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SITTING DAYS—2004

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FORTIETH PARLIAMENT  
FIRST SESSION—EIGHTH PERIOD

Governor-General
His Excellency Major-General Michael Jeffery, Companion in the Order of Australia,  
Commander of the Royal Victorian Order, Military Cross

House of Representatives Officeholders
Speaker—The Hon. John Neil Andrew MP  
Deputy Speaker—The Hon. Ian Raymond Causley MP  
Second Deputy Speaker—Mr Harry Alfred Jenkins MP  
Members of the Speaker’s Panel—Mr David Peter Maxwell Hawker, Mr Philip Anthony  
Barresi, Ms Teresa Gambaro, Mr Peter John Lindsay, the Hon. Bruce Craig Scott, the Hon.  
Dick Godfrey Harry Adams, Mr Frank William Mossfield AM, the Hon. Leo Roger Spurway  
Price, Mr Kimberley William Wilkie, Ms Ann Kathleen Corcoran

Leader of the House—The Hon. Anthony John Abbott MP  
Deputy Leader of the House—The Hon. Peter John McGauran MP  
Manager of Opposition Business—Ms Julia Eileen Gillard MP  
Deputy Manager of Opposition Business—The Hon. Simon Findlay Crean MP

Party Leaders and Whips
Liberal Party of Australia
Leader—The Hon. John Winston Howard MP  
Deputy Leader—The Hon. Peter Howard Costello MP  
Chief Government Whip—Mr James Eric Lloyd MP  
Government Whips—Mrs Joanna Gash MP and Mr Fergus Stewart McArthur MP

The Nationals
Leader—The Hon. John Duncan Anderson MP  
Deputy Leader—The Hon. Mark Anthony James Vaile MP  
Whip—Mr John Alexander Forrest MP  
Assistant Whip—Mr Paul Christopher Neville MP

Australian Labor Party
Leader—Mr Mark William Latham MP  
Deputy Leader—Ms Jennifer Louise Macklin MP  
Chief Opposition Whip—The Hon. Janice Ann Crosio MBE MP  
Opposition Whips—Mr Michael Dunby MP and Mr Harry Vernon Quick MP

Printed by authority of the House of Representatives
Members of the House of Representatives

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<td>Tuckey, Hon. Charles Wilson</td>
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<td>Vaile, Hon. Mark Anthony James</td>
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<td>New England, NSW</td>
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**PARTY ABBREVIATIONS**

ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals; Ind—Independent; CLP—Country Liberal Party; AG—Australian Greens

### Heads of Parliamentary Departments

- Clerk of the Senate—H. Evans
- Clerk of the House of Representatives—I.C. Harris
- Secretary, Department of Parliamentary Services—H. R. Penfold QC
HOWARD MINISTRY

Prime Minister
Minister for Transport and Regional Services and Deputy Prime Minister
Treasurer
Minister for Trade
Minister for Foreign Affairs
Minister for Defence and Leader of the Government in the Senate
Minister for Finance and Administration and Deputy Leader of the Government in the Senate
Minister for Health and Ageing and Leader of the House
Attorney-General
Minister for the Environment and Heritage and Vice-President of the Executive Council
Minister for Communications, Information Technology and the Arts
Minister for Agriculture, Fisheries and Forestry
Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation
Minister for Education, Science and Training
Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women
Minister for Industry, Tourism and Resources
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service

The Hon. John Winston Howard MP
The Hon. John Duncan Anderson MP
The Hon. Peter Howard Costello MP
The Hon. Mark Anthony James Vaile MP
The Hon. Alexander John Gosse Downer MP
Senator the Hon. Robert Murray Hill
Senator the Hon. Nicholas Hugh Minchin
The Hon. Anthony John Abbott MP
The Hon. Philip Maxwell Ruddock MP
The Hon. Dr David Alistair Kemp MP
The Hon. Daryl Robert Williams AM, QC, MP
The Hon. Warren Errol Truss MP
Senator the Hon. Amanda Eloise Vanstone
The Hon. Dr Brendan John Nelson MP
Senator the Hon. Kay Christine Lesley Patterson
The Hon. Ian Elgin Macfarlane MP
The Hon. Kevin James Andrews MP

(The above ministers constitute the cabinet)
HOWARD MINISTRY—continued

Minister for Justice and Customs                      Senator the Hon. Christopher Martin Ellison
Minister for Fisheries, Forestry and Conservation    Senator the Hon. Ian Douglas Macdonald
Minister for the Arts and Sport                       Senator the Hon. Charles Roderick Kemp
Minister for Small Business and Tourism               The Hon. Joseph Benedict Hockey MP
Minister for Science and Deputy Leader of the House   The Hon. Peter John McGauran MP
Minister for Local Government, Territories and Roads  Senator the Hon. Ian Campbell
                                          and Manager of Government Business in the Senate
Minister for Children and Youth Affairs                The Hon. Lawrence James Anthony MP
Minister for Employment Services and Minister         The Hon. Malcolm Thomas Brough MP
Assisting the Minister for Defence                     
Special Minister of State                              Senator the Hon. Eric Abetz
Minister for Veterans’ Affairs                         The Hon. Danna Sue Vale MP
Minister for Revenue and Assistant Treasurer          Senator the Hon. Helen Lloyd Coonan
Minister for Ageing                                    The Hon. Julie Isabel Bishop MP
Minister for Citizenship and Multicultural Affairs     The Hon. Gary Douglas Hardgrave MP
                                         and Minister Assisting the Prime Minister
Parliamentary Secretary to the Prime Minister          The Hon. Jacqueline Marie Kelly MP
Parliamentary Secretary to the Minister for           The Hon. De-Anne Margaret Kelly MP
Transport and Regional Services and Parliamentary     
Secretary to the Minister for Trade                     
Parliamentary Secretary to the Treasurer               The Hon. Ross Alexander Cameron MP
Parliamentary Secretary to the Minister for            The Hon. Christine Ann Gallus MP
Foreign Affairs                                        
Parliamentary Secretary to the Minister for            The Hon. Frances Esther Bailey MP
Defence                                                
Parliamentary Secretary to the Minister for the        The Hon. Dr Sharman Nancy Stone MP
Environment and Heritage                               The Hon. Peter Neil Slipper MP
Parliamentary Secretary to the Minister for Finance    Senator the Hon. Judith Mary Troeth
and Administration                                     
Parliamentary Secretary to the Minister for            The Hon. Christopher Maurice Pyne MP
Agriculture, Fisheries and Forestry                   
Parliamentary Secretary to the Minister for Family     The Hon. Patricia Mary Worth MP
and Community Services                                 
Parliamentary Secretary to the Minister for Health     The Hon. Warren George Entsch MP
and Ageing                                             
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<tr>
<td>Leader of the Opposition in the Senate, Shadow Special Minister of State and Shadow Minister for Public Administration and Accountability</td>
<td>Senator the Hon. John Philip Faulkner</td>
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<td>Shadow Minister for Revenue and Shadow Assistant Treasurer</td>
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<td>Shadow Minister for Mining, Energy and Forestry</td>
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<td>Shadow Minister for Information Technology, Shadow Minister for Sport and Recreation and Shadow Minister for the Arts</td>
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The SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m. and read prayers.

MINISTERIAL ARRANGEMENTS

Mr ANDERSON (Gwydir—Acting Prime Minister) (2.01 p.m.)—I inform the House that the Prime Minister will be a few minutes late for question time today. As I am sure members know, he has been addressing the National Press Club. Until his arrival I will answer questions on his behalf. I also inform the House that the Minister for Trade will be absent from question time today and for the remainder of this week. As I am sure members are aware, he is travelling overseas to attend APEC and WTO Doha Round meetings. The Minister for Foreign Affairs will answer questions on his behalf.

The SPEAKER—I shall delay for a few moments. I expect that the Leader of the Opposition has a question for the Prime Minister and for that reason it is appropriate to allow the Prime Minister to take his seat.

QUESTIONS WITHOUT NOTICE

Iraq: Treatment of Prisoners

Mr LATHAM (2.01 p.m.)—My question is to the Prime Minister. I refer to the Iraqi prisoner abuse scandal. Does the Prime Minister recall telling the Australian people on 1 June that he had instructed his Minister for Defence to make:

... a detailed statement to the Senate when it meets again about the chain of events, the knowledge of and involvement in and communication with the ICRC—

the Red Cross—

the CPA, communications back to Australia and the timelines involved in all of that.

Why has the Minister for Defence refused to make his scheduled statement to the Senate today, which would have been the earliest opportunity to correct the public record on this important matter? Why, two weeks after the Prime Minister’s promise of a full parliamentary statement, is the government still unable to correct the record and give a frank and accurate account to the Australian people?

Mr HOWARD—I did make a statement substantially to that effect. The exact words I would have to check. The minister will be making a statement to the Senate this week. I do not recall having said it was going to be the first day the Senate sat. I do not recall that. Quite frankly, I think that was a completely wasted question.

Environment: Policy

Mr BILLSON (2.03 p.m.)—My question is to the Prime Minister. How will the government secure a sustainable and prosperous energy future for Australia?

Mr HOWARD—I thank the member for Dunkley. One way is to have the opportunity of implementing the comprehensive policy that I outlined in the National Press Club earlier this afternoon, because the government’s white paper Securing Australia’s energy future will deliver environmental sustainability, prosperity and security to the energy sector for the benefit of all Australians. The white paper sets out a range of new initiatives to deliver reliable, affordable energy in an environmentally friendly way.

Firstly, there is a program to provide $1.5 billion in investment in demonstrating new lower cost, low-emission technologies through the provision of $500 million to a technology fund. Secondly, there is a major reform of the fuel excise system, which delivers $1.5 billion in excise relief to businesses and households, to be delivered in a fiscally responsible way and enshrining the principle that all business use of fuel off-road will be excise free. Over $200 million in direct support to the renewables industry, including $134 million, will be provided to
support commercialisation of renewable technologies. Seventy-five million dollars will be provided for solar cities trials, demonstrating a new energy scenario where solar energy efficiency and market reforms work together to deliver clean, reliable energy at affordable prices. We will continue to deliver renewable energy through the mandatory renewable energy target. Business will be required to do its part in ensuring Australian energy is used wisely. Under the white paper, businesses that are largely energy users, accounting for about 60 per cent of energy use, will be required to undertake regular energy efficiency assessments and report publicly on the outcome.

In yet another area, the detailed, comprehensive policy blueprint that I have laid out on behalf of the government contrasts starkly with the absence of a properly constructed, coherent policy from the opposition. The only thing the opposition has to say about this is that, notwithstanding the damage it would do to Australia’s national interest in its present form, we should sign the Kyoto protocol. This is a position that I doubt the Leader of the Opposition himself held at the time of the Cunningham by-election in 2002, when he said that the policy of the Greens, who then of course were not quite as favourably disposed towards him, would result in the destruction of thousands of Australian jobs. May I say that he was right back in 2002 and he is completely wrong now.

Environment: Kyoto Protocol

Mr LATHAM (2.06 p.m.)—My question is to the Prime Minister. Given that the resources industry is already factoring in a price for carbon in its investment planning, why is the government still refusing to ratify the Kyoto protocol and implement—

Government members interjecting—

The SPEAKER—Order! The Leader of the Opposition has the call. The member for Eden-Monaro!

Mr LATHAM—Why is the government still refusing to ratify the Kyoto protocol and implement an emissions trading regime with new environmental and economic benefits for Australia? Prime Minister, doesn’t the government’s failure to ratify Kyoto not only lock Australia out of market benefits in renewable energy, but also—

Mr Ross Cameron interjecting—

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

Mr LATHAM—diminish the international effort against climate change—

Mr Ross Cameron—Mr Speaker, I raise a point of order. I apologise for my interjection. I simply record the fact that this is an extensive argument; it is not suitable for a question without notice.

The SPEAKER—I invite the member for Parramatta to consult the member for Sturt, on whose behalf I ran through a number of previous question times during the week’s break. He will find that the way in which the standing orders are being applied under my speakership is entirely consistent with the way in which they were applied under the random selection that I made of previous speakerships.

Mr LATHAM—Prime Minister, doesn’t the government’s failure to ratify Kyoto not only lock Australia out of market benefits in renewable energy but also diminish the international effort against climate change, the greatest environmental challenge of this century?

Mr HOWARD—The short answer to the question is no. The slightly longer answer to the question is that I gave the example of Australia and Indonesia competing for an energy investment in, say, natural gas, where
Indonesia has large reserves, as does Australia. The carbon concentration in the Indonesian reserves is very high. Under the existing Kyoto arrangements, Indonesia would not be subject to any of the constraints that Australia would be subject to. The investment would inevitably—because it could take place in more propitious circumstances—flow from Australia to Indonesia. We would lose Australian jobs and Australian investment, and the world’s climate would be no better off because the gas would still be used—it would be dirtier. And all the Leader of the Opposition would have achieved by that would be, in fact, to destroy Australian jobs.

Environment: Policy

Mr BARRESI (2.10 p.m.)—My question is addressed to the Treasurer. Will the Treasurer advise the House how the government’s energy statement, released today, will benefit businesses and households? How do these policies enhance Australia’s economic strength?

Mr COSTELLO—I thank the honourable member for Deakin for his two-part question. I inform him that today’s reforms to the fuel excise system give Australia a sensible, streamlined, well-balanced fuel excise system which can take Australia into the next century. Before this government introduced the new tax system, the excise paid by heavy transport in this country on petrol and diesel was 43c a litre. We have reduced that to 19c a litre and, as a result of the announcement today, that same benefit is going to be extended to trucks over 4.5 tonnes, regardless of where they go in Australia.

In addition to that, this government will be introducing a system under which there will be full off-road diesel fuel rebates, not just for farming and mining but for all off-road use, so that local councils in remote areas will be able to get it in relation to road construction, so that we will not have to go through these arguments as to what does and what does not constitute mining—all of those will be getting it. That policy stands in stark contrast to that of a certain political party which, if it gets elected, actually wants to increase the diesel excise rates on the mining industry. So here you have one side of Australian politics helping, in relation to the job creation part of the Australian community, and another side standing for higher taxes, as it always did.

In addition to that, the announcement that has been made today in relation to fuel excise will mean that all private and business use of fuel for electricity generation will be effectively excise-free. So, for those living in rural and remote Australia, the people who are using fuels for their electricity generation will be getting that effectively free. In addition to that, those who are currently paying excise on burner fuels such as heating oil and kerosene will also be getting the advantages of the announcement which we have made today.

In many respects, this completes the proposal which the government put to the electorate and wanted to introduce back in 2000. We were defeated at that time by obstructionism from the Australian Labor Party. To the Australian Labor Party we say today: ‘Get out of the way. Let the government get on with these reforms. These reforms are good for Australia.’

Environment: Policy

Mr FITZGIBBON (2.13 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware of recent comments from the Vice Chairman of the Australian Petroleum Production and Exploration Association:

In respect of the oil supply situation in Australia, the consequences of doing nothing about the forecast decline in self sufficiency of oil produc-
tion in my opinion are critical and require urgent attention.

Prime Minister, given his remarks, why does the energy white paper claim: ‘The level of security in transport fuels is not under threat’? Prime Minister, why does the energy white paper ignore our growing oil import dependency, further exposing consumers and industry to fuel price hikes and potential fuel shortages?

Mr HOWARD—The energy white paper is the most comprehensive document that any government has produced on Australia’s energy future in the last 30 or 40 years. It stands in stark contrast to the policy emptiness of those who sit opposite. I am not aware of that particular remark—

Opposition members interjecting—

Mr HOWARD—Not by that particular person, no. A lot of people make a lot of remarks. I am aware of the fact that the price of fuel in Australia has for a long time been determined by the world price. It is a policy that I understand is adhered to by both sides of Australian politics.

I also know that a number of factors are bearing upon the price of petrol in Australia at the present time. Despite the discomfort of high prices at the bowser, the very energy white paper to which you referred discloses that Australia has the fourth cheapest petrol prices in the world. Unlike the Labor Party the white paper, and the policy underpinning it, proposes further reductions in taxes on fuel. Bear in mind, Mr Speaker, that the person who asked me the question belongs to a party that is wanting to rip $500 million out of the value of the diesel fuel rebate to the Australian community, and he has the nerve to get up and ask me questions about energy security.

Environment: Policy

Mr NEVILLE (2.15 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 of the benefits to businesses in regional Australia from the fuel excise measures announced in today’s energy statement?

