the possible connection between the unfortunate Madrid bombings and the Iraq conflict. The commissioner was certainly entitled to raise in public discussions questions as to what may be a motivation for criminal conduct and indeed to canvass what may be a motivation for terrorist conduct. The public know that the government’s bullying—and again it is not an understatement to use that word—had a devastating effect and led the commissioner to consider his resignation. In circumstances where Commissioner Keelty has truly been a champion on behalf of the Australian public, not only in the fight against organised crime but in particular in the fight against terrorism, that resignation, had it eventuated, would as an outcome have been a major setback for Australia in the fight against terrorism.

In seeking to remove the provision that was introduced by an amendment from the Democrats, the government has raised a few eyebrows by expressing concern, as the minister indicated, that the provision might afford protection to racially discriminatory opinions. After all, less than 18 months ago one of the government’s own number, Senator Lightfoot, was found by the Federal Court to have made statements about Indigenous Australians which breached the Racial Discrimination Act. For those wanting to ascertain the facts about that case, I would refer the Main Committee to the judgment of Justice Carr in McGlade v. Lightfoot, which was a decision of the Federal Court issued on 26 November 2002 and which was not appealed.
At the time, neither the Prime Minister nor the Attorney-General, the Minister for Justice and Customs and the Minister for Immigration and Multicultural and Indigenous Affairs showed the slightest concern for Senator Lightfoot’s conduct, which was found to be unlawful. But given the reasons now advanced by the government for opposing these provisions giving freedom of speech, if you like, to the police commissioner—given the minister’s comments that any such racially discriminatory comments by the police commissioner, whomever that may be, would be justification for removal from office—I look forward to Senator Lightfoot’s swift disendorsement by the Liberal Party for his comments.

Of course, if the government were genuinely concerned about the Democrat amendment for the reason that they have claimed, it would be a simple matter for them to move a further amendment clarifying that the freedom of speech did not go so far as to endorse or make acceptable comments that were otherwise unlawful. The fact that the government have not done so indicates that they are really only concerned to avoid the embarrassment of having to confront what was unquestionably disgraceful treatment of Commissioner Keelty every time that the parliament is required to consider amendments to the Australian Federal Police Act. We believe the government are wrong to be foreshadowing moving this amendment but again, as I have indicated, in view of the importance of completing the APS-AFP integration and giving the AFP appropriate powers of cross-jurisdictional investigation, we will not be opposing the passage of the bill.

Mr SOMLYAY (Fairfax) (10.58 a.m.)—I will not speak on the amendments because they have been adequately covered by the Minister for Trade. The Australian Federal Police and Other Legislation Amendment Bill 2004 is part of the government’s concerted and coordinated campaign against the threat of terrorism and multijurisdictional crime. The bill has two purposes. Firstly, it completes the integration of the Australian Protective Service into the Australian Federal Police by amending a number of acts and repealing the Australian Protective Service Act 1987. Secondly, it enables the Australian Federal Police to investigate state offences with a federal aspect. The Australian Federal Police, the AFP and the Australian Protective Service—the APS—play key roles in keeping Australia safe. They are integral to our ability to fight terrorism, transnational crime and organised crime. Their work in peacekeeping missions in places like the Solomon Islands, East Timor and Cyprus contributes significantly to our regional security. I also acknowledge their work in our external territories.

I would like to take this opportunity to publicly recognise and express appreciation for not just the work done by these men and women but also the courtesy and professionalism with which they do it. I believe that, as members of federal parliament, we should be more conscious than most of the efforts of these officers, particularly in our work and travel environments. Although their duties often converge, the AFP and the APS fulfil very different roles. We talk about integrating the two agencies under the one act, but it is important to understand both the different and convergent roles.

The APS was established under the Attorney General’s Department by the Australian Protective Service Act 1987 to provide such protective and custodial service for or on behalf of the Commonwealth as the minister directs. More specifically, it supplies protective security services at places like Parliament House, the offices and residences of the Prime Minister and the Governor-General, certain foreign embassies and sensitive Defence establishments—all of which are considered key targets for possible terrorist attacks. Very importantly, the APS also
provides counter-terrorism first response at designated airports around Australia. However, its duties are to guard and protect, not to investigate crime and pursue criminals.

The AFP, on the other hand, enforces Commonwealth criminal law and protects our national interests from crime in Australia and overseas. Its priorities are set by ministerial direction and include enforcing laws relating to terrorism, organised and transnational crime, major fraud, illicit drug trafficking and e-crime—electronic crime. However, as well as this criminal work, it also provides some personal protective services. After the September 11 attack, the government reviewed Australia’s security and counter-terrorism arrangements and determined that the APS should be transferred from the Attorney General’s Department to become an operating division of the AFP. Although a distinction is still maintained between traditional policing and investigative functions, on the one hand, and protective services functions, on the other hand, the transfer allows the closest possible coordination between the two agencies.

This closer coordination must enhance the effectiveness in fulfilling their counter-terrorism responsibilities. The first stage of the transition occurred on 1 July 2002 when the APS Act was amended to transfer legal and financial responsibility for the APS from the Secretary of the Attorney General’s Department to the AFP commissioner. However, although the legal and financial responsibilities were transferred by this legislation, the two agencies continued to operate under separate legislative and employment arrangements. The functions, powers and duties, as well as the terms and conditions of employment, continued to be set out by a different act for each agency.

This bill is the final stage of the transition, transferring the functions, powers, duties and employment terms for APS officers to the Australian Federal Police Act 1979. This move is in no way controversial; it has the support of the opposition. Over the last two years, parliament has already passed several pieces of legislation towards the same end, and the Senate Legal and Constitutional Legislation Committee prepared a report on this bill last month recommending that it be agreed to. Schedule 1 of the bill contains clauses amending the AFP Act to insert references to the positions of protective service officer and special protective service officer where required and to incorporate into the act, from the APS Act, the existing functions, powers and duties of the protective service officers.

Some protective service powers and duties were amended a few months ago when the Australian Protective Service Amendment Act 2003 was passed. But this bill is not amending or extending powers. It is simply transferring them from one act to another. It is transferring existing powers previously individually discussed and passed by this parliament. Sometimes the language may be different, but the substance is not. This bill does, however, add some definitions to the AFP Act for clarity. Some definitions reflect terms or offences already defined under the APS Act. Others, such as the definitions of ‘frisk search’ and ‘ordinary search’, have the same meaning as definitions used in the Crimes Act 1914. This simply provides clarity and uniformity, not change.

While schedule 1 of the bill amends the AFP Act to incorporate APS officers, their functions and duties, schedule 2 repeals the APS Act and deals with consequential amendments to 11 other acts. Because Protective Service officers carry out functions under a range of other Commonwealth legislation, these amendments are necessary to ensure the continuation of those existing functions. The powers and duties remain the same, but, when this bill is passed, any reference in other legislation to ‘the APS Act’ must be changed to ‘the AFP Act’.

MAIN COMMITTEE
The second purpose of this bill is encompassed in schedule 3, which proposes to amend both the AFP Act and the Crimes Act 1914 to enable the AFP to investigate state offences with a federal aspect. These amendments implement a recommendation by the Standing Committee of Attorneys-General and the Australian Police Ministers Council joint working group—that is, they have been recommended by the states so there is no conflict of interest. They are already reflected in other Commonwealth legislation. The joint working group recommended:

The Australian Federal Police (AFP) can best be given the power to investigate state offences incidental to multi-jurisdictional crime by amending the Commonwealth legislation to allow the AFP to utilize Commonwealth investigative powers to investigate State offences with a federal aspect. These amendments will enable the AFP to investigate the totality of the criminal conduct where the state offences have a federal aspect. A federal aspect exists if the subject matter of the offence is a subject on which the Commonwealth has constitutional power to legislate or where the investigation of the state offence is incidental to an investigation of a Commonwealth or territory offence. According to the Senate Legal and Constitutional Legislation Committee’s report, this proposal has the support of the AFP, state police and the Attorney-General’s Department. The Senate committee also supported these amendments.

If the AFP have spent considerable time investigating a matter—maybe months—and then find there is a state matter which needs to be dealt with, this amendment enables them to deal with it instead of having to bring in another police force, duplicating work already done in investigating different aspects of the same criminal conduct. It makes sense and allows better management of our law and enforcement resources.

This bill is about national security and good management. The fight against potential terrorism and multi-jurisdictional crime is unrelenting and expensive. We need to organise our resources as effectively as possible. We need coordination and cooperation. We do not need duplication. The amendments to this bill encourage cooperation and coordination, while at the same time discouraging duplication. For instance, bringing the APS under the umbrella of the AFP allows, and indeed encourages, far closer coordination and cooperation between the agencies. Having both agencies report to the same authority also diminishes the likelihood of duplication. Similarly, the schedule 3 amendments encourage cooperation between the AFP and state or territory police forces. Duplication is eliminated by allowing the AFP to deal with certain state matters that might arise during their investigations. This bill is about protecting Australia in the best way we can and about managing our protective resources as effectively as possible. I commend the bill to the House.

Ms GRIERSON (Newcastle) (11.09 a.m.)—I rise to speak on the Australian Federal Police and Other Legislation Amendment Bill 2004. This legislation completes the integration of the Australian Protective Service into the Australian Federal Police. The purpose of this legislation is to enhance the powers of our federal law enforcement agencies to investigate multi-jurisdictional crime and to enable the Australian Federal Police to investigate state offences that have a federal aspect. The outcome of this legislation, if it is effective, will be better coordination of the activities of our federal law enforcement and protective agencies. That outcome is one we would all hope is achieved to keep our nation secure.

The two agencies that are being integrated are the workplaces of approximately 5,000 people. The agencies have had different and overlapping roles and it is important to know that, when they are integrated, the roles will become more defined, better understood and perhaps
complementary to each other. Perhaps that has been the case, but now we need further assurances. The Australian Protective Service have a major challenge in our new security environment and we expect a great deal more from the protective security services provided here at Parliament House, and for our senior representatives—our Prime Minister and Governor-General—as well as at airports used by ordinary Australians every day. There is a need to see a greater presence of protective security services in maritime areas and in ports around Australia as well.

In looking at the changed environment and the need to integrate these two agencies, the opposition has been very supportive of this legislation. We do live in a changed global security environment and we are particularly aware of that in Australia. That has occurred since the September 11 tragedy in the United States. Following that terrorist attack, the Commonwealth government reviewed Australia’s security and counter-terrorism arrangements. As a result of that review, as we have heard, the government determined that the Australian Protective Service should transfer from the Attorney-General’s Department and become an operating division of the Australian Federal Police. The stated reason for that should of course be the test for this legislation. That reason was that it would allow the closest possible coordination between two of Australia’s key counter-terrorist agencies. Better coordination between the AFP and the APS, it was proposed, would strengthen both organisations and their ability to fulfil their counter-terrorism responsibilities.

There has been a staged process of integration, and many of the members who have spoken already in this debate have outlined that process. The most recent change was in February 2003, when the protection portfolio was established inside the AFP. That is now where we are going to see some major impact with the new involvement of the Protective Service personnel. Since July 2002, joint operations and joint deployments have taken place and they have been experiences that, I hope, have allowed the Australian Federal Police to test that coordination and integration need and therefore make sure the transition process is a meaningful and successful one.

The most well known of those was the APS’s involvement as part of Operation Alliance in Bali. I think that is worth revisiting, because the response to the Bali bombings was one of the most significant operations ever undertaken by Australian law enforcement agencies. It was led by the Australian Federal Police. It was a multijurisdictional response by Commonwealth, state and territory law enforcement agencies and it was a multinational response as well, which included our agencies working with agencies from as many as 10 countries. So we have had that test. We have to make sure that that response—which I think deserves great praise and acknowledgment as a job well done—is carried on now, not as a response but as a proactive approach that hopefully can prevent such incidents from happening again.

There have been other joint operations, which we should remind each other and the public of because there are many unsung heroes in the APS and the Australian Federal Police. For the people of Canberra and the ACT the January 2003 bushfires were a very important example of where the APS and the AFP assisted. Also, the deployment of the Australian Federal Police and the Australian Protective Service to the Regional Assistance Mission to the Solomon Islands is an ongoing joint operation. It is one that we would hope would reassert and reaffirm Australia’s commitment to its neighbours, not in a paternalistic or custodial way but in a joint partnership. They are major challenges being taken up by all our federal agencies.
The other major involvement was providing AFP and APS security for the visits of President Bush and President Hu in October last year.

The opposition do accept that there is a need to change and to better coordinate our security, protective services and policing. We also assert that getting the balance right between protectionism and freedoms and a Public Service or a Commonwealth sector that works without fear or favour is particularly important. I will visit some of those issues in this speech. But the opposition have supported the legislation although we have taken on several concerns that were reinforced by, and explored very well in, the Senate inquiry. For me, those concerns are training, competencies and the definition of roles. There are internal, administrative and ongoing challenges for management. As an observer I know the standout examples, the big ones that I have just mentioned, but I also know some of the minor areas—I will mention them later in my speech—that I have concerns about. Getting the training, the competencies and the roles defined and making sure we get the best outcomes are concerns that I hold.

The other major area of concern has been the industrial area. The concerns of the CPSU were put forward at the Senate inquiry. They were concerned about workers in the Australian Protective Service achieving parity, having defined career paths, having some certainty about potential redundancies and having their entitlements and conditions protected. The APS officers will cease to be Public Service employees; they will become employees of the Australian Federal Police. They need to be assured that when they are transferred all entitlements, remunerations and employment conditions will be no less favourable to them. That has been explored at length by the Senate inquiry. I am sure that the AFP will be mindful of those concerns and the uncertainties that APS personnel face. I hope that they will be aware that those people have served well and need to be given some certainty to motivate them to give their best service to the AFP.

The committee noted that the AFP have no intention to make any officer redundant on transfer. Unfortunately, in the industrial environment we always experience that guarantee and it generally lasts for 12 months. We would want to make sure that we did not see change in that area. Very importantly, the committee also recommended that they review the progress of this integration within 12 months and reconvene to examine those concerns that have been raised. They recommended that the report to the committee should include an examination of the commercialisation of the Protective Service function. That has been a particular and major concern. Commercial tendering for services is an established practice by the Australian Protective Service. They have traditionally had a reliance on commercialisation for approximately 70 per cent of their budget. It is important that any tendering processes be separately accounted for—that any commercial transactions and commercial tendering processes be audited in a transparent way and have some independent oversight. It is a concern that I know the Australian Federal Police are very much aware of. It is certainly one that needs to be revisited in a review process.

In applying this legislation I think it is important for backbenchers like me to make note of the real-life situations that we come across in our daily lives that affect us as members of parliament and affect the people we represent. Every day at regional airports we see the presence of the Protective Service. In Newcastle Airport I see exemplary and professional approaches every day.
In the area of maritime security in our ports, I have a particular concern. If we have a new coordinated approach, it has to be a proactive one, and that has to involve communities. It has to involve working with sectors that are affected and are at the front line of security. Port users particularly are one of those sectors, yet I see very little APS or AFP presence in the regional Port of Newcastle. As a matter of fact, in Newcastle we have one Australian Federal Police officer who sits in a Centrelink office looking for fraud, I am told—perhaps by people cheating on their family tax benefits—or overseeing people’s social security entitlements are correct. I am very dissatisfied with that sort of involvement in my own region, a region of half a million people, a region that has a major port that is responsible for over 50 per cent of the economic wealth of the state of New South Wales—a port that also deals with explosives, grains and fertilisers.

I particularly think that coordination of a proactive approach is essential, and I would certainly like to see that. We do have a Protective Service presence, but it is limited. Yet we do have a Family Court, we do have 31 Centrelink workplaces in the Hunter region and we do have Customs, Quarantine and AMSA. We also obviously have drug enforcement activities, consideration of illegal fishing activities, Family Court judges, Family Court magistrates and members of parliament and their officers. And I would have to say, on the public record, that I do not think there is a proactive approach. I would like to see that improved.

I would also like to raise other experiences that happen in this House. In Parliament House, as a member of parliament, I am always treated by the Australian Protective Service personnel with professionalism and courtesy. But there have been incidents that have occurred in parliament, in the chamber, that I have some concerns about, so I am raising them to make sure that some response is forthcoming.

When we watch people during times of war, we always see division in our communities, and we have seen that. We have seen it in our public gallery. People do have concerns and people are anxious. People are distressed over the decisions sometimes taken by this parliament. We have seen the removal of citizens, and I cite the most recent incident, where a woman was removed from the public gallery. I have concerns that procedures are perhaps not well enough established to be followed instantaneously without unnecessary aggression or undue force. So a person who did rise to express her obvious distress about an issue was instantly removed—touched, physically. I did not see any attempt to engage with that person to calm them, to speak with them, or perhaps to explain to them what the expectation is. The removal from the chamber was, I consider, less than gentle, so much so that personnel did come back to pick up teeth from the floor of the gallery. For the government members who perhaps look at me surprised, the incident was not in their view. It is distressing, and I would like to know that procedures are put into place in this House that mean that security is adhered to, but in a way that is perhaps a best practice model for anywhere in Australia.

The other instance—and the member for Hunter, one of my colleagues, has raised this with the Speaker on several occasions—was the bringing into the gallery of a camera during the visit of President Bush. It does seem to us, sitting there, that we rely on the screening. We want the public to be in the galleries, we want them to express themselves, we want them to be part of the process here—it is the public’s house, the people’s house—but we do not want them to ever bring in anything that can cause risk to the people we work with every day. A camera, being a metal object, should not have been allowed into that public gallery, and it
does pose a risk. I think the members and the staff of this House need a very full explanation of how that was allowed to happen.

Finally, I also support the comments of the member for Barton that the amendment put forward in the Senate—by the Democrats—asserting that the freedom of the Australian Federal Police Commissioner to make public statements that are founded on the experience and knowledge of the police commissioner should not be fettered or restricted in any way. You would think that it normally would not be necessary to state that. But it was a very regrettable incident when Mick Keelty was publicly harangued and admonished by the Prime Minister. We would like to know that our senior public servants and senior representatives in our federal agencies, particularly in the area of security and policing, do their job without fear or favour, that they do it for the protection of the Australian people and in the best interests of the security of this nation.

In conclusion, the opposition does support this legislation. The coordination and integration of these two agencies is essential. It is a case of excellent initiatives being taken by two very different agencies. Without legislation they took the process into their own hands in many ways and moved it forward. The only concern we would have is that the process of integration should be reviewed, as recommended by the Senate inquiry, and that its effectiveness be guaranteed and assured for the Australian people by that review process.

Mr DUTTON (Dickson) (11.26 a.m.)—It is with a great deal of pleasure that I rise to support the Australian Federal Police and Other Legislation Amendment Bill 2004. It underlines the government’s commitment to the ongoing upgrade of professionalism and the drive towards efficiency in relation to our law enforcement agencies. At the outset I take the opportunity to offer my congratulations to the Australian Federal Police Commissioner, Mr Mick Keelty, for his foresight and for the ability he has brought to the Australian Federal Police in driving reform such as that which is before the House today.

The bill before the parliament today came about at least in part because of a review conducted after the September 11 terrorist attacks in the United States and a general overview undertaken by the federal government in relation to the responses we provided through law enforcement agencies against the evils of terrorism. The bill provides the ability for the Australian Protective Service to enhance not just their skills but their professionalism, the access that they have to intelligence databases, the way in which they respond to any sort of terrorist incident or deal with people committing offences in relation to assets owned by the Commonwealth.

The government’s commitment to stamping out terrorism and to providing as much certainty as possible for the Australian people over the coming decades is supported not just by the detail of this bill but by some of the projects that have been undertaken by the Australian Federal Police and law enforcement agencies across this country. I want to take this opportunity to speak about some of those initiatives and about the way in which this government has supported the initiatives of the Australian Federal Police to provide a credible, effective law enforcement response to criminals, to terrorism, to organised crime and to its overall aim of providing a safer community for all Australians to live in.

The first example I cite is the Australian Federal Police effort in a joint operation in the Philippines. In April this year we signed a protocol with Philippines law enforcement agencies to launch a $3.65 million project to help build the country’s counter-terrorism capacity. The
project was designed to build the capacity of Philippines law enforcement agencies in intelligence sharing, bomb investigation techniques, forensic capacity and other counter-terrorism areas at both strategic and operational levels. The project underlines the key strategy of the AFP’s Law Enforcement Cooperation Program to strengthen collaboration between Australia’s partners in the Asia-Pacific region and to help develop their counter-terrorism and transnational crime capabilities. This government remain committed to fighting terrorism. We remain committed to supporting the Australian Federal Police in their efforts to counter terrorism throughout the Asia-Pacific region.

If we are realistic in our understanding of the way in which terrorist cells operate, we will know that the countries which are our closest neighbours may well be the very places in which these cells decide to operate. It is important that the Australian Federal Police be supported in their ongoing push to try and have an understanding and develop relationships with our closest partners and help them stamp out the evils of terrorism and organised crime as they arise on their own soil. In February this year, the Australian Federal Police International Deployment Group was formed to strengthen Australia’s ability to fight terrorism and transnational organised crime and contribute to regional peacekeeping missions. The IDG will enable the strategic deployment of personnel undertaking peacekeeping operations, restoration of law and order missions and the delivery of capacity-building initiatives in the region.

One of the most important aspects of the work of the Australian Federal Police and bodies like the APS and the ACC, and indeed the state law enforcement bodies and many other federal law enforcement bodies, is in relation to drugs and stamping out the evils of drugs as they present themselves in our community. In particular, a focus of this government has been working hard in areas like Dickson with state law enforcement agencies to stamp out drug dealers and people who would prosper from human misery by dealing drugs to children within our local communities. It is a great credit to the Australian Federal Police that in April of this year, following a major investigation, they recorded one of their largest seizures of LSD. Federal agents seized approximately 190 millilitres of suspected liquid LSD and over 212,000 tabs of paper allegedly being prepared for LSD distribution. That had the potential to make almost four million doses of LSD, which would have had a street value of approximately $45 million.

Federal agents and Queensland police drug squad detectives arrested five people on the Gold Coast in March after a cooperative investigation prevented what is believed to be the largest ever attempted illegal importation of pseudoephedrine into Australia. The investigation also involved the Australian Customs Service and the Philippines Drug Enforcement Agency and resulted in about 1.5 tonnes of pseudoephedrine being seized in the Philippines, which federal agents will allege was destined for this country. The operation highlights the commitment of the Australian Federal Police to taking the fight against drugs offshore and preventing them from arriving on our own soil. It demonstrates that our law enforcement agencies are working with their international counterparts through the AFP’s overseas liaison officer network, and they are seriously disrupting criminal syndicates.