Mr ANDERSON—I thank the honourable member for his question. As the Treasurer has noted, we have taken fuel excise for the export and manufacturing sector from 43c down to 19c, and we are now extending those benefits in a way that will constitute major and ongoing benefits to very significant new sectors of the Australian economy. What ought to be noted is that, when we came to power, amongst all OECD countries we were amongst the highest taxing on transport fuel; we are now amongst the very lowest. Given that one in five Australian jobs—and one in four jobs in the regions—depends on exports, it makes a lot of sense to do everything we can to reduce the taxation burden on transport fuel in Australia.

These arrangements will mean that the fuel tax system for both on-road and off-road users will be more transparent, rational and equitable, and it will better secure existing jobs and create more jobs—that is the shorthand. Providing a full excise rebate on all fuel used off road for businesses will be a boon for a number of industries, including quarrying and construction, and for local government. We believe in local government, particularly when it comes to maximising the Roads to Recovery program. This will dovetail very well: they will be able to drive the Roads to Recovery program faster and further because of these reforms.

The replacement of excise credits with a road user charge for heavy vehicles meets a major concern that the transport industry has had with the present system. The road user charge will also apply to around 54,000 petrol powered heavy vehicles that do not qual-
ify for tax credits under the present system. We will remove those very administratively difficult urban and regional boundaries that apply to the existing fuel tax credits, and that will take away a major cause of frustration, and I would argue cost, for many road transport operators. We will bring in a single business credit system for fuel excise, and that will again simplify and streamline arrangements for a lot of Australian businesses. As the Treasurer has also alluded to, the benefits to around 90,000 households across the country, from the lower transport costs and direct measures like abolishing the excise on fuel used for power generation, will be very widely welcomed indeed.

These savings are estimated to be worth around $1½ billion between now and 2012. That is a very significant amount. When combined with the excise arrangements for alternative fuels announced earlier this year and the new AusLink land transport plan, you have a clear demonstration that, just as we have greater needs for transport infrastructure and so forth now because of a strongly growing economy, because the economy is well run we are in a position to further meet those needs as the economy goes forward.

This stands in very stark contrast to the Labor Party. You should never listen to what they say on matters like this; you should always look at what they do. No-one should ever forget that in government they presided over a 500 per cent increase in fuel excise in this country. It went from around 7c a litre to around the mid-30c a litre, which took our transport fuel taxation regime from amongst the lowest to amongst the highest of OECD countries. We have taken it back to a situation where we now genuinely enjoy tremendous world competitiveness. Indeed, I would venture to say that, in real terms, transport costs have never been lower for that very important export sector of the Australian economy.

I doubt that there is an exporter in the country who would want to put that at risk by flirting for a moment with the ALP. I do not know whether the member for Hunter, who asked a question a moment ago, has gone out and told his coal exporters and all the exporters in the Hunter Valley that he is going to add a new tax to their industries and that he is going to cost his constituents jobs. Just in passing, I wonder whether he has been out there and also told them, as I am reminded by Mr Baldwin, the member behind me, that he opposes funding for a lot of the road projects that have just been announced in the Hunter Valley.

Environment: Policy

Mr FITZGIBBON (2.21 p.m.)—I will deal with that one later.

Government members interjecting—

The SPEAKER—The member for Hunter is right: he will not be dealing with that matter right now. He has the call for a question.

Mr FITZGIBBON—I am sure the member for Paterson is looking forward to that.

The SPEAKER—The member for Hunter!

Mr FITZGIBBON—My question is again to the Prime Minister. Prime Minister, given that the government’s current and pending advertising spend has reached around $123 million of taxpayers’ money, including $15.7 million being spent on Medicare advertising, what additional advertising is planned for the energy white paper? Prime Minister, how much will it cost, when will it occur and what areas will it target?

Mr HOWARD—I do not have anything to add to what I previously said on that subject.
Environment: Policy

Mr TICEHURST (2.22 p.m.)—My question is addressed to the Minister for the Environment and Heritage. In light of today’s statement on our energy future, would the minister advise the House of Australia’s approach to combating climate change? Would the minister further advise on the role of renewable energy in greenhouse gas abatement? Are there any alternative policies?

Dr KEMP—I thank the honourable member for Dobell for his question. Today’s statement provides a very sharp contrast between the government’s comprehensive and integrated approach towards energy and the environment on the one hand, which positions Australia for lower emissions and a cleaner air future while maintaining our competitive advantage, and, on the other, Labor’s hugely costly job-destroying policies that will undermine our international competitiveness, cost jobs and not achieve the environmental outcomes that they are talking about.

The first thing to get quite clear is that, as a result of the government’s policies, we will be achieving Australia’s internationally negotiated target for greenhouse gas emissions by 2010. Today’s energy statement positions Australia to look beyond Kyoto, to look to the longer term to a world that is going to be further carbon constrained. It has a very strong focus on reducing emissions, both through cleaner coal and renewable technologies—it is not a matter of choosing one or the other. We plan to take advantage of Australia’s unique energy resources: the sun and the wind as well as coal and gas; and our abundant renewables as well as fossil fuels.

This plan focuses on win-win strategies and on greater energy efficiency in Australia’s energy-intensive large companies as well as households and the design of our cities. Energy efficiency alone has got the capacity to cut business costs by up to 30 per cent and provide a $9.4 billion cumulative gain to the economy by 2020. The plan contains key initiatives to overcome technical and market barriers for wind and solar power and to encourage commercialisation of a whole range of renewable energies so that we have got real choices when we come into this more carbon constrained world.

This is a smart strategy. It is a strategy which contrasts with the stupid strategy which is being put forward by the Labor Party, because the Labor Party’s policies would pump up business costs, cut the growth in the Australian economy and lead to industries moving offshore. Labor’s proposal to lift the MRET to five per cent would cost the economy some $11 billion—a cost that we do not have to pay. The Peter Garrett-Bob Brown plan to have a 10 per cent MRET would cost the Australian economy $23 billion that we do not have to pay. We are going to reach our target. We need to position ourselves in a clever way for the longer term. We need win-win strategies that will actually increase economic growth and improve the environment, and all the Leader of the Opposition can put forward are policies which are going to pump up electricity prices, destroy jobs and drive Australian industries offshore. He said once that jobs would come first. The clear choice now before the Australian people is a smart energy strategy and a smart strategy to cope with greenhouse gases or a stupid strategy to destroy jobs, industries and Australian communities.

Environment: Policy

Mr KELVIN THOMSON (2.26 p.m.)—My question is also to the Minister for the Environment and Heritage and follows from his last answer. Won’t the government’s failure to lift the mandatory renewable energy target damage plans by the sugar industry in
New South Wales and Queensland for cogeneration projects, plans by the Ararat council in Victoria for a renewable energy technology park, plans by Danish company Vestas for a wind turbine manufacturing facility in Tasmania and plans by Origin Energy to expand its operations in South Australia?

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. Standing order 144 and page 527 of the House of Representatives Practice say very simply that extraneous material may not be given. Indeed, your own ruling in 2000 was that the call may be withdrawn from a member who prefaces a question with extraneous remarks. I ask you to withdraw the call.

The SPEAKER—I will check the Hansard record. I was not conscious of the member for Wills making a remark that was unrelated to the question. The member for Wills has the call.

Mr Kelvin Thomson—Thank you, Mr Speaker. It was not extraneous; it was the question. Isn’t support for Labor’s higher renewable energy target necessary to reduce greenhouse gas emissions, keep Australia competitive with other countries which have set higher targets and provide new job opportunities in regional Australia?

Dr Kemp—The short answer is: no, no, no. This is further illustration of the fact that the Labor Party is not thinking these policies through in a smart and intelligent way. The energy and environment statement that the Prime Minister released today contains tremendous encouragement to renewable energies. This is the best boost that renewable energies in this country have had for years, since the government established the mandatory renewable energy target. What we have done is to put in place policies that will target the problems that renewable energies have in achieving the commercial take-up.

There is $34 million in this statement being committed to overcoming the storage problems of wind energy and to forecasting impediments to the take-up of wind power by the grid. There is $75 million in this statement for regional experimentation with solar power. The Solar Cities initiative is going to be the most imaginative and exciting effort to provide opportunities for distributed energy that this country has seen. The Solar Cities initiative is going to address the real market impediments that solar power faces, including the absence of satisfactory metering for the provision of solar power at peak energy demand times and therefore the lack of rewards and incentives that consumers face.

The government has thought through these issues. The Labor Party wants to increase the costs on Australian industry in a completely undifferentiated way simply to bring through existing technologies, provide Australia with no more choice and impose negative costs on the economy of $11 billion. That is a massive subsidy which fails to address the problems which this policy addresses. It will destroy jobs. It will undermine the international competitiveness of Australian industries. It will put up electricity prices for every family in Australia. It will damage all those communities like Gladstone in Queensland, communities dependent on energy-intensive industries. This is the smart way to address these issues; the Labor Party’s is the stupid way.

Environment: Policy

Mr Haase (2.31 p.m.)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister inform the House how the government’s energy white paper will deliver reliable and competitively priced energy to Australian industry? What impact will this have on in-
vestment and jobs? Is the minister aware of any alternative approaches?

Mr IAN MACFARLANE—I thank the member for Kalgoorlie for his question. We all know what a staunch advocate he is for the energy sector in his electorate, particularly the LNG sector, which has not only achieved great success but has even more potential, particularly into the US, following the Prime Minister’s visit. The Securing Australia’s energy future paper that was announced today by the Prime Minister represents a new era in the long-term energy policy for Australia. Measures contained in the energy paper will most importantly keep Australian business costs down and create jobs. It will increase even further our natural advantage in the coal and gas sector. I am sure the member for Hunter is supportive of that.

Mr McGauran—No, I don’t think so.

Mr IAN MACFARLANE—I am surprised if he is not. It will expand and diversify our energy supply and also encourage reliable and affordable low emissions technology.

Last week we saw yet another—I think, for the ninth month in a row—unemployment figure below six per cent. That is a tangible demonstration of the enduring strength of Australia’s economy under this coalition government. Our strong economy and its associated strong jobs growth have been underpinned by competitively priced and reliable energy. It is important that the white paper also includes energy market reform.

Mr Fitzgibbon—Where is it?

Mr IAN MACFARLANE—The member for Hunter had better keep looking because it is coming like a train for him. The energy market reform will also assist to attract $37 billion worth of investment into the Australian energy sector. In terms of the white paper, it also includes forward-looking initiatives to further develop cleaner, smarter and more affordable technologies. These incentives will allow Australia to maintain its competitive energy advantage and will include, of course, the $500 million low emissions technology fund, which will in turn attract a further $1 billion or more from the private sector in investment. There will be $75 million available for the Solar Cities trials, and $100 million will be available to support commercial development for smaller scale renewable energy technologies. All this adds up to a policy which is good for jobs, good for industry, good for consumers and good for the environment.

I am asked about an alternative policy. Of course there is an alternative policy. It is the old way, the Labor way: ratify Kyoto—costs jobs; increase the MRET—costs jobs; and introduce the costly emission trading regime—which of course will cost jobs in the Hunter region. Labor’s policy is ill-conceived and simplistic. It will discourage investment and it will cost jobs not only in the member for Hunter’s seat but in the member for Hinkler’s seat and in the member for McMillan’s seat.

Health and Ageing: Policy

Ms GILLARD (2.35 p.m.)—My question is to the Minister for Health and Ageing. I refer the minister to the following statement by the member for Moore about the minister’s plan to change arrangements regarding access to HIC information on children aged from 14 to 16. He said:

Tony’s proposal ... has got terrible potential in terms of the fact that children in desperate times, when they could be seeing doctors, may avoid that because of the fear their parents are going to know.

If kids don’t go and see a doctor because of that, then the consequences can be as sad as a loss of life.
Minister, is the member for Moore—a medical practitioner for more than 25 years—right?

Mr ABBOTT—The member for Moore, Dr Mal Washer, is a medical professional of great standing and distinction. He is always worth a good hearing, and a good hearing is precisely what he and other colleagues will get in the next few days. I want to make this point to the member opposite. This government is totally committed to the fundamental principle that parents should have access to government information about government health benefits delivered to their under-age children.

Environment: Policy

Mr LINDSAY (2.37 p.m.)—My question is to the Minister for Small Business and Tourism. Would the minister inform the House how the federal government’s energy white paper will benefit small businesses, particularly those in regional areas? Is the minister aware of any alternative policy approaches? What would be the impact of these on Australia’s 1.2 million small businesses if they were ever implemented?

Mr HOCKEY—I thank the member for Herbert for his question and recognise that he has many small businesses in his electorate that will benefit from the energy white paper. In particular, the reforms will provide about $1.5 billion of excise relief for regional businesses, particularly small businesses. From 1 July 2012 all off-road business use of fuel—all fuel—will be effectively excise-free. So tourism operators in the member for Herbert’s electorate—

Mr Howard—There are a lot of them.

Mr HOCKEY—and there are a lot of them, servicing the Great Barrier Reef—

Mr Howard—What about Leichhardt?

Mr HOCKEY—In Leichhardt, there are many of those businesses. They will all enjoy cheaper fuel because of this initiative from the Liberal and National parties. Small fishing boats, for example, servicing the fish markets in Sydney or Melbourne will effectively enjoy cheaper fuel. The use of all fuel for electricity generation will be effectively excise-free from 1 July 2006. For example, in the member for Barker’s electorate, on parts of Kangaroo Island they will now have cheaper fuel as a result of this initiative from the Liberal and National parties. Heavy vehicles that weigh more than 4½ tonnes will also have cheaper fuel. So landscaping businesses operating in the middle of cities or perhaps furniture removalists travelling up and down the Hume Highway or the Pacific Highway—all of these businesses will get cheaper fuel as a result of this initiative announced by the Prime Minister today.

When it comes to red tape reduction, it is the coalition that is committed to reducing the red tape. Instead of monthly, quarterly or six-monthly diesel fuel rebate returns, small businesses will no longer have to complete any separate forms under this initiative. So those forms—which could be monthly, quarterly or yearly—are gone. Small businesses will be able to claim the rebate as a part of the BAS and, under the initiative announced by the coalition in the budget, up to 750,000 ABN registered entities will have only one BAS, one GST payment, once a year.

Let us compare that with the Labor Party, because I was asked by the member for Herbert about alternative policies. The Labor Party have their own version of the greenhouse gas emissions trading system, and Allen Consulting warned that it would destroy 15,000 jobs and cause an explosion in the price of fuels of up to 27 per cent. So let us get it right: under the coalition’s policies, there are going to be more jobs, there will be cheaper fuel and it will be better for the environment; under the Labor Party’s policies, there are going to be fewer jobs, it is going to
cost more for fuel and it is not as good for the environment.

What does that mean for businesses and households? Under the Labor Party’s proposal, power bills in Victoria would go up $203 a year; in New South Wales, up $209 a year; in Queensland, up $224 a year; in Western Australia, up $193 a year; in Tasmania, up $289; and in South Australia—get a load of this!—under Labor Party policy, power bills would go up $303 a year. It is pretty clear where the differences lie. The Labor Party believes in higher costs for businesses and higher costs for consumers; the coalition is committed to lower costs and more jobs.

Health: Funding Agreements

Ms GILLARD (2.42 p.m.)—My question is to the Minister for Health and Ageing. Will the minister guarantee that, in the public health outcomes funding agreements being negotiated with the states and territories and due to commence on 1 July this year, the Howard government’s expenditure on supporting family planning services will be maintained in real terms—meaning expenditure of at least $17.5 million in the next financial year?

Mr ABBOTT—In broad terms, yes. The government has no plans whatsoever to reduce funding for these particular services—although we do have a plan which we are currently discussing with the states to broadband this funding.

Iraq

Mr BAIRD (2.43 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House about developments in international support for Iraq’s transition to a representative government? Is the minister aware of any alternative policies?
relief to Iraq and we have also contributed over $120 million in aid of one kind or another, some of which is humanitarian assistance, some of which is reconstruction assistance. And I am glad to say that the sort of position our government takes is the sort of position taken—on a much grander scale—in the United States by the Republican administration and the Democratic opposition. It is interesting that, obviously, the Labour government in the United Kingdom takes a very clear position on this issue, and in broad terms its position is—

An opposition member—It’s going well!

Mr DOWNER—well, not doing very well, you might say. The Conservatives are doing well, though, and they take the same position as us as well. So it is quite clear in the United Kingdom, as in the United States, that the major political parties do not wish to abandon the people of Iraq. It is quite clear, when it comes to alternative policies, that the Leader of the Opposition is indeed the odd man out here.

There has been a lot of debate, I know, about what Labor’s policy is in relation to our troops in Iraq. Now, let us try to remember what the Leader of the Opposition said. On the Mike Carlton show on 2UE on 23 March, he said:

... we would be hoping to have them back by Christmas certainly.