The Federal Police continue to work with Customs. Under the provisions of the Customs Act, the AFP recently arrested and charged two women with importing prohibited imports after 5½ kilos of capsules containing pseudoephedrine were detected in the lining of two suitcases at Cairns international airport. It is important for all Australians, and especially commu-
nities such as the people who live in my electorate of Dickson, to understand that pseudoephedrine, which is a drug which may not mean too much to them, is indeed a precursor to the manufacture of many drugs within this country. It is a precursor to the manufacture of drugs such as amphetamines, which are a major curse on young people within our environment. That and drugs such as heroin and LSD—which is an amphetamine based drug—cause no end of damage to young people in this country. As a government and as a people we must continue to fight this scourge, which is one of the greatest problems that our youth of today face.

The budget that was delivered recently underscored this government’s commitment to supporting the Australian Federal Police, the old APS and all of these law enforcement bodies in their fight against crime. I was very pleased to see in the government’s budget this year that the Howard government delivered further on its strong response to terrorism by committing an additional $754 million over five years to national security initiatives to protect the Australian community. The budget this year also provided new funding with the commitment of an extra $2.3 billion on national security measures since the 9/11 terrorist attacks and the Bali bombings.

The Howard government’s budget this year provided over $350 million of additional funding to agencies in the Attorney-General’s portfolio to implement a range of strategic national security measures, which include $127 million to further strengthen the information management and intelligence capacities of ASIO and $36 million to enable the Australian Transaction Reports and Analysis Centre, AUSTRAC, to continue to collect, analyse and disseminate financial intelligence to Australia’s law enforcement, revenue and national security agencies. It also included over $6 million to continue the operations of the national security hotline.

This year’s budget enhanced regional counter-terrorism capabilities. The government will provide almost $37 million to enhance the offshore response and investigative capacity of the AFP, almost $30 million to establish the Jakarta Centre for Law Enforcement Cooperation, a touch over $21 million for the continued presence of the AFP in Melanesia and $10 million to enable AUSTRAC to provide counter-terrorism financing assistance and information technology mentoring to countries in South-East Asia. Importantly, out of this budget the government will provide funds to strengthen the security of our borders by providing $3 million in 2004-05 to allow the Australian Customs Service, which does tremendous work for this country, to extend the SmartGate trial to a second international airport, for holders of a prototype Australian biometric passport. The government will also provide almost $3 million to enable the Australian Customs Service to board up to 80 per cent of vessels at their first port of arrival in Australia, up from the current rate of 70 per cent. We will provide $3 million to strengthen existing border control measures, and we will provide almost $11 million over two years for the ACS to maintain current rates of container X-ray examination of sea cargo.

To further enhance protective security arrangements, the government will provide almost $30 million to the Attorney-General’s Department to implement initiatives with other agencies so as to coordinate a national approach to critical infrastructure protection. The government will also provide almost $20 million for diplomatic guarding and the purchase of armoured vehicles. The government will provide an additional $15.7 million to enhance the air security officer program, and it will consult with the states and territories to establish a shared arrangement to enhance emergency management capabilities.
One of the most important measures announced in the budget this year by the Howard government was in relation to the National Community Crime Prevention Program. Today I renew my call to community groups not just within my electorate but right around the country to take note of the National Community Crime Prevention Program and to understand the benefits that it can provide to their local communities—how the program could benefit, for argument’s sake, elderly residents within Dickson by enhancing security in local areas where crime problems exist, and how we could help some of those elderly residents feel more secure within their own homes and within their own local communities and environments. If as a government we are able to provide security enhancements in that way, I think we have gone a long way towards achieving what it is that governments are about in this country.

Crime and the fear of crime consistently rate amongst the highest concerns of the Australian public. Crime is estimated to cost the Australian community around $32 billion per year. This budget is providing over $20 million under the National Community Crime Prevention Program, which will focus on how to increase the ability of Australian communities to recognise local crime problems and to pursue effective, locally organised crime prevention initiatives. The centrepiece of the NCCPP is a new community grants program which will provide support to grassroots projects that are designed to enhance community safety and crime prevention at the local level.

Under the program, grants will be national and application based, and projects will be classified under the following streams: firstly, a community safety stream, with grants of up to $150,000; secondly, an Indigenous community safety stream, with grants of up to $150,000; and, finally, a community partnership stream, with grants of up to $500,000 to support promising and innovative collaborative community safety and crime prevention demonstration projects in high-need areas. To encourage partnerships across sectors and shared responsibility, the community partnership stream will not fund 100 per cent of project costs, and financial and in-kind contributions would need to be made by other community and government agencies. Grant funding is non-recurrent and is available for projects of up to three years duration. The distribution of funding between these streams is flexible and will be determined during the assessment process, based on the merit of individual applications, eligible organisations and projects, not-for-profit incorporated community based local government organisations, associations or agencies.

In commending this bill to the House today, I say once again that this government have demonstrated over the last eight years that we remain committed to providing for a safer community for all Australian people to enjoy and that we, as a government, will continue over the course of the next term, after this year’s election, to provide enhanced services and all sorts of continued and enhanced abilities for law enforcement and intelligence agencies to fight crime and terrorism wherever it is. I say to the people of Dickson today that I remain committed as their member of parliament, representing their interests, and that the government are committed to fighting crime in our local communities. We can do this through supporting good legislation, such as we have before the parliament today.

Mr HUNT (Flinders) (11.42 a.m.)—In rising to speak on the Australian Federal Police and Other Legislation Amendment Bill 2004, I want to make three principle points. The first is to talk about the role of the AFP, the second is to talk about the role of crime prevention within Australia more generally and the third is to examine the specific provisions within this bill
which assist the AFP and members of the Australian Protective Service to go about their business in a more effective way.

In looking at the Australian Federal Police, this country owes an extraordinary debt of gratitude to those men and women. They work in difficult circumstances, they do the difficult jobs, they place themselves at risk and they do so because of a belief in the need to address the threats in our society and the fact that there are external threats. In that situation it is very important to recognise their work. I want to recognise their work externally and internally. In terms of the external work and obligations of the Australian Federal Police we see, perhaps most cogently and potently within the Australian mind, their work following the tragedy in Bali on 12 October 2002. That act of mass murder has seen an amazing amount of successful police work and investigation.

It was by no means a given that the perpetrators would be found; it was by no means a given that, even if the perpetrators were found, they would be brought to justice quickly; and it was by no means a given that the results of the court cases would be such as they have been. On all those fronts the AFP established a cooperative arrangement with the Indonesian authorities. That is something which was unprecedented in its scope and reach, and which led to much more effective policing both within Australia’s reach and within Indonesia itself. This was an extraordinary outcome in cooperation and a great response to what was a horrendous and vile act of mass murder. I only hope that any of those who are still at large will be brought to justice through this system.

In addition to that, looking at the external work of the AFP, we see in the work which they have been doing in the Solomon Islands an extraordinary role in effectively taking a lead on the ground from the Australian military in helping to bring peace, order and, ultimately, a stronger governance arrangement to the people of the Solomon Islands. It is a difficult task and, as you would see from other interventions around the world, it is often fraught with tragic consequences. But these are consequences which have not eventuated on the Solomon Islands. That is a tribute to the civilian personnel, the military personnel and, in particular, the Australian Federal Police and all those associated with the planning and conduct of Operation Helpem Fren. That is one example of the sort of peace and security work with which the Australian Federal Police have been involved.

If you turn to the internal work of the AFP, you find that the priorities of the Australian Federal Police are sixfold—to deal with (1) organised crime, (2) transnational crime, (3) money laundering, (4) major fraud, (5) illicit drug trafficking and (6) electronic crime, an emerging area of crime which is effectively borderless. On all those fronts you see a body which is dealing with difficult and challenging tasks but which is making extraordinary steps forward. The work on drug trafficking has been carried out under the Australian government’s Tough on Drugs strategy, and it has had an impact on the interception of and amount of heavy drugs being brought into the country. There is a significant amount more to do—make no mistake about that—but the work of the AFP has been critical in having a major impact on the importers and distributors of the worst and most potent drugs in our community.

That brings me to the second part of this speech, which is about the actions this government is taking in relation to major crime within Australia. There is of course the Tough on Drugs strategy, as was mentioned by and is strongly supported by my friend and predecessor the member for Dickson. One thing that I particularly want to focus on is the National Com-
Community Crime Prevention Program. This is a program devised and produced by the Prime Minister’s office, with the hand of the Prime Minister very strongly at the tiller. In essence, there are three elements. Firstly, there is the community safety program, which will include grants of up to $150,000. They will be available for community groups, under a competitive tendering system, who can pitch to try to have an impact within their own community on community safety and community security. In particular, I think of my own communities of Somerville and Hastings within the electorate of Flinders—two towns where there is a crime problem. I will be launching this program soon in these towns. I strongly urge local community representatives to participate in it and to seek to benefit from it for the building of community programs. Secondly, there is the Indigenous program and, thirdly, there are the large-scale community partnerships of up to half-a-million dollars. The National Community Crime Prevention Program is an important step forwards. It gives Australian communities the chance to work in cooperation with police and to work in cooperation with the broader community to have an impact on local security.

The third thing I wanted to do was to mention very briefly the essence of this bill. This bill contains amendments to the Australian Federal Police Act 1979 and the Crimes Act 1914. Essentially, it completes the integration of the Australian Protective Service into the Australian Federal Police. The men and women of the Australian Protective Service play an important role in ensuring that some of those who may be high-priority targets for criminals, terrorists or political activists are offered protection. Through my former life I have seen their work close up in action, and I know that the men and women of the Australian Protective Service put themselves at risk. They do so because of a set of beliefs about what we are as a country and beliefs about what is an ethical way to live. I commend them on their work and their efforts.

In that situation, the bill creates a new category of employee in the Australian Federal Police—that is, a protective services officer. It designates protective service functions as functions of the Australian Federal Police. It represents a part of the consolidation of the policing and security actions within the Australian federal system which is a corollary of the fact that policing and security are now inseparable and that some of the questions facing Australia in terms of its long-term security can only be dealt with by cooperative work between ASIO, ASIS and the AFP—the greater the consolidation and the greater the cooperation, the better. In those circumstances, bringing the protective service functions under the AFP is a very important step forward. All up, I thank the men and women of the Australian Federal Police for their work in Bali, for their work in the Solomons, for their work overseas, particularly for their work within Australia in relation to major crime, and also now for their work in relation to protective services. I commend the bill to the House, and I urge its speedy passage.

Mr McARTHUR (Corangamite) (11.51 a.m.)—I commend my colleague the member for Flinders and support his remarks about the Australian Federal Police. His knowledge of these matters is greater than mine. I do commend his remarks in terms of the activities of the Australian Federal Police in regard to the Bali bombings and their excellent cooperation with the Indonesians. As I understand it, that was a very successful cooperative venture between both those police forces. Likewise, I support his comments on the activities of the Australian Federal Police in the Solomon Islands and on the internal policing activities of the Australian Federal Police. Also, I commend the member for Dickson for his comments and obvious understanding of these matters, which is due to his professional background in this area. The

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Australian Federal Police and Other Legislation Amendment Bill 2004 will provide greater security for the personnel of the AFP and the Australian Protective Service in their activities with regard to counter-terrorism and drug trafficking. The member for Dickson has a background in this area. I think he provides probably the best knowledge in this parliament, and his contribution was very worthwhile.