That is a clear statement. We know that it was not based on any briefing or any understanding of the situation there; it was just something that he concocted without even consulting his shadow cabinet—but there you are; he said it. And that has been the Leader of the Opposition’s slogan ever since. Two days later on the Today show, he said:

... our intentions have always been clear—always been clear!—

and we’ve got a reasonable proposal there to have the troops home by Christmas.

Well, a month passed, and on 7 April it was time for a bit of preparation to address the Lowy Institute. The Leader of the Opposition said to the Lowy Institute:

... Labor has declared its intention of having the Australian troops home by Christmas.

On 4 June, he put out a press release. He must have read it and given consideration to it. He said in his press release:

We intend to have them—

that is, the troops—home by Christmas.

I would have thought no-one was in any doubt that the Leader of the Opposition has been going out there telling the Australian community that, if you vote for Labor, the troops will be home by Christmas. Only, in the last few days, we have learnt that the Leader of the Opposition has been having the public on. It is apparently not what he believes at all. First of all on 2UE, back on the Mike Carlton show, three months later he says in relation to troops needed to protect the Australian embassy in Baghdad, ‘It might mean leaving some troops there.’ When people say, ‘That’s funny; that’s a backflip,’ he says, ‘No, that was always our position going back to March.’ If it was always the position, going back to March, why wasn’t the Leader of the Opposition telling the Australian public that it was their position? Whatever the member for Griffith may have been saying, the Leader of the Opposition has been telling people that the troops would be out by Christmas.

Remember, we have 846 troops in the Iraq theatre. The Labor Party revealed over the weekend that not only might it keep the 86 troops protecting the Australian embassy but it might keep the 160 military personnel involved in providing surveillance flights through the PC3s and it might keep the 175 sailors on board HMAS Stuart. So that means that, out of 846 troops, it might leave
425. So you have the Leader of the Opposition going around telling the Australian people that it is ‘troops out by Christmas’ and then we find out that you might leave 425 of them behind. That is not having the troops out by Christmas.

The point here is that the Leader of the Opposition is telling the Australian public one thing but proposing to do something else. I think the Leader of the Opposition’s reputation for integrity is at stake here and he should get up and explain to the parliament and to the Australian public what his position really is. Apparently all the Leader of the Opposition wants to do is to bring back the C130s that provide essential supplies to Australian troops there, the 65 people involved in training Iraqis, the air traffic controllers and a few people working in what is now called the Coalition Provisional Authority. If that is the Labor Party’s view let us hear that it is its view, because when this was put forward during the course of the last weekend, the Labor Party was running up to the press gallery trying to convince them that this had been Labor’s policy since March. If this was Labor policy since March, why was the Leader of the Opposition going around telling the Australian people it would be ‘troops out by Christmas’? I think there is a lot of misleading going on here.

Military Detention

Mr RUDD (2.51 p.m.)—My question is to the Minister for Foreign Affairs. Can the minister advise the House when Australian officials in Washington or Canberra first became aware of Red Cross concerns about the treatment of prisoners at Guantanamo Bay?

Mr DOWNER—To the best of my knowledge in relation to Hicks and Habib, we have no information that they have been maltreated in Guantanamo Bay, and that has been the focus of our concerns. As to whether the Red Cross have been concerned about maltreatment of Hicks and Habib at Guantanamo Bay, to the best of my knowledge I am not aware of the answer to that question—whether they were ever aware of maltreatment of them. In relation to the maltreatment of anyone else in Guantanamo Bay, I would have to check but—

Mr Rudd—Mr Speaker, I rise on a point of order, regarding relevance. The question was about prisoners in general at Guantanamo Bay, not Hicks and Habib.

The SPEAKER—Has the minister concluded his answer?

Mr Bevis interjecting—

The SPEAKER—Order! I am making the inquiry normally made from the chair to a minister in inquiring as to whether the minister had concluded his answer. The minister has concluded his answer.

Employment: Unemployment Rates

Mr BARTLETT (2.53 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister advise the House of the most recent unemployment figures? What has this government done to create jobs and is the minister aware of any alternative policies?

Mr ANDREWS—I thank the honourable member for Macquarie for his question. In response I indicate that last Thursday the Australian Bureau of Statistics reported that the unemployment rate for the month of May in Australia had fallen to 5.5 per cent. This is the lowest unemployment rate in Australia for 23 years. In addition to that low rate of 5.5 per cent, 80 per cent of jobs—eight in 10 jobs—created in Australia in the last 12 months have been full-time jobs. Indeed, more jobs have been created in Australia in the last six months under the coalition government than were created in the last six years under the Labor Party when it was last in government. This low rate of unemploy-
ment did not just happen naturally; it happened because of the strong, consistent and good economic management of the economy by the coalition government.

I am asked about alternative policies. The greatest challenge to Australia’s low rates of unemployment at the present time would be the propositions from the Australian Labor Party—from Latham Labor—to abolish Australian workplace agreements, to destroy casual employment in this country, to increase the unfair dismissal burden on business, to remove the secondary boycott provisions in the law and to increase the power of the union bosses. These are all things which would lead not to the creation of jobs in Australia but to the destruction of jobs for ordinary Australian men and women and insecurity for Australian families.

We have the most left-wing agenda from the Leader of the Opposition when it comes to jobs. On the weekend he was at the Labor Party conference in Queensland, where he spoke again about the so-called ‘ladder of opportunity’. Of course, a rung was missing from the ladder of opportunity—the thing which is never mentioned by the Leader of the Opposition or the Labor Party—and that is jobs. If you do not have a job, then you do not have the first rung of opportunity in Australia. You cannot read to your children if you do not have the money to buy the books in the first place.

The distaste of the Australian Labor Party for jobs—their refusal to look at the issue of jobs and employment—is quite remarkable. We know that the Deputy Leader of the Opposition suggested recently that people would be better off without a job rather than having casual employment—something which is quite shameful and absurd. Australia could not afford the reckless economic policy of the Australian Labor Party. They do not have a plan for creating more jobs for Australians. Their only plans would be bad for business and bad for workers. They would be bad for all Australians.

Family Services: Family Payments

Mr SWAN (2.56 p.m.)—My question without notice is directed to the Minister for Children and Youth Affairs, representing the Minister for Family and Community Services. Can the minister confirm that the government secretly changed the indexation formula for family tax benefit following the budget? Minister, won’t this change claw back the additional value of the budget’s $600 payment by cutting future increases in fortnightly family benefits? Minister, hasn’t the government been caught out again, giving with one hand before the election but engineering a way to claw it back afterwards?

Mr ANTHONY—I would like to thank the member for Lilley for his question. It gives me an opportunity to inform the Australian parliament and the Australian public that this week a $600 payment will be going to all Australian families who are eligible for family tax benefit. You can never rely on the comments made by the member for Lilley. Indeed, the system is absolutely transparent. All families who are eligible for FTB will be getting that $600 payment. Likewise, those who are eligible for FTB will be getting that $600 payment next year. The question that Australian families should be asking the shadow spokesperson is: will the Australian Labor Party guarantee this payment in the 2005-06 financial year?

Mr Swan—Mr Speaker, I rise on a point of order. My question was about indexation.

The SPEAKER—The member for Lilley will resume his seat. There is no point of order.
Transport: AusLink

Mr BALDWIN (2.58 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 of the nation-building investment in road and rail that this government has made in AusLink? Is the minister aware of any alternative policies?

Mr ANDERSON—I thank the honourable member for his question. AusLink is, in simple terms, Australia’s first ever national land transport plan. Since Federation we have never been able to achieve this. Now we have one before us. It is made necessary by very strong economic growth. Increased prosperity in Australia is leading to people moving around a lot more in a private capacity. It is also leading to a very strong growth in freight volumes moving around the country. It is estimated that, over the next 20 years, we will see a doubling in freight movements across Australia and a 40 per cent increase in private passenger movements. So it is made necessary by strong economic growth, but it is made possible by careful economic management under this government over the last eight years. Over the next five years we will see expenditure of $11.8 billion which, coincidentally, is around twice what was spent on the Snowy Mountains Scheme in today’s money. That will mean $7.7 billion for the new AusLink national network, $1.5 billion for the AusLink Roads to Recovery program, $2.6 billion in untied local roads grants and $90 million under the national black spot program to fix dangerous locations on our roads.

Additionally, following the successful signing-off of the Australian Rail Track Corporation lease over the designated interstate rail track in New South Wales and the Hunter Valley track, we will see the pre-announced expenditure of some $872 million there in upgrading the track in New South Wales. This is because we must now strategically take forward the development of both road and rail and make certain we end the old intermodal rivalries and stand-offs which denied us a coherent approach to transport planning and strategies in this country. Quite simply, with the very large increases in freight volumes coming at us, there will be a lot more for both road and rail. The more we crowd it all onto one sector, namely road, and the more taxpayers’ money we put into roads, the more we will find we are just treading water and people simply will not be able to move on our major highways.

I have been delighted with the reception given to AusLink from many quarters. The Australian Local Government Association president commented that it ‘is a vital nation-building initiative’. The NRMA chief, Ross Turnbull, welcomed AusLink funding. He said that it will save lives and make our economy more competitive and that it is very timely that we are now addressing the integration of road and rail at a national level and identifying strategic freight corridors so that we can plan properly for the future.

We have achieved not only what Labor could never do in government but what it appeared to have absolutely no commitment to in opposition. All we have had is some rhetorical bleating. What was very noticeable was that, when we first announced it, there were Labor Party ministers all over the country floundering around for a response. We had one Labor minister saying, ‘This is obviously politically motivated because all the roads go through coalition seats,’ at precisely the same time as another roads minister said, ‘It is obviously politically motivated because none of the roads go through Labor Party seats.’

Honourable members interjecting—
Mr ANDERSON—Sorry, because they all go through Labor Party seats. He said the opposite thing. After a couple of days, it was obvious they had coordinated their message and they were all saying that it was not enough.

These are huge increases in order to meet a very real national need. At the same time as the member for Batman says, ‘We’ll have some new body which will ensure that it is hands-off and governments have nothing to do with saying where the money will go,’ in the same breath he says, ‘We’ll do a dodgy deal with the pack—with Scully, Batchelor and Lucas.’ The fact is that, in the end, our money is on the table. The member for Batman should tell his state Labor colleagues to stop political point-scoring and get on with the job. We have real resources on the table to give Australians what they need and deserve: a proper transport strategy for the future—and the Labor Party ought to get on and make it a reality for Australians.

Family Services: Family Payments

Mr SWAN (3.03 p.m.)—My question without notice is to the Minister for Children and Youth Affairs representing the Minister for Family and Community Services and it follows my previous question on family tax benefit. Minister, has the government changed the indexation formula for family tax benefit, following the budget?

Mr ANTHONY—I would like to inform the member for Lilley that no, the government has not changed it. Indeed, one of the things we are very conscious of is to maintain that there is real value for that $600 payment that will be made not just by 30 June but also every year after to those families eligible for family tax benefit. I think the concern that members of parliament and the public that might be watching this broadcast today should have is with this constant scaremongering by the Australian Labor Party where they are still refusing to put through this payment in years beyond 2004-05. Indeed, the shadow spokesperson for finance has again refused to endorse that the Labor Party will back the government’s position where a $600 payment will be made on the base rate and the minimum rate from every day forward.

The only concern that I think Australian families should have here is the refusal by the Australian Labor Party to guarantee that increase of $600 to family tax benefit clients for future years beyond 2004-05. Indeed, the payments will begin this week. This is a very generous payment that we will be making to all families along with carer payments to those who are eligible.

Health: Pharmaceutical Benefits Scheme

Mrs DRAPER (3.05 p.m.)—My question is addressed to the Minister for Health and Ageing. Would the minister assure the House that the cost of pharmaceuticals will not rise as a result of the free trade agreement with the United States? What action is the government taking to continue to provide affordable medicines to all Australians, including those in my electorate of Makin?

Mr ABBOTT—I appreciate the member for Makin asking me this question because it is an important subject. I know that all members of the House are concerned to protect the Pharmaceutical Benefits Scheme. Let me make it very clear that, in negotiating the free trade agreement with the United States, the government was very concerned not to prejudice any aspect of the operation of the Pharmaceutical Benefits Scheme. Let me make it clear also that, under the free trade agreement, drug prices to consumers will not rise, the PBS legislation will not change, the Pharmaceutical Benefits Advisory Committee will remain the gatekeeper to the system and cost effectiveness will remain the criteria.
against which applications to list a drug will be judged.

The government has agreed to an independent review process, but all that can happen under this process is that the PBAC might be asked to look again at a particular application. I want to make it clear that, if a drug is not cost effective, it will not and should not be listed; if it is cost effective, it will and should be listed. Under the free trade agreement, the Pharmaceutical Benefits Advisory Committee remains the judge and the Australian parliament remains sovereign over the Pharmaceutical Benefits Scheme. I call on members opposite to swallow their anti-American bile and get behind the free trade agreement.

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

QUESTIONS TO THE SPEAKER

Questions Without Notice

Mr PYNE (3.07 p.m.)—Mr Speaker, on indulgence: I rise to round out the issue that I raised at the end of the last question time of the last sitting. You very kindly provided me with information regarding the length of preambles over the years. The House might be assisted by reading your most excellent ruling to the chamber on 7 December 2000, where you did cover the issue of preambles. I will quote what you said:

While I am prepared to tolerate short introductions some occasions, as a general rule the use of prefaces is to be avoided.

The SPEAKER—if the member for Sturt wished to assist the chair, he would simply have indicated a Hansard page number or something like that. That would have assisted other members.

Questions on Notice

Mr MURPHY (3.08 p.m.)—Mr Speaker, I am seeking your help under standing order 150, regarding question No. 3413 on 29 March to the Treasurer and three questions on 1 April: question No. 3442 to the Minister for Education, Science and Training; question No. 3443 to the Minister for Communications, Information Technology and the Arts; and question No. 3444 to the Prime Minister. Could you please help me with those.

The SPEAKER—I will take up the matters raised by the member for Lowe as the standing orders provide.

International Cleaners Day

Ms O’BYRNE (3.09 p.m.)—Mr Speaker, as you are probably aware, today is International Cleaners Day. Could you, on behalf of the members of the House, pass on our thanks, appreciation and gratitude to those staff who work so hard to make our lives a little bit easier in this building.

The SPEAKER—I thank the member for Bass, and I will be happy, on behalf of all members, to carry the appreciation of all members to the staff.

Questions Without Notice

Mr ROSS CAMERON (3.09 p.m.)—Mr Speaker, during question time I raised a point of order about lengthy preambles and questions containing arguments. You referred me to your discussion with the member for Sturt and to precedent of the House as a guide. I simply want to refer you to Speaker Halverson’s ruling on 26 March 1997, in which he said that there are clear and general rules which are well understood. He said:

However, difficulties arise when members begin their questions with a long preamble, or their questions actually contain a whole series of questions.

Mr Leo McLeay—Mr Speaker, I rise on a point of order. It is about lengthy preambles.
member for Parramatta had the call to pose a question to me.

Mr ROSS CAMERON—To conclude, Speaker Halverson said:
These practices are clearly unacceptable, and I intend to apply a much firmer test to such matters in the future.
When you were referring to the weight of precedent in the House in relation to lengthy preambles and argument, I just want to know if your view differs from that of Speaker Halverson.

Ms Gillard—Mr Speaker, on the same point of order: as you are no doubt aware, it is inappropriate to endeavour to canvass in a question to the Speaker matters that were raised on points of order and which you have properly dealt with. You have explained the nature of your rulings. I would suggest that, if the member for Parramatta seeks further guidance, he ought to do that with you privately. This is a most inappropriate use of a parliamentary mechanism that is meant for an entirely different purpose.

The SPEAKER—Let me conclude this matter. The member for Lalor is absolutely right.

Questions on Notice
Mr DANBY (3.12 p.m.)—Under section 150 of the standing orders, would you request the Minister for Defence to examine No. 3253 of 3 March 2004 and get an answer to my question?

The SPEAKER—I will certainly follow up the matter as the standing orders provide.

AUDITOR-GENERAL’S REPORTS
Report Nos 50 to 52 of 2003-04
The SPEAKER—I present the Auditor-General’s audit reports Nos 50 to 52 of 2003-04 entitled No. 50—Management of federal airport leases; No. 51—HIH Claims Support Scheme—governance arrangement: Department of the Treasury; and No. 52—Information technology in the Department of Veterans’ Affairs—follow-up audit: Department of Veterans’ Affairs.
Ordered that the reports be printed.

PAPERS
Mr ABBOTT (Warringah—Leader of the House) (3.13 p.m.)—Papers are listed as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:
That the House take note of the following paper:
Higher education—Report for the 2004 to 2006 triennium

Debate (on motion by Ms Gillard) adjourned.

MATTERS OF PUBLIC IMPORTANCE
Howard Government: Energy White Paper
The SPEAKER—I have received a letter from the honourable member for Hunter proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The Government’s failure after eight and a half years, to produce a policy which guarantees reliable, affordable and environmentally sustainable supplies of energy to all Australians
I call upon those members who approve of the proposed discussion to rise in their places.

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

Mr FITZGIBBON (Hunter) (3.14 p.m.)—There were many notable omissions from the Prime Minister’s speech in the Great Hall today: there was no real plan for the environment; there was no real plan for energy reliability and security; and, even more importantly—as fleshed out during question time today—there was no an-
announcement on the planned advertising bill. $123 million of taxpayers’ money has already been committed—$15.7 million on the Medicare campaign alone—and here comes the mother of them all: an advertising blitz designed to fool the Australian electorate into believing that, after 30 years in public office, the Prime Minister has a vision. But we know that someone else has a vision—a vision to sit in the chair occupied by the Prime Minister during question time. That person is the member for Higgins. But you will not find the Treasurer’s fingerprints anywhere on this white paper; this is more in the mould of the National Party. The Treasurer will get his win one day, I am sure, but while ever the current Prime Minister sits in that chair, political expediency will win over policy integrity every time.

The Treasurer is a patient man, and he will wait. He knows that his best chance is to roll over and hope that the Prime Minister’s vote-winning exercise will carry the day at the next election and then he will be able to quietly slip into the chair. Make no mistake about it: a vote for John Howard at the next election is a vote for Peter Costello. This makes it interesting. Only about $300 million of the $1.5 billion announced in today’s white paper is to occur in the forward estimate years. That is around 20 per cent, and this raises a question: what confidence can anyone really have that, once the old man vacates the chair and the member for Higgins gains control, any of the spending announced today will see the light of day?

The opposition has been calling on the government for the past 8½ years to pick up the ball that was left behind by Paul Keating in 1996, take it to the 70-metre line and run with it again on energy reform. After five years of ignoring those calls, the Prime Minister finally buckled in the face of a looming energy supply crisis. If anyone doubts whether we face an energy supply crisis in this country, I refer them to the quote that I shared with the House during question time today. If they need more convincing, I refer them to a statement made by the minister sitting at the table—the honourable member for Groom—about 16 months ago, when he told an energy conference in Victoria that Australia was facing a $40 billion shortfall in energy investment and, if something were not done about it within three years, the lights would be blacking out. He said that, in fact, we would have blackouts during the Commonwealth Games. Here we are, some 16 months on into a three-year period, and still you have done nothing, Minister. You have still done nothing about the siren call you delivered in Melbourne that day. The question arises: when will you do something serious about energy security in this country?

The Prime Minister commissioned the Parer review. Of course, there is no response in this energy white paper to all the deficiencies in the energy market highlighted in the Parer review. Then he commissioned a Productivity Commission review. Again there is no response in today’s white paper to the deficiencies highlighted in that review. So where is the reform? Where are the government’s attempts in this white paper to address the very real deficiencies identified in those two very important government-commissioned papers? Later, of course, the Prime Minister formed a cabinet-level committee on energy reform and yet, more than a year later, all we see as a result of that process is a short-term political fix. I know how aghast some of the people working on that project must be that all that work they have done over the course of the last 18 months or so has been left to gather dust on the shelf. It has been forced to make way for a more politically expedient response to energy problems in this country.

It appears that the Prime Minister prefers George Bush’s model for energy reform. It is
the same old strategy: oppose the ratification of Kyoto but fund a round of initiatives to encourage greener energy and therefore transfer resources from the taxpayer to the energy sector in the process. It is about looking greener but not addressing the big energy issues of the day. The Prime Minister still has his head in the sand on global climate change, and he has no plan to address Australia’s growing dependence on imported oil or the looming crisis in energy infrastructure investment. He has no plan to keep the lights on in Australia 24/7. The Prime Minister’s energy white paper fails to deliver a policy which guarantees secure, reliable, affordable and environmentally sustainable supplies of energy to all Australians.

These are the big energy issues of the day. Instead of addressing these issues, after 8½ years of drift and inaction, all the Prime Minister has delivered is another short-term election fix: funding announcements on the eve of an election, most of which will not be available until after the four years beyond the forward estimates. This is a package full of half-truths, the trademark of the Howard government’s modus operandi—kids overboard, weapons of mass destruction, ethanol, Mick Keelty, Greater Sunrise and Abu Ghraib. The $500 million technology fund is, over the forward estimates, actually a $107 million package. The $1.5 billion excise rebate for business is really a $154 million rebate over the next four years.

But let us look at the big issues: the first is greenhouse and environmental sustainability; the second is energy supply security and reliability; and, of course, the third is affordability—I have not seen any reference to that in the white paper as yet. First, let us look at global change—the most obvious omission, other than for the advertising campaign, in the energy white paper. The Prime Minister’s failure to match Labor’s commitment to the Kyoto agreement and increase the mandatory renewable energy target puts Australia on the path to environmental crisis and perpetuates uncertainty for industry. No matter where I go around this country talking to industry on this issue I hear, more than anything, there is the need for certainty. The Prime Minister justifies his position by saying that Australia is one of the few nations on track to meet its target under the Kyoto agreement. But what he does not say is that the only reason Australia is likely to achieve its Kyoto target is that a Labor government, the Beattie government, had the foresight to introduce landmark tree-clearing legislation which the Howard government did not endorse and the Nationals actively opposed.

The white paper reflects a piecemeal approach to climate change that targets votes in marginal seats on the one hand and technology winners on the other hand. This is what the Howard government does worst. Take, for example, Manildra, Syntroleum, Methanex and AMC. There is a long list of failures attached to the Howard government’s approach to picking winners. No serious greenhouse response can neglect market based mechanisms and the need for a clear carbon price signal in the marketplace. The Prime Minister told us today how successful his voluntary systems, like the Greenhouse Challenge Program, have been—so successful that he now feels a need to make them compulsory.

I note with great interest that at least one of the states has now sought to enshrine in the COAG agreement on energy reform some guarantee that the states will be free to set their own carbon abatement programs, despite what the energy agreement might say. What does this mean? This means that the uncertainty for industry will continue while ever the Howard government continues to reject the ratification of Kyoto and market based mechanisms for dealing with the greenhouse challenge in this country.
What industry in this country will face if the Howard government is re-elected, as is made clear by the requests from the states for the amendment, is a plethora of state based carbon abatement regimes. That is surely the worst possible result for Australian industry, and yet the Prime Minister stood here during question time and tried to portray the Labor Party as the party creating problems for business. The biggest problem for business is the uncertainty created by the Howard government’s piecemeal approach to the climate change problem in this country.

Labor will sign up to Kyoto. We will have a national emissions trading system of some kind—a market based system, in which market participants determine the most cost-effective means of reducing emissions. The details will be worked out in consultation with the industry and the states. Labor will not uniformly impose such a scheme on industry, but we will work with stakeholders.

The white paper’s claim that the level of security in transport fuels is not under threat flies in the face of genuine community concerns about Australia’s declining crude oil reserves and its increasing reliance on imports from OPEC and the Middle East. Australia must reduce its dependence on oil imports by moving to alternative fuels and newer fuels which can be produced from our enormous reserves of coal and natural gas. With oil prices at around $US40 per barrel, gas to liquids and coal to liquids are commercial propositions and it is only a matter of breaking through the many vested interests which act as a brake on such developments. Coal to liquid technologies are also the key to commercialising clean coal technology for power generation and reducing greenhouse emissions from coal fired generation.

But the Prime Minister shows the same disdain for electricity supply reliability as he does for transport fuels. While the white paper says that further energy market reform is urgent, it also says that the critical detail will be developed over the period from 2004 to 2006 by the Ministerial Council on Energy. We have waited at least 2½ years for this energy statement and it has followed committee after committee, task force after task force and inquiry after inquiry. Is the end result truly that we need to be talking more? Is the end result, Minister, the need to talk more? That is clearly the proposition you have put to the Australian electorate today.

Clearly it is not a priority for this government to keep the lights on for all Australians. But it is a priority for Australians and it is a priority for Labor. Australians do not want dirt-cheap electricity if it means falling levels of reliability of supply. They want a very reliable supply of electricity at a reasonable cost. In 8½ years we have had nothing more than Clayton’s reform in electricity and gas. The truth is that all the Howard government has done on the reform front is replace NECA with the AEMC—which is only a matter of changing from a Corporations Law company to a commission—and create an Australian energy regulator whose relationship to the ACCC remains, at best, unclear. And we still have not had legislation to create those bodies introduced into the House, despite the fact that the start-up date is 1 July.

Absent still from that agreement is any real commitment to move distribution regulation from the states to the national body. The end result is that you still have all the state regulators and an additional national regulator to deal with. The government said the whole reform process was about reducing the layers of regulation, and yet the outcome appears to be more layers, not less. On top of this, the industry is going to be slugged with a levy to fund the Australian energy regulator when at present the ACCC is funded from
the federal budget. It is another new Howard government tax and a nice little piece of cost-shifting from the Commonwealth budget to industry and, of course, ultimately the consumer. As I said, the new arrangements for the AER and AEMC are due to take effect from 1 July 2004, but we have still not seen the legislation.

The government needs to learn that energy reform is more than talking about extra fuel tax cuts and more than going to California to talk to Arnie Schwarzenegger. The Prime Minister was exposed on his trip to California—he said he was going there to secure a $15 billion gas deal, when we know now that all he was going there to do was to talk about one monopoly receival terminal. In fact, he was going there to pick one winner once again. To be serious about energy policy, the government must take a fully integrated approach. (Time expired)

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (3.29 p.m.)—If that is the alternative government’s energy statement then woe betide Australia. I have never heard such a rambling, ad hoc, piecemeal approach to energy policy in my life. In fact, it is such a contrast to that which was announced by this government today that it is obvious that business, having heard from the shadow minister for energy, must be wondering if there is any future for them under a Labor government.

We all know, and I am sure the member for Hunter knows, that $50 billion is spent on energy each year in Australia and that electricity demand will rise in the next 15 years or so by some 50 per cent. He quoted a figure that I may have used. I was probably a little out. I may have said it was $40 billion 2½ years ago. We have a much better figure on that now: we have to spend $37 billion by 2020 if the energy sector is to keep up with demand. The resource sector earns this country some $24 billion a year and employs 120,000 Australians. About 7,000 of them from the coal industry alone, I am informed, are in the electorate of the member for Hunter. I am sure they are listening very carefully today to the comments of the member for Hunter and wondering if they would have jobs under a Labor Party government were it ever elected.

The member for Hunter said this morning that the Labor alternative government would immediately increase the MRET. The MRET under the Labor Party would be increased to five per cent. The cost to Australia would be significant, estimated as a negative to the GDP of some $11.5 billion. I know that that is probably a relief compared to the policy of the Greens—supported by the Labor Party’s latest recruit, rock star Mr Garrett. The Greens support an MRET that will cost Australian GDP about $23 billion in negative growth. What we are seeing here from the Labor Party is an anti-energy policy, an anti-business policy, an anti-industry policy and, worst of all, an anti-jobs policy.

Our government announced this morning an energy policy which is about maximising growth in Australia’s resource sector, reforming the electricity, gas and retail petroleum markets, reforming the taxation of transport fuels, introducing measures for energy efficiency and supporting new energy technologies. We need to go through each component of that policy in detail.

In terms of resource growth, the Howard government has overseen a transparent and consistent regulatory regime for resource exploration and development in Australia in its time in government. Reduced compliance costs, as well as the introduction of a generous tax concession for the effective life of major pipeline infrastructure and assets, has seen that industry continue to have the confi-
dence to invest. As a government, we have spent an extra $61 billion on Geoscience Australia for vital seismic data collection to ensure that there is an encouragement of exploration.

I am interested in a press release that I saw only today from the member for Hunter. He thinks all the oil that is in Australia has already been found. He says in his press release of 12 May that ‘most of Australia’s oil has already been found’. Obviously, the member for Hunter does not see the need to go out looking for oil. He has already made up his mind that it has already been found. We do not have that view. We continue to pursue those opportunities and that is why we changed the PRRT regime.

Mrs De-Anne Kelly—We encourage geologists.

Mr IAN MACFARLANE—Yes, we encourage geologists, and I know the parliamentary secretary is very keen to see them encouraged. But we also extended the PRRT concession from 100 per cent to 150 per cent in terms of its tax deductibility.

It is well understood that the work that we have done in the Chinese LNG market has already delivered Australia’s biggest trade contract of some $25 billion. The Prime Minister and I last week talked to the US about opportunities to put LNG into California, whether it be through the Californian proposals or through Baja California, which is in Mexico. I have spoken extensively in the last week with a whole range of companies, including BHP Billiton, Exxon Mobil and Chevron Texaco—in fact, I took the opportunity to meet with Chevron Texaco while I was in California—and we continue to have extensive discussions also with the domestically based oil and gas producers, such as Woodside and Santos. BP and Shell are also regular visitors to my office. We continue to work in that area to ensure that there is robust development of the resources sector.

I know the member for Hunter is vitally interested in energy market reform and perhaps does not properly understand where that process is up to. I will explain to him for the benefit of the House that in fact we have delivered, with the states, an agreement endorsed by COAG for energy market reform. That legislation is expected to be introduced into this House this week and to be passed in the South Australian parliament by the end of this month. The reforms will bring about a single energy market regulator and the establishment of the Australian Energy Market Commission—a one-stop shop for future investors who have been scared away in recent times by the complications of having 13 state based regulators in the electricity market alone.

We have seen, as part of the transport fuel reform package handed down today, a $1.5 billion cut in excise for business, for industry, for the resource sector and for farmers. This will have an effect right across the board in cities like Brisbane, Sydney and Melbourne right through to the small town of Proston where I grew up—the member for Hunter might be interested to know. They will benefit from the changes to the fuel excise that we have introduced today.

Of course, whenever you are thinking about fuel excise you have to watch what is going on on the other side. We well know and understand what the Labor Party’s policy is on fuel excise. It is to increase the amount of excise paid by the resources sector by some $500 million. That is their policy. It is clearly enunciated. It is another example of their anti-business, anti-development, anti-export, anti-job policy.

In terms of alternative fuels, we are in the process of assessing applications for the $37½ million capital grants scheme for bio-
fuels. We have seen some great applications under that scheme, which further highlights our government's willingness to consider a whole range of alternative fuels in our energy mix. While we do that—and while the member for Hunter stands at the box—the Labor Party cannot even make up their minds as to whether or not they support ethanol. About 18 months ago, we saw an absolutely disgraceful attack on the ethanol industry which has left that industry scarred and has, in many cases, destroyed consumer confidence in ethanol. This government continues to work to rebuild that confidence.

Having been through the sorts of investments that we will see under the coalition's policy in the area of energy, it is worth looking at what Labor's energy policy alternative will be. We have heard that they will introduce an MRET at five per cent. As I explained earlier, that will slash GDP growth by about $11 billion. We know that they will introduce emissions trading. A report commissioned by, I understand, the Victorian government, said that some 15,000 jobs would be lost through that policy. The report by Allen Consulting confirmed that some 15,000 jobs would be lost were a greenhouse emissions trading system introduced.

The Labor Party will endorse Kyoto, which will drive energy intensive industries overseas. Those industries will simply move to countries not covered by Kyoto. I am sure that the member for Hunter, coming from an electorate with a reliance on the coal mining sector, would be particularly saddened to see that sort of shift in investment. That shift in investment would see a devastating loss of jobs not only in the member for Hunter's electorate but also in the La Trobe Valley in the member for McMillan's electorate. The member for Hinkler would also see a loss of jobs in his electorate were the Labor Party to endorse that policy. I find it quite extraordinary that a Labor Party member of parliament from a region so reliant on jobs in the coal industry would endorse a policy that would cost jobs in his own electorate. I find that amazing.

I think the people of the electorate of Hunter should have a long hard look at whether or not they are going to have a job if they re-elect the current member for Hunter. There are a whole range of issues that I could continue to talk about, and we could argue backwards and forwards about issues relating to whether today's energy statement has the support of industry, but I will simply read a few of the quotes that have been published since that statement was released. The Energy Supply Association of Australia, in referring to the government's energy policy statement, said today that they were:

especially pleased to see that the LETF—the Low Emission Technology Fund—is open to all fuel sources and renewables. Measures that favour individual sectors and technologies are a poor option.