My own interest in this bill is from my membership of the Parliamentary Joint Committee on ASIO, ASIS and DSD. I have had an ongoing interest in matters of national security. Obviously, this bill and its policy thrust provide an arm for the government of the day to provide security, particularly at airports—which most members of parliament fully understand—around this parliamentary precinct and in the electorate at large.

I have a particular interest in national firearms legislation and its possibilities. We should develop a national program that identifies firearms, their location and the owners of those particular firearms. Whilst that is a debate for another day, this legislation is a forerunner of the government’s general thrust—and, I think, of those members of the opposition—that the Commonwealth is now in a position to take the lead in this whole area of security and firearms legislation. The Howard government took the lead in the firearm buyback in 1996. In my judgment, further progress could be made to ensure that the legal owners of firearms are identified and that they fully understand the law. If we had national legislation, we would be in a better position to deal with those persons in the Australian community who have illegal firearms.

This legislation also brings to the fore the difficulty that the Australian Federal Police have in dealing with the state police and state jurisdictions. All of us in this parliament would be aware of the difficulty in the fact that state police forces are run and paid for by state governments and are under their control. In recent times we have seen, particularly in Victoria, some considerable debate about the effectiveness or otherwise of state police forces. That leads on to the difficulty that the Australian Federal Police have with cooperation in handling certain crime matters, and it leads to problems of national security.

We do have an interesting fundamental debate before us today. Although this legislation is of a somewhat technical nature, it does indicate that the government and the opposition, supporting this, are moving towards a situation where the Australian Federal Police become the key element in protecting national security—that they provide the wherewithal to investigate crimes including, as other speakers have talked about, drugs crimes which lead to the quite difficult issue of the development of organised crime; so that the Australian Federal Police have that role at the national level as they integrate with the state jurisdiction.

This bill, whilst it is of a technical nature, does incorporate the thrust that the Australian Federal Police have a role, the Australian Protective Service have a role and, if they could be combined as the bill is suggesting, the integration of these two services will strengthen the ability of both these groups to provide security in this new and modern age. This change in the security and counter-terrorism argument is now upon us. This parliament and the Australian people, although they are somewhat isolated from the rest of the world, are now in the 21st century of terrorism and counter-terrorism. The government needs to ensure that the Australian Federal Police and the Australian Protective Service are well equipped to provide a service activity that will protect Australians, buildings and airports.
In terms of the details of the bill, this is the final stage of integrating the Australian Protective Service with the Australian Federal Police. It unifies both organisations under the same employment framework, reduces doubling-up, streamlines both organisations for greater efficiency, forms an important part of the government’s coordinated approach to reducing red tape in the public sector and strengthens our approach to tackling terrorism. The other significant component of the bill will bring about an important resolution of the April 2002 Leaders Summit on Terrorism and Multijurisdictional Crime—those matters that I have been referring to. It will enable the Federal Police including the Protective Service to tackle crimes in the states that have a federal aspect. Again, I mentioned that in my earlier remarks. It enables the Federal Police, when investigating a Commonwealth crime, where it becomes apparent that state offences have also been committed, to investigate the crime in its entirety. Many of us in this parliament have come across the difficulty that, because of the jurisdictional problem, there have sometimes been jealousies between the Federal Police and state police forces.

The background to this is that the Australian Protective Service was established by the Australian Protective Service Act 1987 and is the Commonwealth’s most senior provider of protective security services. It covers security of persons and places where the Commonwealth has a security responsibility. The aviation industry is illustrative of an environment where we see the APS at work. As I mentioned, most members of the parliament see that activity at the airports around Australia. The Australian Protective Service provides first response security at airports, diplomatic and consular premises, Defence establishments and other Commonwealth buildings. While the Australian Protective Service has a primary responsibility for these activities, they also come within the jurisdiction of the Australian Federal Police. It is important to identify similarities between these two functions. The need to integrate the Australian Protective Service with the Australian Federal Police has come about in a government strategy to protect all Australians in light of the heightened terrorist activity in other parts of the world, such as the recent railway bomb blasts in Madrid and previous attacks on Australia’s allied nations. All of us are aware of that attack in Madrid. Whilst the intelligence was reasonable, that attack showed what horrendous possibilities there are to bring about major carnage and damage on civilian installations.

In response to heightened threats to Australia’s security, the bill completes the final stages of merging the Australian Protective Service and the Australian Federal Police. The bill will ultimately strengthen the Australian Federal Police and the Australian Protective Service as one unified outfit to deal with the war against terror. And I think we would all be very supportive of that. Following the Cornall review in 2001, the government determined that the Australian Protective Service should move from the Attorney-General’s Department to the Australian Federal Police. In turn, this has implications for the employment framework of the Australian Protective Service and its needs, which are addressed by this bill.

The Australian Protective Service employees are part of the Public Service. The final stage of the integration with the AFP involves the creation of a new category of employee, which will be known as protective service officer. This will be included in the Australian Federal Police Act. The protective service functions of a protective service officer will fold into the functions of the Australian Federal Police. I have no doubt that there will be some difficulty on the ground but, hopefully, there will be an air of cooperation between those two groups.
The benefits of one employment framework will include a streamlined employment function containing greater efficiency for employees and the unified approach to the functions of the Australian Federal Police and the Australian Protective Services. Given that the Australian Protective Service will integrate into the Australian Federal Police and the powers under the Australian Federal Police Act, the Australian Protective Service Act will be repealed. The current remuneration and other employment conditions before transfer will continue to stand as they were under the previous legislation.

The bill also implements a resolution of the April 2002 leaders summit. The leaders agreed to develop key legislative steps towards administrative arrangements that would enable the Australian Federal Police to investigate state offences that contain a federal aspect. Again, I mentioned that in my earlier remarks and I think that is a very good step in the right direction. These matters would include a matter that is incidental to the investigation of a federal or territory offence, such as espionage, sabotage or threats to national security. Relevant in light of the heightened security to Australia is the fact that the important change and ongoing policing activity by this new group allows the Federal Police to investigate crimes in the states that have a federal aspect so that they may be investigated in their totality without having to brief or hand over to other authorities midway through a serious investigation.

Again, I think all members would be aware of the difficulties that have been faced by state and federal jurisdictions when the investigation of serious crimes has been held up because of this jurisdictional difficulty and because of the jealousies of certain police forces. Hopefully, there is a movement to greater philosophic understanding that we need to handle terrorism on a national level and that the parochialism of state police forces needs to be channelled into a national asset.

The amendments in the bill are replications of the provisions that stand in the Australian Protective Service Act and relate to the functions and powers of the APS and its officers. The thrust of these provisions remains as it was in the APS Act. Most of the other provisions in schedule 1amend the Australian Federal Police Act to further detail the definition and give practical effect to the merger of the APS and the AFP. I leave it at that and say that I think all speakers have agreed that the bill is not overly contentious. It brings into effect the government’s initiative to respond to the heightened terrorist and sophisticated criminal activity in Australia by merging and consolidating the Australian Protective Service and the Australian Federal Police so that both groups will have the same conditions and so ensure that there is now a robust and more efficient outfit to handle the extent of this.

At the philosophic level, hopefully this merger will provide a national thrust and ensure that, when we come to handle terrorism and some of the newer threats that police forces and protective services have not encountered before, there will be a new approach—a newer philosophic view—and, generally, a cooperative approach by both sides of this parliament, by the state and federal authorities and by those hard-working protective officers who have to do the hard work in maintaining surveillance of these installations hour by hour, day by day, month by month. I think this bill can be a reflection of this parliament that we support them, we understand the good work they do and we hope that they do not have to run into any major difficulty. But, given the evidence, it would be anticipated that some incident would happen—either great or small. Of course, it would be our hope that no great incident would happen here in Australia, but this is a step in the right direction to minimise the damage and ensure
that those persons who wish to indulge in terrorism will be brought to account by this new organisation. I commend the bill.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.05 p.m.)—I would initially like to thank the Minister for Trade, who introduced the Australian Federal Police and Other Legislation Amendment Bill 2004 on my behalf, given the fact that I had legislative commitments in the main chamber a little earlier this morning. I would also like to thank all honourable members who have spoken in this debate for their support in principle of this legislation, which is very important legislation with respect to the Australian Federal Police and the Australian Protective Service. I commend the member for Corangamite, who, as always, delivered a very thought-provoking and erudite speech.

Mr Gibbons—Always!

Mr SLIPPER—He always delivers a thought-provoking and erudite speech. I do not think anyone could ever accuse the member for Corangamite of being other than someone who researches very carefully every bill on which he speaks. I have to say that in the time he has been in the chamber, since about 1983—over 20 years—he has performed outstanding service for the constituents of the electorate of Corangamite. Corangamite is situated in the Geelong area. The people residing in Corangamite have been singularly fortunate that over so many years they have had the opportunity of choosing the member for Corangamite to be their representative in this place. His speech on the Australian Federal Police and Other Legislation Amendment Bill 2004 verifies the great wisdom of the constituents of Corangamite since 1983 in returning the member for Corangamite as their elected member in the House of Representatives. I would also like to commend the member for Barton, the member for Newcastle, the member for Fairfax, the member for Dickson and the member for Flinders on their contributions to this bill.

The amendments in the Australian Federal Police and Other Legislation Amendment Bill 2004 represent the final step in a process that began after the terrorist attacks in 2001 when the whole world changed—nothing will ever be the same again—that is, the integration of the Australian Protective Service with the Australian Federal Police. As the member for Corangamite indicated in his speech, they also implement an important resolution of the April 2002 leaders summit to allow the Australian Federal Police to investigate state offences incidental to multijurisdictional crime. While many people believe that the federal system of government is the very best system we could have in Australia, I often think that there are incredible levels of duplication and overlapping. When the leaders summit is prepared to come to such a sensible proposal as is included in this bill, I think that tends to reaffirm one’s belief in the way that our federation continues to work.

The integration of the Australian Federal Police and the Australian Protective Service is one part of a much broader government approach to maximising the effectiveness of Commonwealth counter-terrorism and transnational crime resources. The two-stage approach used to complete the integration of these very important organisations has allowed the Australian Protective Service to continue to deliver without disruption the range of services for which it is funded and contracted. It has also allowed for detailed consideration of relevant workplace relations, commercial, financial and organisational issues. Honourable members will be
pleased to know that there has been full consultation and negotiation with the employees of both organisations about the integration.

The integration is a win-win for both organisations and the Australian public generally. It will allow the Australian Federal Police Commissioner to ensure the closest possible cooperation between Protective Service officers and police officers when conducting joint operations and providing protective security services. The amendments in the bill that implement the resolution of the April 2002 Leaders Summit on Terrorism and Multijurisdictional Crime will allow the Australian Federal Police to investigate state offences with a federal aspect, using the full range of powers in the Crimes Act.