That is one endorsement. Referring to the Prime Minister's energy policy white paper, the Minerals Council of Australia said:

This is a policy of substance over the symbolism of the inadequate Kyoto Protocol—the Kyoto protocol that the Labor Party is going to endorse—premature and undefined carbon emissions trading, and unrealistic and unnecessarily expensive mandated renewable energy targets.

That was probably written by Mitch Hooke.

The Australian Petroleum Production and Exploration Association said:

A major step forward in developing a long term sustainability strategy for Australia's energy sector—

Mr Fitzgibbon interjecting—

Mr IAN MACFARLANE—I know they are sceptical, so I will read what the Austra-
C. Greenhouse Network said. They described the statement as:
A strategic approach to delivering a sustainable energy future for Australia in a post Kyoto world.
I table those statements to ensure the accuracy of my quotes in Hansard.
But the greatest endorsement came this morning from none other than the member for Hunter. When the member for Hunter was speaking about some components of the energy statement, a reporter asked:
What do you make of the solar city trials?
And the member for Hunter replied:
Well Labor supports any trial that seeks to lift the uptake in renewable fuels. We’ll have to have a close look at that but this is about burning our coal more cleanly and more efficiently, and of course a greater uptake of renewable fuels.
A government member—Sounds good!
Mr IAN MACFARLANE—It sounds good to me—I love it. But it goes on. The member for Hunter was asked:
... are you supportive of this plan to transfer greenhouse gases from the coal industry underground?
And the member for Hunter said:
Oh absolutely. Labor supports any plan designed to allow us to burn our coal more cleanly and more efficiently.
I table the transcript of that interview as well. The Labor Party have walked around all day today trying to pick a hole in the energy statement—and we heard an almost pathetic speech from the member for Hunter. All I can say is that it is this government, the Howard government, that will secure Australia’s energy future.
Mr KELVIN THOMSON (Wills) (3.44 p.m.)—One thing I want to say about this energy statement is that it sells out regional Australia; it sells out renewable energy’s potential to develop jobs in regional Australia. I am pleased to have present in the chamber the member for Dawson—
Mrs De-Anne Kelly interjecting—
Mr KELVIN THOMSON—because I have come across a letter from the Mackay Sugar Co-operative Association to Prime Minister Howard, which was written back in April. They said, ‘The current mandatory renewable energy target is far too low to stimulate significant investment by the sugar industry, despite the huge potential the industry offers in reducing Australia’s greenhouse gas emissions.’
Mrs De-Anne Kelly interjecting—
Mr KELVIN THOMSON—The member for Dawson appears to be uninterested in the welfare of Mackay Sugar. In their letter, Mackay Sugar expressed the belief that the renewable electricity market is currently the only realistic large-scale diversification option for the industry in the short term but opportunities in this area are severely impeded because the renewable energy target is too low. The letter went on to say that Mackay Sugar is currently considering an $80 million company-generation project which would create local employment and inject much-needed confidence into the company. They said the proposal would run the plant year round, utilising bagasse produced by three other mills, and that a longer-term plan to introduce renewable energy projects at all four Mackay Sugar mills would lift output to 850 megawatt hours, or nine per cent of the current renewable energy target.
The Prime Minister’s refusal to lift the mandatory renewable energy target shows not only that he is not serious about tackling climate change, which threatens areas like the Great Barrier Reef and the wet tropics rainforests—and you would have thought that the member for Dawson might worry about those things, too—but also that he remains completely oblivious to the opportuni-
ties for regional employment, particularly in the sugar industry, which an increase in the renewable energy target would bring.

What the sugar industry really needs is not exit strategies or handouts but markets for its products. Mackay Sugar knows this, and so does Labor. That is why a Labor government would increase the mandatory renewable energy target to an additional five per cent by 2010, which would make these co-generation projects happen.

Mr Sidebottom—What about the blade plant?

Mr KELVIN THOMSON—I am delighted to hear the interjection from the member for Braddon. It would benefit not only Queensland and New South Wales, where the sugar industry would benefit, but also places like the city of Ararat, which is proposing a renewable energy technology park that is dependent on getting an increase in that mandatory renewable energy target, and north-west Tasmania, which the member for Braddon so ably represents, where the Danish wind technology company, Vestas, has been developing plans to establish a blade plant, which could mean 250 new jobs in the north-west. Those plans have been sufficiently advanced that construction could begin as soon as the mandatory renewable energy target is increased. Unfortunately, in a blow to the electors of Braddon, the Howard government’s refusal today to increase the mandatory renewable energy target is a big setback to these plans. The Howard government remains oblivious to the potential of renewable energy to create regional jobs—for example, in wind turbine manufacture.

We have seen again today confirmation—reinforcement—that this government is not serious about tackling climate change. In the time remaining to me, I want to set out that the government’s abject failure to tackle climate change has occurred on five fronts. Firstly, that failure has occurred internationally. We all know that climate change caused by greenhouse gas emissions is a global phenomenon. To tackle it properly, you have to do so at an international level. We are responsible for one to two per cent of the world’s greenhouse gas emissions. We have to play our role, but clearly we need the other countries to play their roles. The international vehicle for tackling climate change is the Kyoto protocol on climate change. This government refuses to ratify the protocol and actively undermines international efforts to promote renewable energy targets. The government claims that the Kyoto protocol is too weak. This might cut some ice if the government did anything at all internationally to push for a stronger alternative or for any alternative, but it does not.

The government’s second failure is its failure to contain greenhouse gas emissions. This rosy claim that we are on track to meet our Kyoto target of an eight per cent increase in emissions from 1990 to 2008-12 is a piece of spin. It fails to mention that, if you take away land use change—that is, land clearing and new plantation forests—greenhouse gas emissions increased by 23 per cent over the period 1990-2002, electricity generation emissions increased by 41 per cent and transport sector emissions increased by 27 per cent. Land use change is a one-off ‘get out of jail card’ concerning greenhouse gas emissions. Once it has been halted, the only way for Australia’s emissions is up. The claim that we are on track to meet our Kyoto target depends totally on the one-off land clearing change. This is equivalent to balancing the budget by selling an asset like Telstra. This government would scream blue murder at that, yet it regularly tries this on when it comes to greenhouse gas emissions. The rest of the developed world is establishing a pathway to reduce greenhouse gas emissions in the future, but we are not.
The third area of failure is this government’s failure to implement the Prime Minister’s 1997 promises in his prime ministerial statement *Safeguarding the future: Australia’s response to climate change*. That was another whizzbang glossy statement like today’s. If you go back and have a look at the detail, you will find that it simply has not happened. Back in 1997, the Prime Minister said:

Australia also believes that an international emission trading regime would help minimise costs of reducing emissions. We would support emissions trading on the basis of a satisfactory initial allocation of emission entitlements and a practical resolution of the administrative difficulties involved.

Without any allocation of emission entitlements having been made, the government last year abandoned all work on emissions trading and now engages in scare campaigns against it. Back then, the Prime Minister said the government would ‘set a mandatory target for electricity retailers to source an additional two per cent of their electricity from renewable energy sources’. This two per cent target was subsequently turned into 9,500 gigawatt hours; that is proving to be much less than two per cent. It now appears that, as a result of increased electricity demand, it will be less than one per cent. If that 9,500 gigawatt hour target is not increased, investment in the renewable energy industry will come to a grinding halt around 2007.

We will need a growing renewable energy industry to give us a pathway to emission reductions in the future. Other countries, particularly in Europe, have set much more ambitious renewable energy targets than we have and, as a result, their renewable energy industries are marching forward ahead of ours. This failure to set an increased mandatory renewable energy target is bad for the environment, short-sighted in terms of Australia’s future and its competitive position, and bad for jobs in regional Australia.

The fourth area of the government’s failure is getting results from spending on greenhouse gas abatement measures. We had again the statement today, ‘Never mind the quality; feel the width; look how much money we’re spending.’ But assessments of the government’s greenhouse gas abatement spending by independent bodies such as the Auditor-General and the Australia Institute concluded it was impossible to determine whether this spending had achieved greenhouse gas emission abatement over and above ‘business as usual’. The government has sought to make much of its $1 billion greenhouse package. It is doubtful that it has achieved much. Indeed, the Greenhouse Gas Abatement Program is now being wound down. The government’s claims of spending on the environment never stand up to detailed scrutiny.

Finally, I will mention the government’s failure to get a balance between spending to promote fossil fuel technologies and spending on renewable energy. There certainly is a place for developing clean coal technologies. Coal will be a primary source of Australian and international energy for many years to come, and if we can reduce those emissions—sequester them—that would be a very good thing. Labor see this as one of a suite of measures to tackle climate change, one of a number of horses we would have out on the track in the race to contain carbon dioxide emissions. But this government has been putting—and, with today’s announcement, continues to put—all of its eggs in the geosequestration basket. If that fails, where will we be then? This government certainly will not be around to be held accountable for such a failure. The problem is that the government treats geosequestration as a magic bullet, as a greenhouse gas cure-all, and hides behind it in order to avoid action on
other fronts, like the Kyoto protocol, renewable energy, energy efficiency and emissions trading. *(Time expired)*

**Dr STONE** (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) *(3.54 p.m.)*—At least we had some energy from the member for Wills when he was making his response on this matter of public importance just now, because it was a very sad, lacklustre affair that we heard from the shadow minister for mining, energy and forestry, the member for Hunter. I suppose he was in a bit of a bother because many of the 120,000 jobs which are associated with the energy sector in Australia are in his electorate. It must have been very difficult for him to keep a straight face, and I guess that was part of the reason why he was mumbling rather quietly as he tried to make a case for making Australia a victim of the future, rather than putting it in a win-win situation. What this government proposes to do, as in all things, is to set a policy that is for all sectors and for all people, a policy that will produce for us a world-best technology base in low-emissions technologies that does not ignore parts of the country.

For example, the shadow spokesman for the environment, the member for Wills, got very carried away about the sugar industry for quite some time. The parliamentary secretary at the table with me, the member for Dawson, was most interested in that because what the member for Wills was saying was, if we adopted the Labor Party’s goal of a five per cent increase in the MRET, all would be well with the sugar industry. I ask you, Mr Deputy Speaker: who would take the pain of the $11.5 billion that that five per cent increase would cost this country? It would be rural and regional Australians, the people who do not have any faith in a Labor government and who have seen what happens when Labor comes into government in this country. They see the 18 per cent and 20 per cent interest rates that force them to sell the farm. They see unemployment rates skyrocket. They see what happens to programs like Roads to Recovery, programs that are never on the agenda of a government that rules only for parts of the city and for the unions. So to suggest for a second—or indeed for some three minutes, as the member for Wills did—that increasing the MRET by some five per cent, at a cost of $11.5 billion, is in some way doing this country a favour suggests that, unfortunately, the member for Wills needs to get out his calculator.

I want to say to those who are concerned about Australia’s future that this government understands the very peculiar and particular circumstances that our history has delivered to us. We are a huge country. We have a ‘tyranny of distance’, which some have referred to, where our transport sector is most significant in its value to the economy but the costs of its fuel are extraordinary when you compare them to those of other countries with bigger economies that are much more compact.

Our energy policy, Securing Australia’s Energy Future, that the Prime Minister launched today takes on board the fact that we are going to continue to be fossil fuel dependent for quite some years to come. But we are blessed in this country with extraordinary reserves of coal and gas—we export much of that—and we are not going to turn our back on that legacy, the engine of our growth to date. We are going to ensure through our policies that fuel consumption in the future is of cleaner fuel, and excise reductions will mean it is more affordable and a cleaner product. We are also going to make sure with our energy policies that there is a whole range of alternative energies or ways to produce our stationary sectors’ energy and our transport sector’s energy. And we have done that.
Let me give you some key examples of the policy. There will be some $500 million to encourage low-carbon emission technologies, and that is any technology that comes forward. We expect the private sector will boost that fund by some $1 billion. Australia’s largest energy users will have their energy use audited every five years and this will be made public, making information on how our industries are performing very much transparent and publicly accessible. And they are doing a very good job. There will be $100 million for renewable energy technologies, $20 million to improve energy storage technologies and $14 million for improving wind forecasting.

As we know, our landscape is once again beginning to show our wind energy use. When I grew up it was all about windmills—small single-farm activities that pumped the water up to dams—and today we are seeing wind farms, which are becoming a significant part of our long-term sustainable energy use and technology development. From July 2012, all off-road businesses’ use of diesel fuel will be excise free. As I said, that fuel will be cleaner—through our regulation and by public demand.

Geological sequestration, which seemed to worry the member for Wills, is about capturing and storing carbon dioxide. It has some of the biggest abatement potential for the stationary energy sector. Why would we turn our backs on a potentially enormous gain in where and how we deal with our emissions? This government will stimulate further research and generate a good outcome when it comes to carbon sequestration in geological strata.

I found it somewhat amusing that both the shadow minister for mining, energy and forestry and the member for Wills referred to our extraordinary achievements towards our Kyoto targets as somehow being associated with Mr Beattie’s tree-clearing policies. How extraordinary. I imagine that caused laughter right across the Australian landscape. I remind members of the opposition that in fact it was the Australian government—and in particular the environment minister of the day, who was the leader of the umbrella group—that introduced with others of like mind the whole concept of carbon sinks and replacing vegetation in the landscape as one way to produce a win-win situation while at the same time producing other benefits—for example, salinity amelioration and biodiversity protection.

Robert Hill understood the value of vegetation and introduced it into the Kyoto debate at the time. During that particular part of the Kyoto debate, panic clearing was occurring in Mr Beattie’s state because of his refusal to legislate simply to indicate his intentions. All of the DC10s were out churning away as they removed some of the most significant pieces of biodiversity in that state.

Let me tell you what is happening in the Australian landscape in terms of achievement of our Kyoto targets. We are on track to meet our undertaking to keep emissions in 2008-12 at 108 per cent of 1990 levels. That is an extraordinary achievement in that since 1990 Australia’s GDP rose by 41 per cent. Probably only a government led in the way that ours has been by our extraordinary Treasurer, Peter Costello, and our extraordinary Prime Minister, John Howard, could have achieved that dual outcome: economic growth and a significant containment of our greenhouse gas emissions.

I will give you an example of one of the world-first innovations that this country has achieved in aiming to achieve our Kyoto target. I look after the Australian Antarctic Division. We have introduced into the Antarctic the world’s first giant wind turbines to try and reduce our diesel emissions down
there. As you are all aware, the Antarctic has one of the most hostile and cold climes in the world, but it also has some of the strongest winds. The installation of two wind turbines at Mawson station has reduced our diesel fuel consumption from 600,000 litres to approximately 440,000 litres in the 12 months to March 2004. This is an extraordinary achievement. Australia was the first country to dedicate over $1 billion to an Australian Greenhouse Office. This country will do it right for all people—not for sectoral interests or union driven ideology. We are going to achieve, as we set out to, a sustainable future for all people.

The DEPUTY SPEAKER (Mr Jenkins)—Order! The discussion is now concluded. I call the parliamentary secretary.

Mrs De-Anne Kelly—I will seek advice from the Clerk.

The DEPUTY SPEAKER—I will seek advice from the parliamentary secretary on whether she wants to do anything at this stage. If not, I will be calling the Clerk.

Mrs De-Anne Kelly—I regret that we are waiting for the Chief Government Whip to attend.

Mr Fitzgibbon—Mr Deputy Speaker, I rise on a point of order. Given that we have a government in hiatus, I am sure the member for Braddon would be more than happy to participate in the MPI and talk about the impact of the energy policy statement on his electorate.

The DEPUTY SPEAKER—Order! There is no point of order.

COMMITTEES
Corporations and Financial Services Committee
Report

Mr CIOBO (Moncrieff) (4.05 p.m.)—On behalf of the Parliamentary Joint Committee on Corporations and Financial Services I present the committee’s report, incorporating dissenting reports, entitled CLERP (Audit Reform and Corporate Disclosure) Bill 2003—Part 1: Enforcement, executive remuneration, continuous disclosure, shareholder participation and related matters, and Part 2: Financial reporting and audit reform, together with evidence received by the committee.

Ordered that the report be printed.

BILLS REFERRED TO MAIN COMMITTEE

Mr LLOYD (Robertson) (4.06 p.m.)—by leave—I move:

That the following bill be referred to the Main Committee for further consideration:

Customs Legislation Amendment (Airport, Port and Cargo Security) Bill 2004

Question agreed to.

AGED CARE AMENDMENT BILL 2004
Second Reading

Debate resumed from 2 June, on motion by Ms Julie Bishop:

Mr STEPHEN SMITH (Perth) (4.07 p.m.)—I make this contribution today in my capacity as acting shadow minister for ageing and seniors. The shadow minister for ageing and seniors, the member for Canberra, Annette Ellis, is on leave. We wish her a speedy return to her portfolio and to her electorate.

The two legislative measures proposed in the Aged Care Amendment Bill 2004 are a part of the government’s response to the Hogan review and are contained in the government’s aged care budget package. The bill amends division 57A of the Aged Care Act 1997 so that a person who enters a high-care residential aged care facility pays an accommodation charge for the entire period the person lives in that facility. The measure will only apply to people who enter an aged care
facility from 1 July 2004. The amendment does not impose any new restrictions on concessional residents, who do not and will not pay an accommodation charge. However, the decision to remove the five-year limit on the accommodation charge for non-concessional residents in high care begs the question as to whether the government proposes to disturb the five-year limit on deductions from accommodation bonds in low care if it is re-elected. I will return to this issue later.

The bill also repeals the provision of the act that requires an assessment of an aged care assessment team before a person’s classification level can move from low care to high care while that person is living in the same aged care facility. Low-level care caters for people assessed to be within resident classification scale—RCS—levels 5 to 8. High-level care caters for people assessed to be within RCS levels 1 to 4. Currently, if a low-care resident’s care needs increase and the facility sees the need for that resident to be upgraded to the higher care level, which would provide the facility with a higher government subsidy, the resident must be so assessed by an aged care assessment team.

The proposed legislation removes the role of the aged care assessment team as the gatekeeper for increasing government subsidies to aged care providers. As is acknowledged in the explanatory memorandum, there is some fiscal risk to the taxpayer in this measure. As a result, it is essential that there be a mechanism to ensure that residents reclassified in this way are reclassified appropriately. The government proposes to manage the risk through an increase in the resident classification scheme review program. This seems appropriate but will need to be carefully monitored over time for effectiveness. The Hogan review recommended both these measures, and they are strongly supported by the industry. In my view, the measures are unobjectionable, and we accordingly support them.

The bill, however, sets the scene for consideration of the Howard government’s record and approach to residential aged care. This is reflected by the amendment which I will formally move at the conclusion of my remarks. Before moving to that, let me try to put residential aged care public policy development in its current historical context. It is clear that the preferences of elderly Australians have changed over the past few decades, leading to a change in the role, nature and extent of aged care services, both residential and otherwise.

The immediate post-World War II generation grew up with a couple of key goals in mind: to pay off the mortgage and to give their children a better education and a better opportunity in life than they had had. When this generation grew older, it was commonplace for them to move into what were then called hostels. They did this as a residential lifestyle choice—to live in hostels within their own local communities and with their friends and neighbours. Things are quite different for subsequent and current generations. These generations are now culturally much more inclined to stay in their own homes.

More and more people want to remain in their own homes for as long as possible. With a modest amount of assistance they are able to remain in their homes much longer and, as life expectancy continues to improve, this period will only get longer still. This has seen the explosion of community care funding and services at the Commonwealth level over the last decade or more.

These days, people generally do not enter aged care facilities as a lifestyle choice; they do so because they are no longer able to remain comfortably in their own homes despite the home care services they can receive or
have been receiving. This has had two con-
sequences: firstly, more people living in the
community are needing more services; and,
secondly, when people enter the residential
aged care system now, they are more frail
and require a higher level of care than did
previous generations. Also, given the im-
provement in life expectancy, we have the
additional challenge of an increasing propor-
tion of people with dementia in aged care
facilities. This will only increase over time.

In the immediate postwar years, life ex-
pectancy was in the 60s. Today it is in the
80s and getting better all the time. This has
not only greatly extended the cost curve of
health care for Australians but also seen
more and more elderly Australians entering
aged care facilities much later in life and
with higher care levels required upon entry.
In the future, this trend will place even
greater pressure on government, the com-
unity and industry, with demands to meet
higher care level capital requirements and
greater recurrent costs to meet the more spe-
cialised care needs at the higher level.

Let me now turn to the record and ap-
proach of the Howard government. The
Howard government has had responsibility
for aged care for over eight years. At the start
of that period we saw its 1997 reforms and
now we see its initial response to the Hogan
review. The Howard government’s Aged
Care Act 1997 integrated hostels and nursing
homes into one aged care facility system.
The 1997 changes also included a new ac-
creditation system, new certification re-
quirements and a new resident classification
scale. It is now generally accepted by indus-
try that these changes were along the right
does and, while improvements need to be
made, they have proven to be worth while.

The 1997 changes also included a new
funding system, but unfortunately the How-
ard government effected these changes with-
out following up with the necessary financial
and other support. Over time, that lack of
financial and other support put pressure on
the aged care industry. It led to a shortage of
aged care places, it weakened industry vi-
ability and it undermined the ability of pro-
viders to deliver quality care. It is clear that,
as a result of the implementation of the 1997
changes, the community and the industry
now have grave difficulties in fundamental
ways—in particular, in gaining access and in
the delivery of quality care.

The Howard government, for example,
turned a surplus of 800 aged care beds in
1996 into a 10,000-bed shortage by June
2003. As well, by June 2003 there were over
18,600 so-called ‘phantom’ beds—beds that
had been promised and allocated but have
never actually eventuated. In June 2002,
there were over 17,900 of these phantom
beds. To make matters worse, over 5,200
phantom beds were more than two years old
as at 30 June 2003. So around the coun-
tryside we find that, on the ground, there are
long waiting lists. As a result of these short-
ages, thousands of frail and elderly Austra-
lians in need of a nursing home bed continue
to wait and wait. Too often these elderly
Australians must stay in acute care awaiting
a nursing home bed. There are, for example,
currently over 2,000 elderly people in Aus-
tralian hospitals waiting for a nursing home
bed. This has the adverse effect of increasing
the pressure on public hospitals.

Another area where the Howard govern-
ment has failed is in quality of care. There
are general concerns in relation to the Aged
Care Standards and Accreditation Agency
that the system is not working as it was in-
tended to. In 2003, the Australian National
Audit Office report on the accreditation
agency confirmed what many in the industry
had been saying for years: the Howard gov-
ernment’s accreditation system for residen-
tial aged care may not actually improve the
quality of care for residents. The report, entitled *Managing residential aged care accreditation*, concluded that there was no way of knowing whether or not the accreditation system actually improved the quality of care for residents, because the government had never undertaken an evaluation program to determine this.

The National Audit Office report also found that the agency does not assess the skills of its internal and contract assessors and so cannot be sure that they all have the same level of skill or that they apply ratings consistently in accreditation audits. The report confirms what service providers have been saying for years: agency assessors apply ratings inconsistently. The Commonwealth relies upon the agency and the accreditation system to ensure that residential aged care facilities provide high-quality care across the board. Another clear message is that the accreditation agency’s dual role of regulator and educator is not working. This dual role creates confusion and tension between the agency and the providers. Of equal concern to providers is the apparent lack of transparency of the complaints resolution scheme and its overlap with the accreditation agency and the Department of Health and Ageing. A better complaints mechanism must be developed.

Another area which has failed to get the necessary attention from the Howard government is the aged care workforce. In April 2004 the National Institute of Labour Studies released its report, *The care of older Australians*, into the residential aged care workforce. The report found that nurses are substantially older than the typical female worker and that there are high levels of turnover of direct care staff, especially personal carers. According to the report about 75 per cent of nurses in aged care facilities believe they are not able to spend enough time with each resident. The majority of aged care workers feel overextended. Obviously they are dedicated and try to do the best they can, but only 13 per cent of nurses and 19 per cent of staff overall say there is enough time to properly care for residents. Another issue that was highlighted was the amount of paperwork required to be filled out as part of their work.

The Howard government has done little to alleviate any of these problems. And to make matters worse, the government has made a serious mistake in dumping the proposed national trial of the reduced resident classification scale questions project. Regrettably, the decision to junk this project, which had the potential to reduce the paperwork required of nurses, was confirmed recently by the government in Senate estimates. The concerns of the industry and independent analysis in relation to underfunding by the Howard government are longstanding. The Howard government’s lack of response to those concerns has been equally longstanding. As early as 1999, for example, the Productivity Commission’s report, *Nursing home subsidies*, found:

> The Government’s system of calculating the government subsidy for residential aged care facilities is “… not linked transparently to the cost of providing a benchmark standard of care …”

The government did nothing about this concern. Since then there have been any number of reports highlighting the funding problems in aged care. Indeed, the Aged and Community Services Australia submission to the Hogan pricing review states:

> The pricing arrangements in place since 1997 have eroded product quality by reducing the quality of life of residents. They have done this through the pressure they have imposed on funding levels. This has resulted in a reduction in support for the quality of life of residents due to a reduction in the time staff are able to spend with them.
More recently, in March 2004, the Victorian Association of Health and Extended Care said that its analysis was:

Without appropriate funding streams, hundreds of thousands of frail, vulnerable people will not have access to proper levels of nursing home care, when and where they need it.

There can be no doubt that the Howard government has neglected this issue for some time and that this has led to the funding and quality of care crisis now being faced by the aged care industry.

In addition to the government’s underfunding of recurrent aged care subsidies, the industry is struggling with its funding for capital requirements. The industry needs assistance to ensure that buildings are upgraded to meet building certification and the care needs of residents. Again this has led to the industry’s longstanding calls for capital assistance, in particular the extension of aged care accommodation bonds into high-level care, something which Labor has resisted since 1997, when it was instrumental in restricting bonds to hostels. Labor has ruled out such an extension. Labor’s previous opposition to the extension of aged care accommodation bonds to high care has been on the basis that high-level care is more akin to health care than residential accommodation. The Howard government claims that the extension of accommodation bonds in aged care is off its agenda. When you look at the detail of the budget, this is clearly not the case. This is something I will return to shortly.

I now turn more generally to the issue most often discussed by the industry over the last couple of years, namely the Hogan review, and now, over the last few weeks, the government’s aged care budget measures and its response to that review. The government announced a budget package of $2.2 billion over five years, made up of a half-billion dollar one-off capital injection before 30 June this year, and a $1.6 billion spend over the four financial years to 2007-08. The government’s pre 30 June 2004 capital payment is a one-off payment of $3,500 for each resident, costing a total of $513 million, to assist aged care providers to meet safety and building standards required for 2008 certification. While I welcome this injection of capital, I am concerned that the government is providing funding on the run without any transparent accountability measures to ensure that the funding is spent and accounted for on those measures. It is an open secret that this measure was dropped into the budget in the last week when the government discovered a bigger than expected surplus for 2003-04.

I know that many providers are struggling to meet the 2008 certification requirements, and clearly this additional funding will assist. Some providers have already made the changes required to meet the 2008 certification requirements, and may well have borrowed to do so. But it is a problem that the government has no mechanism to ensure that this capital goes towards those building requirements or servicing debt for renovations to meet those requirements. The complete lack of any such accountability mechanisms was confirmed recently in Senate estimates. The government also announced a conditional adjustment payment of $877 million over four years as a top-up to the recurrent subsidy. However, it is back-end loaded and providers receive only nine per cent in the next financial year and the majority, 72 per cent, in 2006-07 and 2007-08, including 40 per cent in 2007-08.

In principle, I welcome the government’s increased injection of capital and recurrent funds for the industry. The $877 million top-up on subsidies is said to be conditional and aimed at improving quality of care and assisting providers to pay more competitive wages to nurses and other staff. Once again,
on the detail available to date, there is no transparent mechanism to allow the Commonwealth to examine where these funds are being spent and ensure they are utilised for improved quality of care and better wages for staff. Once again, Senate estimates confirmed that no thought had been given, let alone any decision made, as to how these measures would be implemented.

Other additional funds are provided through increases in government subsidies for concessional residents and in the accommodation charge for non-concessional residents in high care. The government has deferred until after the election a decision to further increase this accommodation charge for non-concessional residents from $16.25 to $19—what would be a nearly 40 per cent increase from the current charge. In Senate estimates, officials indicated that on budget night the minister had said to industry representatives that such an increase would not be required, given the overall context of the budget package. This has not been confirmed publicly by the minister, to my knowledge.

The government has also provided $101 million over four years to enhance opportunities for educational training for nurses and other aged care workers. I welcome the principle of increased expenditure on the education and training of aged care workers and nurses, as reflected in Labor’s already announced Aim Higher education package; however, I reserve the right to carefully examine the detail before making any formal commitment.

There is a range of other measures in the government’s aged care budget package which I support in principle. These include: reforming the RCS levels; providing a supplement for more complicated care in relation to dementia and palliative care—although, revealingly, the government’s package contains no funding for this measure; allocating 108 aged care places per 1,000 people aged 70 years and over; setting aside a strategic pool of aged care places to provide more flexibility; announcing aged care allocations three years in advance; increasing the capacity of aged care assessment teams to make more timely assessments; and tightening the prudential arrangements for aged care accommodation bonds, which Labor has previously called for, together with more comprehensive corporate information on the owners of aged care facilities.

Labor supports sensible and fair proposals that seek to relieve pressures on access, quality and viability. However, in this area of policy and administration, it is very much the case that the devil is in the detail, much of which has been deliberately put off by the government until after the election. The government response to these longstanding problems has been a last-minute, short-term political fix which seeks to put off the government’s true intentions on a range of issues including: whether accommodation bonds will apply consistently for both high- and low-level care; whether an accommodation bond will apply to residents who are classified as medium-care residents under the new resident classification scale; whether there will be a further increase in the maximum daily accommodation charge for non-concessional residents from $16.25 to $19, a nearly 40 per cent increase on the current charge; whether the requirement that at least 40 per cent of residents are concessional before a provider is entitled to a concessional supplement is retained into the future; whether bonds will be available to providers for the duration of a resident’s period of stay if it is greater than the current five years; whether an aged care voucher system will be introduced; and whether an auction or tender system will be introduced for the allocation of aged care places.
Let me now return to the government’s refusal to state whether accommodation bonds will apply consistently for both high-level care and low-level care. Generally, the Hogan review recommended that options for capital contributions from residents, such as an accommodation bond or a daily accommodation charge, apply consistently to low and high care. In the fine print of the government’s budget, this is also said to be open to discussion with the industry.

In addition, as part of its budget response to the Hogan review, the government has, on the review’s recommendations, committed itself to a new resident classification scale, with a new funding model to be developed and introduced in consultation with the industry in 2006. This will include three levels of care: low, medium and high, which will be a consolidation of the current eight RCS levels. To date, the minister herself has deliberately refused to rule out after the election the extension of bonds to medium-level care— that is, part of the current high-level care. This gives the lie to the government’s pretence that it is not proposing to extend accommodation bond arrangements.

In Senate estimates on 2 June 2004 an exchange took place between Labor Senator Forshaw and government officers, including Ms Jane Halton, Secretary of the Department of Health and Ageing. Senator Forshaw said:

*... you cannot tell me whether or not residents within that medium level would be subject to accommodation bonds or not.*

Ms Halton replied:

The old high becomes high and medium ...

The exchange continued:

Senator FORSHAW —What happens for a new resident who is classified medium level?

Ms Halton —They would have been classified high under the old scenario and not eligible for a bond— and that stays.

It continued:

Senator FORSHAW —That rules out bonds for medium-level care?

Ms Halton —Absolutely, yes.

The minister refused again in the House during question time on 3 June to rule out the extension of accommodation bonds to the proposed new medium-level care. Extending accommodation bonds, however, is not the only answer to the capital funding needs of the industry. Even if accommodation bonds, for example, were extended into high care, many facilities in rural and regional areas could not rely on them because of the property values of the area and the socio-economic status of the local population. As well, to potentially complicate matters further, there is speculation that a lower proportion of future generations will have the same levels of real property assets as the baby boomer generation. Therefore, more strategic thinking is required in relation to this issue. Other options include no-interest or low-interest capital loans, as previously suggested by Labor, or an increase in the accommodation charge, as effected by the government in this budget.

Let me now turn to quality of care issues. A benchmark of care approach was central to Labor’s 2001 election commitments. This is an approach to which I am sympathetic and, indeed, am actively pursuing as part of our policy response to the Hogan review and our detailed election commitments. The objective of a benchmark of care is admirable in its own right but also central to today’s ongoing public concerns about the quality of residential aged care services. Labor’s national platform adopted at our January conference reflects our policy framework approach over the Howard government’s period in office. This is found in chapter 4 of our platform, entitled ‘Security and opportunity for older Australians’. This framework approach sets
the context both for our detailed response to the aged care budget and the Hogan review and to our detailed election commitments for the 2004 election.

On election commitments, it is worthwhile reminding ourselves of Labor’s 2001 election commitments. In 2001, these collectively were entitled ‘Putting the “care” back into aged care’. This reference to 2001 is worthwhile not only because it sets out a public policy framework which remains relevant today but also because it makes the point that, 2½ years on, nothing much has changed under the Howard government and it reminds us that, in the end, revisiting a benchmark of care approach ensures that the first and last public policy priority is care.