Honourable members will be pleased to know that the government has moved swiftly to include these amendments in this bill. We will have a consideration in detail stage with respect to a government amendment, and I will speak on that amendment later. The non-government parties made one amendment to the bill in the Senate, and that amendment would permit the commissioner or a deputy commissioner to express an opinion, including a racist or prejudicial opinion, that they honestly held and believed was in the public interest but that was totally inappropriate. The government opposed that particular amendment, which of course will be of no real surprise to anyone.

In his speech the member for Barton expressed a concern about APS transferees’ conditions of service and access to the board of reference in the transitional period. He also queried whether the APS officers will have access to the Industrial Relations Commission. I am very pleased to reassure the honourable member for Barton that the APS officers transferred to the AFP will have access to the dispute resolution provisions of the Workplace Relations Act and to the Australian Industrial Relations Commission where there are any concerns about their remuneration and conditions of service.

Members of parliament in this place often talk about issues relating to their own electorates. The member for Newcastle expressed her concern about the Australian Federal Police presence in Newcastle. She mentioned that there was only one officer, located in Centrelink. She also expressed some concerns in relation to the port. I am pleased to advise the member for Newcastle, who is no longer in the chamber, that the government has introduced new maritime security legislation which provides additional powers to a variety of agencies to secure Australian ports. Important work has been done to use these powers to improve security. The AFP, including Protective Service officers, will play an important role. The Australian Federal Police resources in Newcastle, as in other centres, are kept under constant review to ensure that threats and criminal activity are addressed. I am very pleased that the member for Newcastle will no doubt be greatly reassured by the remarks I have made in response to her contribution to this debate.

In summary, the Australian Federal Police and Other Legislation Amendment Bill 2004 consolidates and enhances Australia’s national security framework. It represents a milestone in the efforts of the government towards protecting all Australians from terrorist attacks and honouring our obligation under international law to protect foreign diplomatic and consular officials and their premises. On that basis, I commend the bill to the chamber.

Question agreed to.

Bill read a second time.
Consideration in Detail

Bill—by leave—taken as a whole.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.13 p.m.)—I present a supplementary explanatory memorandum to the Australian Federal Police and Other Legislation Amendment Bill 2004 and move government amendment (1) as circulated:

(1) Schedule 1, item 27A, page 24 (lines 12 to 19), omit the item.

As I indicated in my summing up speech, the non-government parties made one amendment to the bill in the Senate. This amendment would insert a new subsection 22(1)(a) into the Australian Federal Police Act 1979. Section 22(1) of the AFP Act provides for the termination of appointment of the commissioner or a deputy commissioner for misbehaviour or physical or mental incapacity.

The amendment was inserted to clarify that an expression of an honestly held opinion by the commissioner or a deputy commissioner does not constitute misbehaviour for the purposes of section 22(1) if the commissioner or deputy commissioner believes that it is in the public interest to communicate that opinion, whether publicly or privately. However, the government does not support this amendment, because it would create a statutory exemption to the grounds for termination for misbehaviour based on the purely subjective belief of the person expressing the opinion. The government amendment will omit this item from the bill.

High standards are expected of people who hold public office. An exemption such as this could create potentially serious problems if the commissioner or a deputy commissioner expressed an opinion which he or she honestly held and believed was in the public interest but which was totally inappropriate. This could include, for example, expressing an honestly held belief that was racist or showed prejudice. The meaning of ‘misbehaviour’ in provisions dealing with the termination of public officials should not be limited in this way. Indeed, other Commonwealth termination-of-appointment provisions do not define or qualify misbehaviour. Mere expression of an opinion would not amount to misbehaviour; it would require more—for example, the commission of an offence by making disclosures that are prohibited by law or the breach of binding standards of conduct. There is no point in permitting something that is not prohibited in the first place. On that basis, I commend the government amendment to the chamber.

Question agreed to.

Bill, as amended, agreed to.

Ordered that this bill be reported to the House with an amendment.

ADJOURNMENT

Ms GAMBARO (Petrie) (12.16 p.m.)—I move:

That the Main Committee do now adjourn.

Roads: Calder Highway

Mr GIBBONS (Bendigo) (12.16 p.m.)—I rise to demand that the Howard government, in its forthcoming AusLink statement, commit the full $193 million that it owes to pay its 50 per cent share to fully complete the upgrade of the Calder Highway. I demand also a definite completion date for the upgrade. Rapidly rising fuel prices and taxes are making central Vic—
torian motorists even angrier with the federal government’s stalling over funding the Calder Highway.

In November 2001, when Treasurer Costello falsely promised Bendigo that it would match state funding for the Calder, Bendigo district motorists paid 84.9c a litre for petrol. They paid 45.82c of this in excise and GST. It cost them around $50.94 to fill a 60-litre tank. They paid $27.49 of this to the Commonwealth in taxes. At that time, they paid around $16.15 in taxes and CityLink tolls for a return trip to Melbourne.

In May 2004, central Victorian motorists are paying 105.9c a litre at many district outlets. Of this, they pay 47.64c to the federal government in taxes. Today they are paying $63.54 to fill up their tanks—$12.60 more than when Treasurer Costello made his phoney promise. Of this they are paying $28.58 in taxes—$1.09 more than in November 2001. They are now paying around $16.98 in taxes and tolls for a return trip on the same treacherously unfinished road to Melbourne. They have got nothing new on the Calder for their taxes since Mr Costello’s pre-election con job of November 2001. The Bendigo electorate pays around $90 million a year in fuel taxes plus GST and, since the November 2001 election, has paid over $200 million in such taxes. This is more than the amount needed to finish the Calder. Where has it gone? The Howard government has stopped all new funding for the Calder, sabotaged the 2006 completion date promised by the Liberals in that election, and has added millions to the cost of the remaining work. The only work now being done on the Calder is by the Bracks government.

Bendigo remains the only major regional centre in Victoria where motorists are taxed on an unfinished road and pay a CityLink entry tax plus GST to get into Melbourne. The Calder is a road potholed with Liberal lies and coalition cop-outs. The Liberal Party promised in 1996 to duplicate the highway. Instead it has duplicated the taxes on the Calder. Treasurer Costello assured Bendigo in November 2001 that the Calder had a ‘much higher priority’ with the government than the Scoresby Freeway, but a fortnight ago he openly listed Scoresby as their top priority. This is the forked tongue of Mr Costello that really infuriates Calder motorists. He said on 12 May:

What the Commonwealth does is that it enters into agreements with State Governments for the most important roads in order of priority and … the order of priority is the Scoresby Freeway and then after we do the Scoresby Freeway we move on to the next one.

In reality, it had an agreement with the state from 1997—four years before it signed up Scoresby in 2001 as a RONI—to fund the Calder. Since then Mr Costello has ratted on the Calder. The Scoresby is a ‘RONI-come-lately’ compared to the Calder. There is every chance he will dud the Calder yet again in the 7 June AusLink statement by withholding the $193 million he owes us to finish it. He will leave it as a goat track from Bendigo to Kyneton.

The Treasurer is a master at pork-barrelling on the Scoresby and a master of pork pies on the Calder. The Treasurer took over six years to deliver his 1996 election promise to provide $2 million for the Bendigo arts facilities, and it is almost three years since he promised to match the state funding for the Calder. Is it any wonder that opinion polls are showing that the Treasurer is extremely unpopular with Australian voters?

I refer to yet another Calder pork pie—namely, a recent claim in Bendigo by Senator Ian Campbell that Treasurer Costello had commissioned him as the new roads minister to get ‘that bloody Calder’ fixed. Senator Campbell was Mr Costello’s parliamentary secretary for four
years. He was the minute taker to the coalition ministers who deserted the Calder at Kyneton. On the day Senator Campbell was appointed Minister for Local Government, Territories and Roads—7 October last year—Minister Anderson, the Minister for Transport and Regional Services, openly admitted Calder funding was completed. Then, just before Senator Campbell visited Bendigo, Mr Anderson mangled the coalition’s Calder RONI pledge to duplicate all the road from Melbourne to Bendigo so that it only covered fixing up the worst sections. Why then won’t he fix the Kyneton to Ravenswood section? Senator Campbell has not fixed Mr Costello’s ‘bloody Calder’. The main problem with the ‘bloody Calder’ is Mr Costello himself. He is only interested in stalling the Calder and playing smart alec games with the Scoresby.

**Kokoda Track**

*Mrs GASH (Gilmore) (12.20 p.m.)—*Once again, Anzac Day has come and gone. To me, each Anzac Day has its own differing memories and brings many friendships and stories. It is a day that forms most of my focus as chair of the government defence and veterans affairs committee. The services held throughout Gilmore—always too numerous for me to attend them all—help to make clear the sacrifices and the debt we owe to those who preceded us. Such thoughts evoke memories of tales that inspire and motivate many, so much so that the experience undergoes an almost spiritual transformation and many are compelled to make the journey of the pilgrim. For Australians, it is either Gallipoli or the Kokoda Track. When they have made that journey, the pilgrim gains a greater sense of understanding of the legend of Anzac and a personal enlightenment.

Recently I was privileged to share one such experience. Kevin Camm is a Vietnam veteran. He is also head of the Scout movement in the Shoalhaven. Kevin could be described as a patriot, and this is reflected in a diary on his Kokoda trek, which he left with me recently. Reading it, you can feel the spirit of Kokoda coursing through his veins. The diary was complemented by photographs, so I managed to get a bit of a feel of what it must have been like. I could not feel the intense humidity, the flies or the strain on the chest walking up those terrible slopes, but I could begin to understand what he was feeling. There was one photo with a caption that reads, ‘Absolutely exhausted near the top of Maguli Range’, and the expression on his face told the story—there was no need for a caption, except to say where it was.

The photo of the camp site showed tents pitched on a slope in a cleared area surrounded by the gloom of the dark jungle. Later on, there is a photograph of three very old men—natives—sitting on the ground with their walking sticks, their hair grey, their faces wizened and their appearance frail. They were three of the original fuzzy wuzzy angels. Kevin wrote in his diary:

Reg was talking to an elderly native resident. He turned out to be an original fuzzy wuzzy angel, Faure Bokoi by name. He took us back to the back of the village where he introduced two more fuzzy wuzzy angels, Guia Karea and Sori Io. Guia was crippled in his left leg and could not walk. Mind you, they had to be in their 90’s. He only had a bush crutch to support him.

A fellow native came out of a nearby house and started sounding off in Pidgin and then in perfect English. He was not happy about trekkers taking photo’s of the “Angels” and asking them about their war experiences. I took him aside, informed him that we were Australian and that we did not have to ask them about their war experiences—we knew! All we wanted to do was shake their hands and thank them for looking after our diggers during the War.
He did not realise this and then apologised. We talked on how we could help the angels. We paid 5 Kina (about $2.50 Australian) each to photograph them. At least that gave them some money. I promised that when I got back to Port Moresby or home I would do everything I could to get crutches and a wheelchair for Guia.

That is what the spirit of Anzac is all about. It is about obligation and duty; it is about gratitude and paying our dues. Kevin Camm felt that and he is going to do something about it, and he would like us to do something about paying our dues as well. Over time, I know much has been written and said about these native bearers who helped so many of our diggers, and I am adding my name to the already long list. Although I have not personally trekked Kokoda, I do have a sense of what it must be like for those who do and what they feel. Kevin, in his covering letter said to me:

Jo, what is Australia’s position with these “fuzzy wuzzies”? Do we know how many are left? Is anything being done to help these guys? Is there any program to support them? Wouldn’t it be great if we could make their final years comfortable and afford them the recognition that they richly deserve?