One proposal causing some discussion among providers is the question of minimum staffing levels. One of Labor’s concerns has been, consistent with the National Institute’s report, the current level of staffing in aged care facilities. That is why in the run-up to the 2001 election we proposed minimum staffing levels in residential aged care facilities but with guaranteed flexibility and to be developed with the close involvement of the industry. The residential aged care industry requires work force flexibility and, as a consequence, rigid ratios and formulas are not the answer. In our 2001 election commitment we said:

As part of our National Benchmark of Care, Labor will introduce minimum staffing guidelines. Minimum staffing guidelines will ensure that on every shift, in every nursing home there are enough qualified staff to deliver quality care to our frail aged. Minimum staffing guidelines are not about rigid formulas and fixed ratios. They are not ‘one size fits all’. ... guidelines that set the level of staff and the skill mix required to provide for the diverse care needs of residents.

Labor’s proposed Senate inquiry into staffing levels is an important inquiry which could help flesh this out and give the parliament vital information about what is required to ensure high-quality care. Importantly, it also provides the industry with the opportunity to put its detailed points of view on this matter. For example, the Aged and Community Services Australia submission to the Hogan pricing review states:

The pricing arrangements in place since 1997 have eroded product quality by reducing the quality of life of residents. They have done this through the pressure they have imposed on funding levels. This has resulted in a reduction in support for the quality of life of residents due to a reduction in the time staff are able to spend with them.

As the pressure on salary and wages expenditure has mounted, compounded in many cases by an increasing proportion of highly dependent residents, many aged care providers have been forced to trim their service and have restricted the time available to engage in resident focussed activities. Put simply, rosters have been trimmed and staff have less time available to spend with residents providing social support, structured or unstructured activities or otherwise attending to their needs.

Draft terms of reference for the Senate inquiry include: the adequacy of staffing levels in residential aged care facilities; the impact of staffing levels on the care and safety of residents in residential aged care facilities; the adequacy of qualification levels and ongoing training of staff in the aged care system, both residential and community care; the effectiveness of the current regulatory framework in ensuring adequate staffing levels and proper standards of care in the aged care industry, both residential and community care; the performance and effectiveness of the Aged Care Standards and Accreditation Agency in assessing and monitoring care, health and safety and staffing levels in aged care facilities; and the performance of the Aged Care Standards and Accreditation Agency in identifying best practice and providing information, education and training to
aged care facilities. The Senate is currently considering the proposed inquiry in the post-Hogan world, and I hope it decides to adopt it.

On ensuring and maintaining quality of care across the board, as I indicated earlier, in my view, the accreditation agency’s dual role of regulator/policeman and educator/facilitator is not working. This dual role creates confusion and tension between the agency and the industry and has to be brought to an end. This dual role has put the agency in an almost impossible position. It simply cannot be both policeman and educator and expect to be effective. Elderly residents, aged care staff and aged care managers deserve better.

The accreditation system needs to be more consistent and effective. When accreditation assessors go into an aged care facility, we need to be sure that they have the expertise required and that their skills are constantly monitored and audited. While there can be different policy models, the agency should focus on one thing and one thing only. I believe that the accreditation agency should focus on being the industry regulator—the industry policeman—doing the monitoring and regulating. On this basis, accreditation could be left to the accreditation experts, giving the industry choice on accreditation. An approved list of accreditors could include those using international standards, such as the Australian Council on Healthcare Standards, or those registered under the Joint Accreditation System of Australia and New Zealand. Education could then be left to industry through the relevant industry associations.

Of equal concern is the apparent lack of transparency of the complaints resolution scheme and its overlap with both the accreditation agency and the Department of Health and Ageing. We need to have a better complaints mechanism which is more effective and fair to aged care providers, residents and their families. We should replace the aged care complaints commissioner with an aged care ombudsman to ensure that the rights of the frail aged in aged care facilities are at all times observed and protected. The ombudsman could then reform the complaints resolution scheme. My own model includes a three-step process. In the first instance, the resident or family member should complain directly to, and seek to resolve the complaint directly with, the provider. If it is not resolved at that level, the complaint would then be referred to the independent aged care ombudsman, who would seek to resolve the complaint between the parties. In the absence of a resolution, the ombudsman would have the ability to determine the matter. As well, if the complaint disclosed a structural problem rather than a one-off incidental matter, this could be referred to the agency by the ombudsman for regulatory attention. This provides a much better approach to ensuring quality of care. I now formally move the second reading amendment circulated in my name:

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) noting that for years the Government has ignored the pleas of the aged care industry, the community and Labor about its neglect of residential aged care, neglect that has caused difficulties in access and industry viability as well as concerns about the quality of care;

(2) registers its concern that the Government has resorted to a short term political fix which seeks to put off until after the election the Government’s true intentions on a range of issues, including whether:

(a) accommodation bonds will apply consistently for both high level care and low level care;
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(b) an accommodation bond will apply to residents who are classified as medium-care residents under the new Resident Classification Scale;

(c) there will be a further increase in the maximum daily accommodation charge for non-concessional residents from $16.25 to $19, a nearly 40% increase from the current charge;

(d) the requirement that at least 40% of residents are concessional before a provider is entitled to a concessional supplement is retained into the future;

(e) bonds will be available to providers for the duration of a resident’s period of stay if it is greater than the current five years;

(f) an aged care voucher system will be introduced; and

(g) an auction or tender system will be introduced for the allocation of aged care places”.

I commend the amendment to the House.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Is the amendment seconded?

Mr Edwards—I second the amendment.

Ms PANOPoulos (Indi) (4.35 p.m.)—I rise to speak on the Aged Care Amendment Bill 2004. This is neither an exhaustive nor a controversial piece of legislation, but the bill does highlight the record investment in the aged care sector as part of this year’s budget and demonstrates the increasing importance of caring for our older members of society during what will be a sustained ageing of our population in the years ahead. The 2004-05 budget initiatives represent the biggest ever injection of funding into the aged care sector in Australia. The shadow Treasurer, the member for Hotham, said that the aged care package was a good part of the budget, and Catholic Health Australia—the largest single grouping of non-government health, aged and community care services in the country—stated that the budget initiatives were: ... the best from the Howard Government for the aged care sector and older Australians.

In this context it is interesting to note the demographic make-up facing Australia now and into the future. It is a fact that the number of Australians over 65 will increase from 2.4 million people now to 4.2 million over the next 20 years. The long-term effects of this significant demographic shift are not widely known and perhaps appreciated. Maybe it is a case of the Australian community not wanting to talk about the older members of our society, but it really is only when the long-term effects of the declining fertility rate dawn in statistics like this that we can in some way envisage the enormity of the demographic changes that will confront Australia in the years ahead. For instance, at the time of Australia’s Federation the median age of Australians was 22 years. Today the median age of Australians is 35 years. The median age of Australians has jumped 5.8 years over just the last two decades.

Speaking as the representative for the federal seat of Indi, the median age in my electorate is 37 years, slightly above the national average. In the electorate of Indi, people aged over 65 currently make up some 14 per cent of the population. It is pleasing to see the local community taking a very keen interest in aged care policy. Our local care providers—be it St Catherine’s or St John’s Village Inc. in Wangaratta, the Violet Town Bush Nursing Centre Inc., Vermont Court Hostel in Wodonga or a whole host of other providers in north-east Victoria—show a clear commitment to serving the aged, frail and vulnerable members of our community. Many of these providers are not-for-profit organisations striving to provide the highest quality of care for their residents. Our older Australians do not need to be hidden from the community, they do not need to be labelled as a nuisance, and their problems and the ones that we will face over the years
The doubling of funding to the aged care portfolio by this government is an indication that the Howard government takes its responsibilities seriously to provide and care for older members of our society. Last month, I organised for the Minister for Ageing to visit Indi and meet with representatives of every aged care facility in the electorate. It was a wonderful opportunity for the sector to discuss matters of concern with the minister in the context of the government’s response to Professor Hogan’s Review of Pricing Arrangements in Residential Care. More than 30 people from the aged care sector in the north-east took the opportunity to meet and speak with the minister.

The Aged Care Amendment Bill 2004 amends the Aged Care Act 1997 to incorporate the government’s response to Professor Hogan’s review, particularly those concerned with Aged Care Assessment Team classification of residents and a freer imposition of the time limitations regarding a provider’s ability to charge accommodation bonds. Importantly, these amendments do not involve any new requirements on the assessment of concessional residents, who continue to be exempt from paying a charge.

In speaking on this bill, it is a good opportunity to highlight the importance the government places on maintaining high-quality access to affordable care for older Australians. The increase in the aged care provision ratio from 100 to 108 places per 1,000 people aged over 70 is the first increase of this type since the ratio was introduced in 1985. Importantly, and immediately, aged care providers will also receive a $3,500 payment for each resident before 30 June 2004, which is a very welcome capital boost—and, from the feedback I have had from my service providers, particularly in north-east Victoria. There is also an allocation of 27,900 new aged care places over the next three years, which includes 13,030 places in 2004. There will be an $877.8 million conditional adjustment payment over four years to enable strengthening the financial state of aged care providers and give them the ability to pay their staff more competitive wages.

In April this year, Margaret Nicholls from the Aged Care Workers Lobby Group in the north-east invited me to a day of ‘learning the ropes’ with her and her fellow aged care workers at St John’s Village Inc. in Wangaratta in order to give me first-hand experience and an understanding of the daily issues and problems that face aged care workers in the industry. I was told to wear comfortable shoes and comfortable clothes. For me, the day was a hands-on recognition of the powerful vocation that aged care workers play out each and every day in homes and hostels in caring for our elderly Australians. These workers are the unsung heroes and they deserve the support provided by the benefits directly targeted to them which are contained in the 2004-05 budget. The CEO of Catholic Health Australia, Francis Sullivan, said:

Increased funding and measures to increase the skill level of aged care staff will lead to a more professional industry. This can only be to the benefit of aged care residents.

The funding of $101 million over the next four years to increase the skills and opportunities for our aged care workers is a very positive step. Similarly, there will be an increase of 400 more nursing places for each year, allowing a greater opportunity for our young people to enter into the nursing profession.

The broad theme of the government’s agenda for the aged care sector is to deliver affordable and high-quality care to those who require it. Through this significant investment in the aged care sector there is the pro-
vision for more places, for better homes and facilities and for enhanced training opportunities and skillling of aged care workers. It is estimated that in 2050 nearly a quarter of the Australian population will be 65 or over. In this century alone we have added two decades to our average life expectancy. The ramifications of our ageing population are significant and the government, through the Minister for Ageing, has crafted a sensible, responsible and visionary package to ensure that Australia has the capacity to deliver effective care for our older generations into the future.

In commending this bill to the House, I wish to acknowledge the enormous contribution our aged care workers and providers offer the local community in north-east Victoria. I look forward to working with them to realising the benefits contained in this Aged Care Amendment Bill 2004 and utilising the record injection of funds to aged care contained in the 2004-05 budget.

Ms HALL (Shortland) (4.43 p.m.)—The Aged Care Amendment Bill 2004 is the government’s initial response to the Hogan review—a review which the government finally released last month after months of speculation and its lying in wait on the Prime Minister’s desk. It will be interesting to see what other Hogan recommendations the government chooses to legislate in the future; maybe it will be bed auctions, or maybe the aged care voucher system. Who knows with the Howard government? It says one thing today before the election and another thing after the election. I think that is very sad because providing quality aged care for our frail aged people in Australia is one of the most important challenges for government and it should not be determined by whether or not there is going to be an election; it should not be determined by the fact that the government wants to be re-elected. It should be a planned, considered approach to give the absolute best aged care possible.

This bill amends the Aged Care Act 1997 so that a person entering a high-care residential care facility will pay an accommodation charge for the entire period that they live in that facility. This will apply only to people who enter an aged care facility from 1 July 2004. It does not impose any new requirements on concessional residents and they will not have to pay any accommodation charges—rightly so, I might add. The decision to remove the five-year limit on accommodation charges for non-concessional residents in high-care accommodation raises a question as to whether the government proposes to disturb the five-year limit on accommodation bonds for people in low care if it is re-elected. That is another question that needs to be answered, and it is a question that the government tends to skirt around as soon as it is posed to them.

The act currently requires that a resident’s classification level be reassessed by an aged care assessment team before the person can move from low care to high care while that person is living in the same facility. This legislation changes that, and I think that is a very positive change and one that is welcomed by residents, family and people working within the industry but one that needs to be monitored to ensure that it is not abused.

Whilst the government has addressed these measures arising from the Hogan report, it has failed to respond to some of the more controversial recommendations of the Hogan report. The government has put off considering these matters until after the federal election. One of these is whether an accommodation bond will apply to residents who are classified as medium care. The minister has been asked that question a number of times in this House and has always skirted around the question and never fully an-
answered it to our satisfaction. That is under the new medium-care residential classification scale that the government has proposed.

Other matters include whether the maximum daily accommodation rate, which has been increased to $16.25, will be increased to $19 in the future—a very significant increase of nearly 40 per cent; whether the requirement that at least 40 per cent of residents are concessional will be removed under future legislation; whether the accommodation bonds will apply consistently for high care, low care and medium care; whether bonds will be available to providers for the duration of a resident’s period of stay if it is greater than the current five years; and whether an aged care voucher system will be introduced. Of course, there is also the most odious of all—whether an auction or tender system will be introduced for the allocation of aged care beds. These are all things that the Howard government does not talk about at the moment, but we on this side of the House are very wary and conscious that the government may introduce them in the future.

The House of Representatives Standing Committee on Ageing is currently conducting an inquiry into the long-term strategies to address an ageing population over the next 40 years. That inquiry has received submissions and evidence that highlight a crisis in residential aged care. They paint a picture of an industry reeling under the pressure being placed on it by government and people waiting for placement in aged care facilities. Capital funding, red tape, staff issues and the shortage of residential care beds are issues that were highlighted throughout Australia, as was the practice where people awaiting placement in aged care facilities occupy acute beds in public hospitals. This is seen by the states as transferring the cost of providing aged care from the Commonwealth to the states. The government’s current system of funding aged care beds and its failure to provide any capital assistance was also raised throughout Australia. Aged care facilities argue that the current funding formula—even with these changes—does not take into account operational costs such as workers compensation and increases in electricity charges, and the Commonwealth’s own-purpose outlays index does not reflect real wage rises and requirements to upgrade facilities to meet the Commonwealth certification by 2008. In saying that, I recognise that the government has introduced some changes, but they are minuscule compared with the changes that are needed, and there has been no change to the Commonwealth own-purpose outlays index. That is a very big issue for the industry.

It has been argued that the funding inadequacy is greater in high care and in regional and remote areas, where there is a greater number of concessional residents in facilities. That, linked to the recommendations of the Hogan report and this government’s philosophical bent, raises some concerns. Residential care facilities throughout the country argue that bureaucrats force them to justify everything they do and that they are being strangled by red tape. The RCS was consistently raised, along with ongoing accreditation requirements, excessive documentation and recording. The practice of reviewing paperwork associated with particular residents in aged care facilities and the resulting reclassification downwards was identified as a particular problem that was costing residential care facilities time and money.

Questions that have been raised with me by providers of aged care within my electorate include issues such as the cost of maintaining the RCS review and audit teams and offices. How much has been clawed back from the care of older Australians since 1997 by these teams? Is there any correlation between what has been clawed back since 1997
and what is now being delivered in this 2004-05 budget? Has the net effect of coalescence been calculated in money lost to aged care facilities? I suspect that the answer to that is no. What is the total bed availability of respite care beds throughout Australia? What is the actual utilisation of respite beds, as opposed to the bed days booked in each area? How much of the allocation in this budget goes directly towards existing operational beds and how much to beds yet to become operational? These are all issues that are being raised by quality aged care providers in my area, and they relate to the bureaucracy, the system and the red tape that this government has introduced.

It has also been raised with me that residents’ care costs are payable based on an assessment of their needs using 20 questions associated with the RCS. This is a big issue for residential aged care providers in my area. The RCS requires completion of a labour intensive document which is awkwardly weighted so as to disadvantage providers caring for persons with behavioural difficulties and those receiving palliative care. The reduction to a simplified 11- or 12-question format was promised by the minister and a trial was to begin in June-July this year. This trial of the reduced resident classification scale has been abandoned, and the industry must continue with its arduous documentation. Staff are required to document against each question on a daily basis to validate the care given. Regular assessors challenge the RCS assessments, with little opportunity for the provider to debate or challenge their downgrade.