I know that there has been some recognition of these people and I know how difficult it must be to identify precisely who they are so they can get some of the dues owing to them. Sapper H ‘Bert’ Beros NX 6925, 7th Division, Royal Australian Engineers, AIF, wrote a poem celebrating the contribution of these native people. I would like to quote a single stanza:

Slow and careful in bad places
And the look upon their faces
makes us think that Christ was black.
Not a move to hurt the carried
as they treat him like a saint
It’s a picture worth recording
that an artist’s yet to paint.
Many a lad will see his mother
and the husbands, weans and wives
Just because the Fuzzy Wuzzy
carried them to save their lives.

I would very much like to support Kevin Camm’s wish, and it is the wish of numerous Australians whose lives have been touched by these kindly, simple peoples. For this is not just about them but also about us and how we see ourselves, both morally and spiritually, as a nation.

Dickson Electorate: Red Shield Appeal

Mr DUTTON (Dickson) (12.25 p.m.)—I rise to speak in the House today about the Red Shield appeal which was conducted on 22 and 23 May—only last weekend. I want to say to the House that, over the last three years, I have worked hard with many of the 750 community groups in Pine Rivers and it has been a great pleasure to again work this year with Captain Andrew McKeown, who is the Pine Rivers area director. My role as the area chairman for Pine Rivers was made all the easier because of Andrew’s involvement. Andrew McKeown, in the work that he does with his army of officers and supporters at the Lawnton Salvation Army,
really is a credit to them. The services that the Salvation Army and people like Andrew McKeown provide in our local community of Pine Rivers should never, ever be underestimated.

I am very pleased to acknowledge that in Pine Rivers area this year we had a 25 per cent increase on last year’s result. In total, we raised $24,173, with still some moneys to come in. Albany Creek raised $5,889.20, which was an increase of 68 per cent from 2003. In the Arana Hills district, we raised $4,050.05, which was an increase from 2003. There was also an increase at Kallangur, which raised $7,001. At Strathpine, we raised $7,232.75, which is an incredible increase of 47 per cent from 2003. In the local shopping centres, we collected $6,408. I want to thank the managements of those local shopping centres, including at areas like Strathpine and Kallangur, who did a tremendous amount to support the local army officers who went there to collect money for such a great cause.

The local schoolchildren at Ferny Grove State School held a free-dress day for the first time this year, and they raised $600. I want to make special mention of the involvement in and commitment to the Red Shield appeal of those schoolchildren and their parents, teachers and principal, because their assistance was invaluable. One of the aims for next year for the Pine Rivers area will be to have many more schools involved. It is the first year that we have had primary school involvement and a free-dress day, and the results are obviously incredible.

I want to give particular thanks to the 76 teams, which included over 267 collectors, made up of local people who wanted to support a good cause, local community groups like Apex, Lions, Rotary, Rotaract and other local community groups, as well as students from secondary schools, including a considerable number of students from Northside Christian College and Genesis Christian College who provided great support.

I also want to make mention in the parliament today of the zone chairmen. I acknowledge Councillor Mike Charlton from Albany Creek, who again provided tremendous support this year. I also want to acknowledge Andrew Patterson, who was very involved in the local community in Arana Hills. He is a person who puts a countless number of hours into community projects, and his involvement again this year is greatly appreciated in the Arana Hills zone. I also want to make mention of Councillor David Dwyer, who was responsible for the Kallangur area, and Councillor Brian Gelvin, who was responsible for Strathpine. I also acknowledge his wife, Lynne, who provides a great deal of support to Brian in so many areas of his life. Finally, I acknowledge Councillor Graeme Ashworth for his support and, in particular, for his coordination of maps and whatnot on the day. It provided a very professional touch again this year to the Red Shield appeal in Pine Rivers, and the support that he provided by putting together and collating those maps was of great assistance to all of the collectors and to the committee overall.

I also wish to make particular mention today in the parliament of the directors: Barry and Pam Nancarrow from Albany Creek, Envoy Lindley Fabre from Arana Hills, Major Ken and Mrs Ella Beer from Kallangur, Major Terry Smith and Major Alan Peterson from Strathpine who did an incredible amount of work again this year. People like Ken Beer, Andrew McKeown and all of those that assisted in this year’s Red Shield appeal need to be thanked 1,000 times over. I look forward to working with them and having their support next year, and I congratulate everybody involved in this year’s process. (Time expired)
Lyons Electorate: Transit of Venus

Mr ADAMS (Lyons) (12.30 p.m.)—On Tuesday, 8 June, the eyes of the world will be on a small town in the middle of Tasmania, in my electorate of Lyons, that is commemorating a special event. Campbell Town, Tasmania, was the host, more than 100 years ago, of an interesting historical astronomical event, when Venus crossed the face of the sun on 9 December 1874. It will doing it again on 8 June this year, and again in eight years time, and then not again for another 100 years.

The story becomes interesting when one considers that it was a period of intense exploration and, at that time, the timing and position of Venus as it moved across the sun was linked to one of the great unsolved problems in the history of astronomy—the accurate determination of the distance of the sun from the earth, and thus the scale of the solar system. Accurate time and position were well-known specialties of the American Naval Observatory, and, when in 1874 and 1882 many nations of the world dispatched expeditions to observe the transits of Venus, the Naval Observatory naturally became deeply involved in leading the observations in the name of American science.

Hobart was one of the suggested sites, along with eight or nine others in the southern oceans. Because there was extreme difficulty in landing a party at the Crozet Islands, which had originally been chosen, two teams from the United States arrived in Tasmania. The rest of the story is a typically Tasmanian one. One of the eminent doctors of the time—who happened to have a home and practice in Campbell Town—was an amateur astronomer. Dr William Valentine happened to be in Hobart when the US teams arrived on their ship, and he convinced them to take the equipment from the aborted attempt on the Crozets and set it up in his backyard in Campbell Town, 100 miles further north.

According to the Australian today, for the next two months an early form of space station was built on the land next to Dr Valentine’s property, the Grange, at Campbell Town. In fact, two of the observation site pillars are still being used as gateposts. Dr Valentine’s house is still very much in existence and is being used as very upmarket tourist accommodation. What the Australian did not say is that the Americans had a great time for two months because the local people were thrilled to have such important visitors. I understand they went hunting, were fed banquets and were thoroughly entertained with all the resources that could be mustered in the town.

Now Campbell Town is going to do it again. The local people, led by a number of local historians including Geoff Duncombe, assisted by the Northern Midlands Council under the guidance of Mayor Kim Polley, have gone out hunting for relics from that sighting and have been setting up the site for the 8 June 2004 sighting. The last sighting commenced with a huge storm and there were many funny dialogues between some of the scientists trying to get a good look while others, such as Dr Valentine, were getting underfoot. However, the skies cleared and 125 images were captured for research. This time, it being almost midwinter, there may be similar problems, but Tasmania does have some amazingly clear winter days and nights, so we may be lucky in achieving the re-enactment.

This is the centrepiece, but there are lots of activities planned around the day, including historical walks—and we have just opened a ‘convict walk’ there, which I did recently—talks and viewing stations for the public to watch the transit of the planet from 3 p.m. to dusk. So, if you are planning a trip to Tasmania, you could be part of making history again. We are hop-
ing many Americans will want to join us, as well as the many other nationals that are compet-
ing for sightings around the world. William Harkness said, in 1882:

We are now on the eve of the second transit of a pair, after which there will be no other till the twenty-
first century of our era has dawned upon the earth, and the June flowers are blooming in 2004. When
the last transit season occurred the intellectual world was awakening from the slumber of ages, and that
wondrous scientific activity which has led to our present advanced knowledge was just beginning. What
will be the state of science when the next transit season arrives God only knows. Not even our
children’s children will live to take part in the astronomy of that day. As for ourselves, we have to do
with the present ...

(Time expired)

**Australian Labor Party: Taxation Policies**

*Mr JOHN COBB (Parkes) (12.35 p.m.)*—It is more than a coincidence that within the
federal electorate of Parkes, which also encompasses the state seat of Murray-Darling, the
Labor Party seems to be finding it hard to relate events and figures as they occur rather than
as Labor in the region wants to portray them. It is no coincidence that we have a federal elec-
tion due and that, certainly in my region, Labor is back to its old tricks of misinformation and
scaremongering. I do not know what the Labor Party is providing to its candidates or even its
members by way of information, but it is not the facts if the antics of the Labor Party in my
electorate are any guide. On ABC Far West radio on 17 May 2004 the Labor candidate for the
seat of Parkes, when talking about a federal payroll tax, said:

... this is the first that I’ve heard of it—first that anybody down at our national secretariat’s heard of it
and it’s not in our policy anywhere.

We all know from Labor’s own publicly released policy, A Better Way of Life for Working
Families, that that statement is false. In Labor’s policy it states that under Labor’s approach
there would be a national insurance system for employee entitlements. All employers would
be expected to contribute 0.1 per cent of payroll. That is a payroll tax announced in Labor’s
own policy. Perhaps the Labor candidate in Parkes simply does not know his own party’s plat-
form, or perhaps he just does not care. Whatever the case, there again is a total misrepresenta-
tion of the facts—saying one thing in private and another in public.

But it gets worse when we have a Labor member of state parliament doing the same within
his own branch in Broken Hill. Peter Black, the well-known—I might say infamous—member
for Murray-Darling, gave to his local branch in Broken Hill what was reported in the *Barrier
Daily Truth* of 20 May 2004 as probably one of the most disgraceful performances of his che-
quered career. According to a report by the Labor Party printed in the local paper, Mr Black
motivated his party for action by blaming all of New South Wales’s problems—certainly
those of the New South Wales government—on our federal government. He is entitled to his
opinion, but as an elected member of parliament I would have thought he was also obliged to
relate facts as they are and tell the truth.

The federal government have not cut $278 million a year from public hospitals, as Peter
Black claims. We fund the state public hospitals through the health agreement—an agreement
that is negotiated for five years. It is quite clearly impossible for us to cut funding under that
sort of scheme. If there is a cut to hospital funding, perhaps he should question the New South
Wales Premier, Bob Carr, and look at his state budget for answers.
A claim by the same Peter Black that the Australian government have cut $220 million each year from public schools, which he also distributed to his party members, I find disturbing. It is actually outrageous that Peter Black would make such a false claim, because—as you would know, Mr Deputy Speaker Causley—for the record, on education the federal government have increased funding to New South Wales for state government schools by a further six per cent in this year’s budget to a total of $873.1 million on top of the 5.7 per cent increase made last year. Interestingly, the New South Wales government only increased their allocation to schools last year by 0.8 per cent. Overall, we have increased funding to New South Wales schools by 62½ per cent since we were elected to government in 1996.

It is little wonder that we see Labor candidates speaking the sort of rubbish that they do when it appears to be quite an acceptable practice for their elected members to behave in that way. This government has learnt from past experience not to accept one word from the Labor Party without checking the facts and demanding proof. It now appears that the media and Labor’s own branch members will have to do the same. It proves that we cannot trust their word.

Cunningham Electorate: Community Services

Mr ORGAN (Cunningham) (12.40 p.m.)—I take this opportunity to raise a number of issues concerning my electorate of Cunningham, for amidst talk of budgets and elections life goes on back home in Wollongong much as it always has. I took the opportunity during the April parliamentary break to visit a number of organisations and individuals in my electorate, all dealing on a daily basis with the community and looking to the federal government for assistance. I visited, for example, community child-care facilities run by Illawarra child-care services, and came away from those visits with a feeling of great appreciation for their work and of the significant role played by women. I also came away somewhat appalled by the low wages paid—around $12.50 an hour—especially in light of the difficult work conditions and the huge responsibilities of caring for young children and babies. I am also concerned about the future of such facilities as a result of the failure by governments to fund the upgrade of basic infrastructure. In my opinion, increasing privatisation of the sector will put under threat the quality services currently being delivered by community child care, where profits go back into the centres to provide additional staff and to trim the huge waiting lists. I visited child-care facilities at Bulli, Bellambi, Figtree and Wollongong, and I would like to thank the staff for their hospitality and openness and congratulate them on the work done.

I also took the opportunity to visit a number of public schools in my electorate, in order to experience first hand some of the issues facing the sector. My impression was one of teachers working extremely hard, providing a high quality, values based educational experience with diminishing resources and decaying infrastructure. Indeed, a door collapsed at one primary school during my visit—luckily, no-one was injured. More financial support from the state and federal governments is urgently needed, with a priority on the public education sector.

I was shocked to find out that headmasters are given a budget each year out of which they are meant to account for unforeseen costs such as sick pay and long service leave for teaching staff. This can result in budget shortfalls, teaching resources being withdrawn or diverted and pressure being placed on teachers to limit their use of such entitlements. I was also rather concerned by the lack of site planning evident within many of the schools. School grounds looked like construction sites, with demountables located haphazardly around the place taking up precious space which is needed for things such as playgrounds for the children. Often de-
mountables are in place for decades and little consideration is given by government to the
construction of much-needed buildings. More money is needed for staff, for teaching re-
sources, for buildings and for associated infrastructure. Schools should not have to rely on the
hard work, goodwill and limited resources of parents to pay for these necessities. But that is
the way things seem to be going. My visits to the schools, preschools and child-care centres
reinforced my long-held view that government must put more money into education, for edu-
cation is an investment in the future and a quality education is a right, not a privilege.

On another subject, I recently visited the Illawarra Retirement Trust aged care facility at
Towradgi. Once again, the staff and management there are doing a wonderful job. However,
they are faced with increasing costs associated with managing our ageing population, with
increasing amounts of paperwork and with the failure of government to provide assistance
with building and infrastructure maintenance and development.

I have covered preschools, primary schools and aged care, and I now turn to health care
and our local crisis, which I alluded to in the House on Monday. Issues include concerns
about the downgrading of the emergency department at Bulli Hospital and the uncertain future
of that facility; concerns about the Illawarra rescue helicopter service; concerns about the im-
minent installation of an MRI machine at Wollongong Hospital but no Medicare licence or
funding for its operation; concerns about a lack of beds at Wollongong Hospital, which re-
cently saw eight ambulances queued up outside the emergency department unable to off-load
patients because there was simply nowhere to put them, a situation exacerbated by the fact
that ambulances have been directed not to take patients to Bulli Hospital; and concerns about
staff morale in the Illawarra Area Health Service, budget blow-outs and problems with man-
agement. Amidst all this, staff continue to do a wonderful job on a daily basis under difficult
circumstances.

Other local issues continue to be of concern. Like most members of this place, the divide
between my parliamentary work here in Canberra and local issues and commitments can often
grow large. In closing, I would like to make mention of the wonderful work done by Robyn
Alderton and her team at the Bellambi community centre. Their preschool breakfast program,
for example, serves some 30 to 50 local children every day and is funded by the local com-

Main Committee adjourned at 12.46 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Social Welfare: Health Care Card
(Question No. 2676)

Mr Jenkins asked the Minister representing the Minister for Family and Community Services, upon notice, on 3 November 2003:

1. How many Health Care Card recipients reside in (a) Victoria, and (b) the postcode areas (i) 3074, (ii) 3075, (iii) 3076, (iv) 3082, (v) 3083, (vi) 3087, (vii) 3088, (viii) 3089, (ix) 3090, (x) 3091, and (xi) 3752.

2. How many Health Care Card holders not receiving a Centrelink payment, pension, benefit or equivalent payment, reside in (a) Victoria, and (b) the postcode areas (i) 3074, (ii) 3075, (iii) 3076, (iv) 3082, (v) 3083, (vi) 3087, (vii) 3088, (viii) 3089, (ix) 3090, (x) 3091, and (xi) 3752.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

Data provided is current as at October 2003.

1. (a) 404 364 Health Care Card holders reside in Victoria.

(b) The number of Health Care Card holders in each specified postcode area is as follows:

<table>
<thead>
<tr>
<th>Postcode</th>
<th>Number of Health Care Card holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>3074</td>
<td>2914</td>
</tr>
<tr>
<td>3075</td>
<td>2524</td>
</tr>
<tr>
<td>3076</td>
<td>1789</td>
</tr>
<tr>
<td>3082</td>
<td>2740</td>
</tr>
<tr>
<td>3083</td>
<td>2090</td>
</tr>
<tr>
<td>3087</td>
<td>616</td>
</tr>
<tr>
<td>3088</td>
<td>1602</td>
</tr>
<tr>
<td>3089</td>
<td>554</td>
</tr>
<tr>
<td>3090</td>
<td>74</td>
</tr>
<tr>
<td>3091</td>
<td>66</td>
</tr>
<tr>
<td>3752</td>
<td>488</td>
</tr>
</tbody>
</table>

2. (a) There are approximately 64 415 Health Care Card holders in Victoria who do not receive a Centrelink payment, pension, benefit or equivalent payment. The categories of people who receive these Health Care Cards are people on low incomes, foster children, certain disabled children, and former long-term unemployed income support recipients who have obtained employment (such customers can retain their card for 6 months after entering employment, to ease the transition from welfare to work).

(b) The number of Health Care Card holders who are not receiving a Centrelink payment, pension, benefit or equivalent payment, and reside in the specified postcode areas, is as follows:

<table>
<thead>
<tr>
<th>Postcode</th>
<th>Number of Health Care Card holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>3074</td>
<td>337</td>
</tr>
<tr>
<td>3075</td>
<td>310</td>
</tr>
<tr>
<td>3076</td>
<td>284</td>
</tr>
<tr>
<td>3082</td>
<td>463</td>
</tr>
<tr>
<td>3083</td>
<td>381</td>
</tr>
<tr>
<td>Postcode</td>
<td>Number of Health Care Card holders</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>3087</td>
<td>154</td>
</tr>
<tr>
<td>3088</td>
<td>408</td>
</tr>
<tr>
<td>3089</td>
<td>147</td>
</tr>
<tr>
<td>3090</td>
<td>&lt;20</td>
</tr>
<tr>
<td>3091</td>
<td>&lt;20</td>
</tr>
<tr>
<td>3752</td>
<td>80</td>
</tr>
</tbody>
</table>

**Employment Services: Programs and Initiatives**

*(Question No. 3018)*

Mr Albanese asked the Minister for Employment Services, upon notice, on 17 February 2004:

1. Would he list and provide details of the programs and initiatives within his portfolio responsibility.
2. What are the (a) current funding, and (b) forward estimates for each program.

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

1. Job Network (including Job Search Support, Intensive Support, Job Placement, the New Enterprise Incentive Scheme; Harvest Labour Services; and the National Harvest Labour Information Service).
   Work for the Dole which is a Mutual Obligation initiative that provides work experience and opportunity to gain skills such as: teamwork; problem solving; leadership; and work processes etc.
   Transition to Work which assists people by updating their skills and addressing issues such as lack of confidence. It is targeted at clients who have been out of the workforce for more than two years or who are starting work for the first time.

2. The current funding, and forward estimates for each program are available in the Portfolio Budget Statements and Portfolio Additional Estimates Statements.

**Brand Electorate: Family Tax Benefit**

*(Question No. 3053)*

Mr Beazley asked the Minister representing the Minister for Family and Community Services, upon notice, on 18 February 2004:

1. For each year of the Family Tax Benefit system’s operation, how many families and individuals in the electoral division of Brand (a) in total, and (b) as a proportion of all Family Tax Benefit recipients in the electoral division of Brand, have an outstanding debt to the Commonwealth due to the overpayment of the Family Tax Benefit.
2. For the electoral division of Brand, what is the (a) total amount of Family Tax Benefit debt, (b) average amount of debt per family, and (c) average income of the families and individuals that have incurred a debt.
3. For each year of the Family Tax Benefit system’s operation, how many Family Tax Benefit debts in the electoral division of Brand (a) have been referred to debt collectors, and (b) are currently with debt collectors.
4. For each year of the Family Tax Benefit system’s operation, how many families and individuals in the electoral division of Brand who have incurred a Family Tax Benefit debt chose to repay their debt with a credit card.


Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) (a) For each year of the Family Tax Benefit system’s operation, the number of families and individuals in the electoral division of Brand with outstanding Family Tax Benefit overpayments arising from end of year reconciliation as at 27 January 2004 is as follows:

(i) 2000-01: 124
(ii) 2001-02: 554
(iii) 2002-03: 783

(b) The information is not readily available at this time and to provide such information would require the expenditure of significant resources.

(2) For the electoral division of Brand, the (a) total amount of Family Tax Benefit overpayment, (b) average amount of overpayment per family, and (c) average income of families and individuals that have incurred an overpayment as at 26 December 2003 is as follows:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Total amount of FTB overpayment</th>
<th>Average amount of overpayment per family</th>
<th>Average actual family income per customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>$3.4m.</td>
<td>Average: $726.86</td>
<td>Average: $48 429</td>
</tr>
<tr>
<td></td>
<td>Recovery of $2.3m was waived under transitional waiver provisions.</td>
<td>Waived: $480.88</td>
<td></td>
</tr>
<tr>
<td>2001-02</td>
<td>$3.5m</td>
<td>Average: $777.58</td>
<td>Average: $50 332</td>
</tr>
<tr>
<td>2002-03</td>
<td>$2.5m</td>
<td>Average: $747.73</td>
<td>Average: $48 688</td>
</tr>
</tbody>
</table>

(3) (a) The information is not readily available and to provide such information would require the expenditure of significant resources.

(b) For each year of the Family Tax Benefit system’s operation, the number of Family Tax Benefit overpayments in the electoral division of Brand, which are currently with debt collectors is as follows:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>2</td>
</tr>
<tr>
<td>2001-02</td>
<td>4</td>
</tr>
<tr>
<td>2002-03</td>
<td>0</td>
</tr>
</tbody>
</table>

(4) The information is not readily available and to provide such information would require the expenditure of significant resources.

Employment: Job Network

(Question No. 3217)

Ms Vamvakinou asked the Minister for Employment Services, upon notice, on 2 March 2004:

(1) What were the (a) names, (b) addresses, and (c) hours of operation of the organisations that are part of the Job Network in the postcode area (i) 3036, (ii) 3037, (iii) 3038, (iv) 3043, (v) 3046 (vi) 3047, (vii) 3048, (viii) 3049, (viii) 3059, (ix) 3060, (x) 3061, (xii) 3064, (xii) 3427, and (xiii) 3428.

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

The names and addresses of organisations that are part of the Job Network are available on the Department’s internet site at; http://www.workplace.gov.au/Workplace

QUESTIONS ON NOTICE
For ease of use a search for a Job Network Member may be conducted via postcode or region. All permanent full-time sites are required to operate as a minimum from 9am to 5pm weekdays (excluding public holidays).

**Employment: Job Network**  
*(Question No. 3222)*

Mr Brendan O’Connor asked the Minister for Employment Services, upon notice, on 2 March 2004:

1. How many jobs have been advertised on the Australian Job Search (AJS) website since its inception.
2. What is the (a) annual cost, and (b) total cost since the inception of the AJS website.
3. How many people have found employment through the AJS website.
4. What proportion of those who found work through the AJS website were Job Network cardholders.
5. What proportion of jobs advertised on the AJS website are available only to Job Network cardholders.
6. How are jobs that are advertised on the AJS website and available only to Job Network cardholders distinguished from those that are available to all Australians.

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

1. Over 6.75 million jobs have been advertised on JobSearch since its inception.
   (b) Prior to 1999, JobSearch site development occurred in conjunction with other infrastructure project development, including Touch Screen kiosks, and expenses were not differentiated by the department. Since 1 July 1999 however, the total increase to the department’s asset base from providing JobSearch (the internet service) is $21.46 million.
3. The JobSearch website is both an enabling service for the Job Network and a free employment site for all Australians, including those who are not Job Network eligible. Since the commencement of Job Network in May 1998, there have been a total of 2.47 million placements of Job Network registered job seekers recorded against vacancies listed on JobSearch. The number of job seekers not registered with Job Network who have obtained employment against vacancies listed on Job Search is not available.
4. The department does not track the placement of job seekers made through the site who are independent of Job Network activity, therefore total placements and the percentage from the Job Network are unavailable.
5. This figure will vary from day to day as Job Network members, Job Placement organisations and employers lodge and fill vacancies. On 28 April 2004 63% of job vacancies on JobSearch were lodged by Job Network members, Job Placement organisations or employers, as seeking applications from Job Network job seekers.
6. These jobs are indicated with a Job Network logo.

**Roads: Western Sydney Orbital**  
*(Question No. 3266)*

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 4 March 2004:
(1) Further to the answer to question No. 2727 concerning the Western Sydney Orbital, of the outstanding contribution by the Commonwealth to the Western Sydney Orbital, what payments will be made in (a) 2003-2004, (b) 2004-2005, and (c) 2005-2006.

(2) Is it intended that any further payments be made in the financial years beyond 2005-2006.

(3) In respect of the New South Wales Government’s obligation to consult with the Commonwealth on the level of tolling, will the Commonwealth support a tolling system providing for the same toll for non-commercial vehicles, buses, motorbikes, trucks, cars and trailers.

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

(1) (a) The estimate for payments in respect for the Western Sydney Orbital Project in the 2003/04 financial year is $88.2m. This estimate exceeded the 2003/04 budget allocation as the NSW Roads and Traffic Authority has been able to proceed with land acquisitions at a faster rate than originally estimated.

(b) $73.0m is the current estimate for payments in 2005/06

(c) $19.98m is the current estimate for payments in 2006/07

(2) No.

(3) Under the Memorandum of Understanding between the Commonwealth and New South Wales concerning the Western Sydney Orbital, the level of tolling and the toll for the various categories of vehicles are ultimately the responsibility of the New South Wales Government.

A maximum toll level of $5 would, however, be consistent with the joint announcement I made with the New South Wales Minister for Roads, Carl Scully, on 4 January 2001, that it was proposed to cap the toll at an expected $4 to $5 (in year 2000 dollars with consumer price index adjustments).

Employment: Job Network

(Question No. 3291)

Mr Albanese asked the Minister for Employment Services, upon notice, on 10 March 2004:

In respect of his press release on 18 February 2003 in which he claimed that as at 18 February 2004 “…794,000 people are in the active case load with the Job Network…”, could he indicate how many of these people are classified as (a) Job Search Support Only jobseekers, and (b) Fully Job Network Eligible jobseekers.

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

Of the 794,000 jobseekers on the active caseload, approximately 89% of these jobseekers are potentially eligible for all Job Network services. The remaining 11% are potentially only eligible to participate in Job Search Support.

Employment: Job Network

(Question No. 3294)

Mr Albanese asked the Minister for Employment Services, upon notice, on 10 March 2004:

(1) Does he recall telling the House on 18 June 2003 “If you compare this to Labor’s failed alternative, the CES, in helping disadvantaged job seekers you find that their failed system helped only 27.4 per cent into work; whereas the Job Network is helping nearly double that number—46.6 per cent. What is the cost? The cost under the CES was a massive $12,800 for each of those outcomes, and today the figure is $3,900. That is $3,900 for an outcome compared to Labor’s alternative, which was $12,800.”
(2) Could he provide the documentation and data supporting this statement.

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

(1) These statements were made on 18 February 2004.

(2) These data compare Intensive Assistance to the Working Nation programs that it replaced, including JobStart, JobSkills, JobTrain, SkillShare, New Work Opportunities, LEAP and Special Intervention. The outcomes data are available in the June 2003 edition of Labour Market Assistance Outcomes which is available on the internet at the Australian Workplace site. Data on cost per outcome has been released previously in various reports including the Job Network Evaluation stage 3. The figures contained in the Minister’s statements have been updated to reflect the latest outcomes data.

Employment: Job Network
(Question No. 3361)

Mr Albanese asked the Minister for Employment Services, upon notice, on 23 March 2004:

How many jobseekers have been granted permission to transfer to another Job Network member since 1 July 2003.

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

For the period 1 July 2003 to 31 March 2004, for those jobseekers who had commenced participation in Job Network services, there have been 57,000 transfers to another Job Network Member.

Defence: Domestic and Overseas Air Travel
(Question No. 3453)

Mr Quick asked the Minister representing the Minister for Defence, upon notice, on 1 April 2004:

(1) For the financial year (a) 2000/2001, and (b) 2002/2003, what sum was spent by the Minister’s department on domestic and overseas air travel.

(2) For the financial year (a) 2000/2001, and (b) 2002/2003, what proportion of domestic air travel by employees of the Minister’s department was provided by (i) Ansett, (ii) Qantas, (iii) Regional Express, and (iv) Virgin Blue.

(3) For the financial year (a) 2000/2001, and (b) 2002/2003, what was the actual expenditure by the Minister’s department on domestic air travel provided by (i) Ansett, (ii) Qantas, (iii) Regional Express, and (iv) Virgin Blue.

(4) For the financial year (a) 2000/2001, and (b) 2002/2003, what sum was the spent by the Minister’s department on business class travel on (i) domestic routes, and (ii) overseas routes.

(5) For the financial year (a) 2000/2001, and (b) 2002/2003, what sum was the spent by the Minister’s department on economy class travel on (i) domestic routes, and (ii) overseas routes.

(6) For the financial year (a) 2000/2001, and (b) 2002/2003, what proportion of the expenditure on air travel by the Minister’s department was on the domestic routes (i) Sydney to Canberra, (ii) Melbourne to Canberra, (iii) Sydney to Melbourne, (iv) Sydney to Brisbane, (v) Melbourne to Hobart or Launceston, and (vi) Sydney to Perth.

(7) For the financial year (a) 2000/2001, and (b) 2002/2003, how many employees of the Minister’s department had membership of the (i) Qantas Chairman’s Lounge, (ii) Qantas Club, (iii) Regional Express Membership Lounge, and (vi) Virgin Blue’s Blue Room paid for by the department.

(8) Which company provides the travel management services to the Minister’s department.
Mr Brough—The Minister for Defence has provided the following answer to the honourable member’s question:

(1) Type of Travel 2000/01 2002/03

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Air Travel</td>
<td>$85,335,333</td>
<td>$104,635,810</td>
</tr>
<tr>
<td>Overseas Air Travel</td>
<td>$25,887,311</td>
<td>$39,722,657</td>
</tr>
<tr>
<td>Total</td>
<td>$111,222,644</td>
<td>$144,358,467</td>
</tr>
</tbody>
</table>

(2) Airline 2000/01 2002/03

<table>
<thead>
<tr>
<th>Airline</th>
<th>2000/01</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ansett</td>
<td>2.94%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Qantas (includes QantasLink)</td>
<td>94.56%</td>
<td>97.15%</td>
</tr>
<tr>
<td>Regional Express</td>
<td>0.60%</td>
<td>0.55%</td>
</tr>
<tr>
<td>Virgin Blue</td>
<td>0.00%</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

Note: Other airlines make up the balance of 1.90% for 2000/01 and 2.29% for 2002/03.

(3) Airline 2000/01 2002/03

<table>
<thead>
<tr>
<th>Airline</th>
<th>2000/01</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ansett</td>
<td>$3,437,242.41</td>
<td>$-</td>
</tr>
<tr>
<td>Qantas (includes QantasLink)</td>
<td>$80,214,138.79</td>
<td>$100,168,837.80</td>
</tr>
<tr>
<td>Regional Express</td>
<td>$534,165.30</td>
<td>$640,490.57</td>
</tr>
<tr>
<td>Virgin Blue</td>
<td>$1,664.43</td>
<td>$15,527.98</td>
</tr>
</tbody>
</table>

Note: Other airlines make up the balance of $1,148,122.07 for 2000/01 and $3,810,953.65 for 2002/03.

(4) Business Class Travel 2000/01 2002/03

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic routes</td>
<td>$3,356,045.41</td>
<td>$3,772,421.95</td>
</tr>
<tr>
<td>Overseas routes</td>
<td>$20,392,631.65</td>
<td>$29,581,429.91</td>
</tr>
</tbody>
</table>

(5) Economy Class Travel 2000/01 2002/03

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic routes</td>
<td>$81,979,288.04</td>
<td>$100,863,388.90</td>
</tr>
<tr>
<td>Overseas routes</td>
<td>$4,344,117.87</td>
<td>$8,605,231.32</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney - Canberra</td>
<td>2.33%</td>
<td>2.35%</td>
</tr>
<tr>
<td>Melbourne – Canberra</td>
<td>3.59%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Sydney – Melbourne</td>
<td>2.70%</td>
<td>2.92%</td>
</tr>
<tr>
<td>Sydney – Brisbane</td>
<td>2.83%</td>
<td>2.75%</td>
</tr>
<tr>
<td>Melbourne – Hobart</td>
<td>0.39%</td>
<td>0.34%</td>
</tr>
<tr>
<td>Melbourne - Launceston</td>
<td>0.11%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Sydney – Perth</td>
<td>3.74%</td>
<td>4.59%</td>
</tr>
</tbody>
</table>

(7) In 2000/01 there was no cost to the department for membership to Qantas Chairman’s Lounge, Qantas Club, Regional Express Membership Lounge and Virgin Blue’s Blue Room.

In 2002/03 there was no cost to the department; except for the cost of Qantas Club memberships for Australian Public Servant Level 6 and below and the military equivalents if that person travels twelve return trips or more per year. This data is not electronically recorded and not available.

(8) Qantas Business Travel.