These are issues that the government could have looked at, issues that could have improved the operation of aged care within Australia, issues that could have provided better care for our frail aged people who live in these residential care facilities and issues that could have made the operation of residential care facilities much easier and much more efficient for providers. The Howard government has generated a crisis in aged care in Australia through its 1997 changes to the aged care system, changes that have led to staffing issues, an ageing work force, problems with wages and the difference in wages between the public sector and the aged care sector—which have led to workers leaving the aged care sector and moving to the public sector—issues relating to training, constant turnover of staff and staffing shortages. This has been exacerbated by the red tape, the paperwork, the RCS questions and the constant accountability—issues which, as I mentioned earlier, have been raised with me by the providers of aged care.

It really is not good enough to ignore these ever so important issues. Residents are the ones who suffer because of these staffing issues. Aged care facilities need to have adequate staffing and staff who can do the job they are employed to do, and that is care for our frail aged people. Something like 75 per cent of nurses say that they believe they do not spend enough time with residents, simply because they are stretched to the extreme. That means that those residents do not get the toileting care they need, the feeding care they need or the assistance with dressing they need. Of course, the time constraints create occupational health and safety issues for those working within those residential care facilities.

Most members of this parliament know that people working in the aged care industry are more likely to injure themselves than workers working in other industries and other areas of the health system. In addition, the Howard government’s aged care crisis has seen frail aged people waiting unacceptable times for beds. These are the people who are spending days, weeks or months in our public hospitals. These are the people who are using acute hospital beds that do not
meet their needs. These beds are not the best option for them, and at the same time they are preventing people who need those acute beds from gaining access to them.

When the Howard government came to power there was an 800-bed surplus. Unfortunately for frail aged people in Australia there is now a deficit of more than 12,000—not very good. The average waiting time has doubled since the Howard government came to power. It was 29 days and now it is 55 days—not very good. The crisis we have in aged care is a direct result of the Howard government’s failure to provide adequate aged care funding. When in doubt about what to do, it has a review. It has a review and then another review. Once it gets the review back, it takes the little bits that it wants and puts the rest in a bag for after the election. And that is what we have seen happen this time.

The failure of the government to focus on funding and the issues surrounding aged care has caused an enormous problem for a number of aged people and their families within Australia. The Aged and Community Services Association has worked tirelessly to change the downward spiral in aged care that the Howard government has caused. It gives recognition to the changes that the government has introduced in its budget, as do we on this side, but it still believes that the government has a lot of work to do.

The package that has been introduced amounts to about $1.37 per resident per day in the first year—well short of the $10 per resident per day that the ACSA was seeking to ensure service viability. It does not remove, as I mentioned earlier, the Commonwealth own-purpose outlays, and the $2 increase in the accommodation charge does not create a level playing field for the capital raising between high care and low care. To illustrate that, ACSA has said that a 1.75 per cent top-up to the indexation in 2004 would allow aged care providers to afford a wage increase of about five per cent. There is currently a case before the New South Wales Industrial Relations Commission for a 15.5 per cent wage claim. All the increases that have been given will go in one fell swoop.

ACSA has lobbied both sides of this parliament, emphasising that the Howard government’s changes have eroded the quality of life for residents through the financial constraints it has placed on the aged care industry. In this place we must never forget that it is about providing care for those frail aged people in our society. The emphasis under this government has been on paperwork and cost cutting, not on the person and care. It is very sad that that should be allowed to happen in a country like Australia. In contrast to the Howard government, we on this side of the House believe that aged care is a priority. Older Australians have a right to care with dignity and respect. We believe that care should be put back into aged care. It should be person focused. All frail older people should have equity of access to care and programs. We believe that there should be a national benchmark of care. The shadow minister has outlined our position on that.

The legislation before the parliament today has the support of the industry, but that same industry views with scepticism the government’s action and direction in aged care. Australians want their government to ensure the dignity and wellbeing of frail aged Australians. We do not want the system that this government has established here in Australia to continue. We want a system that is about the person and the care that that person receives. All Australians expect that if an older Australian needs residential aged care he or she will receive that care, regardless of their level of income, their wealth or where they live.
Under this current government there has been a real disparity in the service that people get. We do not think that is good enough. Enormous pressure has been placed on the industry and the people providing the services—the people who really care about the quality of service that they deliver, the people who are involved in planning and looking to the future, the people who really know what we need to have in place to deliver the quality aged care that Australian people have a right to. Quality aged care is something that every Australian has a right to and can expect to receive, and that should be based on need, not the ability to pay. They do not deserve second-best. Under the Howard government they have been delivered a deteriorating system, a system in crisis, all because the government will not address the core and key issues.

Mr LINDSAY (Herbert) (5.03 p.m.)—I heard the member for Shortland talk about a crisis in aged care. I want to tell the member for Shortland that in the last three years I do not think I have had one inquiry from a constituent about a problem with aged care in my electorate. I have not had one.

Ms Hall—I get at least one a week.

Mr LINDSAY—I thank the member for Shortland.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Shortland had 20 minutes to speak. She will now allow the next member to speak.

Mr LINDSAY—I do not think I have had a single question about aged care in my electorate, so I am puzzled about this particular crisis and I am wondering where it is, because aged care just gets better and better. I listened to the member for Shortland intently. I listened to hear what ALP policy might be on this particular issue. I heard words like ‘aged care will be a priority,’ but no detail, no specifics, other than ‘We’ll have national standards.’ We already have aged care standards in this country, so I am puzzled that the member for Shortland would not stand up in the parliament and talk about what the Labor Party might do differently, rather than just say that she thinks that what the government is doing is causing a crisis in aged care. That is not the way good public policy and debate should run in this country.

I remind the member for Shortland—and this is documented—that when the Labor Party was last in power more than one in 10 nursing homes failed to meet the relevant fire authority standards; under the Labor Party more than one in 10 nursing homes did not meet the relevant health authority standards; under the Labor Party seven out of 10 nursing homes did not meet the relevant outcome standards; and under the Labor Party more than half of nursing home residents were living in rooms with three or more beds. That was an absolutely unsatisfactory situation. That is what the Labor Party did. None of that happens now, and that is why there is no crisis in aged care. When you look at what is being delivered in the budget, I think that it clearly shows this government’s attention to aged care and the priority with which we hold aged care. I note that the Labor Party has no aged care policy, other than wanting a Senate inquiry. I think we need to see policy detail, not policy vacuum. That currently happens right across the board in policy from the opposition.

I am pleased to be able to tell the parliament that in my electorate of Herbert—which contains Townsville, Australia’s largest tropical city—we have 1,009 aged care places. We are well serviced. The Australian government provides $30.26 million in recurrent funding every year to the electorate of Herbert for aged care. That is warmly welcomed by the people in my electorate. There are 13 aged care facilities to choose from, as well as six providers of community
aged care packages and one provider of extended aged care at home services. As a result of this year’s budget, my electorate will receive additional funding of around $9 million and a bit over the next four years. That is a terrific outcome.

Some other budget initiatives which have been terrific have come through the Investing in Australia’s Aged Care: More Places, Better Care budget package. We have seen the biggest ever increase in aged care expenditure in the budget that was delivered in May. It is phenomenal. My memory says that since we came to government in 1996 there has been an increase of around 123 per cent in funding for aged care, from around $3 billion to $6.7 billion—huge numbers. And so they should be.

I am very pleased to see in the budget that the government was able to increase the aged care provision ratio from the existing 100 operational aged care places for residential and community to 108 operational places for every 1,000 people over 70. This has been warmly received in Townsville by the aged care operators. They are certainly very pleased. Another thing that was warmly received and that quite delighted them—and I think this would have happened in electorates across Australia—was the government’s announcement that it would provide $3,500 cash to providers in recognition of the forward plan for improved safety and building standards. They were very pleased indeed.

I just want to pay a tribute to Caroline McCormack and her team at Commonwealth Carelink. Commonwealth Carelink is also part of aged care delivery in this country these days. It is a marvellous arrangement. I have certainly spent quite some time at my local Commonwealth Carelink Centre, and Caroline and her team are able to provide all sorts of information free of charge through a 1800 number, or you can call in to the centre and they will provide people with information. If their aged parents, for example, do not live in Townsville but live in the western suburbs of Sydney, Commonwealth Carelink will find the information that they need to make the necessary referrals. It is a wonderful service. Or, if you are looking for somewhere in Townsville, you can go to Commonwealth Carelink and they will tell you where the services are available in Townsville. Similarly, if you are a general practitioner, another health professional or indeed a service provider, you can go to Commonwealth Carelink and get the information that you need on how best you can look after the needs of older Australians. It is a fabulous service.

The philosophy that the government bases its aged care priorities on is a commitment to meeting the challenge and creating opportunities within the framework of the ageing of Australia’s population: providing quality care for older Australians on a fair and sustainable basis; ensuring the standards of care at aged care homes are continually assessed and improved, as they are; ensuring that older Australians are provided with a high-quality aged care system which treats them with the dignity and respect they deserve; and, by offering older Australians increased choice to remain in their own homes, increasing care options. That is a wonderful philosophy, first developed by the member for Mackellar, and that has certainly been well received by older Australians.

In the Aged Care Amendment Bill 2004, which we are discussing this afternoon, the element that I quite like is the commonsense removing of the need for ACAT reassessment, to allow residents within a facility to move quickly from low care to high care as their care needs change. That is a sensible, long overdue change, and I am really pleased to support that in the bill this afternoon. It is something that I do not think anyone could
argue against. It is something that will be widely accepted in the community. I started by saying that I do not know where the crisis in aged care is; I end by saying that the aged Australians in my electorate are and will continue to be well looked after in this electorate.

**Mrs IRWIN** (Fowler) (5.13 p.m.)—I rise to speak on the Aged Care Amendment Bill 2004. The care of aged citizens and the degree of government support for their care differs greatly in both developed and undeveloped countries. For many societies, the care of the aged is a family responsibility and governments provide little more than a standard range of services available to people of all ages. This works well in long-established communities, where most of the population have extended family members willing and able to provide care. Traditions and culture make aged care a family obligation.

Australia does have a different approach. For a start, we are an immigrant society. Many of our settlers left all family contact in their country of birth and have only limited family contact in Australia. We have a long history of state-run asylums providing a level of aged care to those without family support, but I would have to say that the level of care was far below what we would consider acceptable today. The other factor is that we have been a mobile society. People born in country towns many decades ago have moved to the cities for work opportunities. Others have left their homes in the cities to retire to distant coastal areas. Family members live great distances apart and, of course, there is no longer a strong tradition in many families to provide care to ageing relatives.

As one European friend of mine remarked on why his ageing aunt had cared for his difficult grandmother for so many years, ‘She just didn’t have a choice.’ The grandmother owned the home and the aunt had nowhere else to go. That does not apply in many Australian families but, for whatever reasons, Australian governments have assumed responsibility for providing aged care to our citizens. To say the least, that is a noble objective of government, but it is one that governments have found more and more difficult to live up to. Our reasons for providing aged care are clear and accepted on both sides of this House. As the minister said in her second reading speech:

Older Australians have worked hard, they have raised families, paid taxes and contributed to our community. They deserve to be cared for and supported as they age.

As I said, this is a noble objective of government, and it is one which is based on need. Access to aged care is based on need, not on any other capacity. All Australians are entitled to be cared for and supported as they age. Access to aged care has now been entrenched in our society. Few Australians take out insurance to cover the prospects of a period in aged care, and society generally does not begrudge providing the increasing amount needed to fund aged care. Our approach could best be summed up by the thought that anyone of us may find ourselves in receipt of some form of aged care later in our lives. So aged care is accepted as a core government responsibility.

You could say that aged care has crept up on us as an issue. Several factors have led us to question aspects of policy. The first of these is the ageing population. With only a small proportion of the population requiring aged care, it was not as expensive to provide. With an ageing population, we can see the prospect of a very expensive program in the years ahead. A second factor is that medical science is keeping us alive longer. While for many that also means keeping us healthier, for some it requires special care for long periods of time. I have heard it said that it costs
more to provide medical care to a person in the last year of their life than the total cost of all the preceding years. If you think about individual cases it is easy to see how this occurs. But, as a society, we are prepared to meet this cost. We do not expect older Australians to walk off into the winter snow.

The obligation of governments to provide aged care is well accepted and it is bipartisan. I doubt that in this debate we will hear one voice raised to call for a reduction in spending in the area of aged care. Instead, this bill and debate are about getting the best value for the government’s expenditure on aged care. As the minister said in her second reading speech:

Greater efficiency holds the prospect of lower costs.

The minister went on to quote from the Hogan report:

If all residential care services were to operate at optimal technical efficiency then the combined public and private cost of residential care could be reduced by 17 per cent …

That would be an amount of $1.1 billion in 2002-03. Alternatively, the number of people cared for could be increased by 17 per cent—that is, a further 23,000 people could receive residential care at no extra cost. But this bill really does not address the question of increasing efficiency. The minister talks about things like reducing paperwork to free up nursing staff, but it is hard to see how such measures would lead to major improvements in efficiency. They could lead to better care for existing residents but nothing like a major improvement in efficiency.

The bill does provide additional capital funding and, having seen some of the older residential care facilities in my electorate of Fowler, I can see how that could lead to some improvements. But, again, it is hard to see major gains from building improvements alone. The same could be said of better training for staff. I can see how that would improve the standard of care but not how it would make great improvements in efficiency. But, according to the minister:

The government’s package provides a firm foundation from which the aged care sector can grow and increase their efficiency and sustainability while ensuring that older Australians can receive the care they need—at the right time and in the right place.

This, we are told, will come about as a result of a conditional adjustment payment. The payment is conditional on aged care providers meeting certain requirements, including encouraging work force training, making audited accounts publicly available annually and participating in a periodic work force census. That all sounds very nice, but you have to ask: how is that going to lead to greater efficiency?

This is what worries me about the government’s approach to aged care. We know that the demand for aged care is going to increase. We know that the cost of treatment is going to increase, and we know that the standards of care cannot be reduced. We know that accommodation charges need to be kept at a reasonable level. With little prospect of real efficiency gains, aged care will become an increasing burden in the years ahead. We have seen the exit of a number of aged care providers over the past year. The cost pressures have made many operations unsustainable. As the minister said:

The government recognises that over the next decade there will be a continuing need for capital funding so that existing homes can be well maintained, new homes built and existing facilities refurbished.

She went on to say:

To address these medium-term needs, the government will provide $438.6 million over the next four years to increase its capital contribution to the providers of care.
While these one-off payments are welcomed, by the minister’s own admission it is a medium-term plan. But given the Treasurer’s reliance on his *Intergenerational Report* and the Hogan report you would have thought that the government would have come up with a longer-term plan. Residential care providers need to plan decades in advance. They need some degree of certainty to plan their own capital requirements. The worry for me is that if this is the best we can do in a period of 13 years of economic growth, what will happen if our economy slows down? Will we still have the resources to meet the growing demand for aged care services? While we are basking in the economic sunshine, we may well be able to afford capital injections. But the experience of operators is that over time many of the increases are eroded.

Aged care is something that we all hope to have access to but not need. So this generation which is paying its share of the cost of aged care might wonder if it may miss out when its turn comes. There are proposals for aged care voucher systems and other funding models and an auction or tender system for the allocation of aged care places, but we must avoid at all costs any tendency to make aged care another commodity where quality can be compromised by the price people can afford to pay. There are many more hard decisions to be made if we are to have a sustainable system of aged care in Australia.

I note that the bill provides new funding to raise the skills and career opportunities of the aged care work force. I know from my own involvement with providers in my electorate that this is a most important aspect of aged care. I have had the pleasure of attending a number of presentation ceremonies which recognise the training achievements of aged care staff. They are indeed highly dedicated people, and they are the foundation of our aged care system. I know that even in areas of high unemployment such as my electorate of Fowler it is hard to recruit people with the appropriate aptitude to work in aged care. Training is vital if we are to maintain standards of care and the dignified treatment of aged care residents. The hours of work and rates of pay do not make work in aged care very attractive.

This is the flipside of an ageing population: not only will we have more older people; we will have proportionally fewer people of working age to employ as carers for the aged. We need to do much more to recognise the work of nursing and care staff working in aged care and we need to rethink the ways that we recognise the status and rates of pay of people working in aged care. But this of course will only add to the costs of aged care. There are no cheap fixes to this problem.

I spoke earlier about efficiency in the sector. It is hard to see how technology can lead to any major improvements. I am concerned that increased efficiency may be sought from improvements in workforce productivity. It would be nice to think we could make aged care workers more efficient, but I fear that many people in aged care are already overworked and there is little room for improvement there. We have seen too many examples of kerosene baths and other disasters, most of which arise from overworked carers and very poor administration. Often the effect of the resulting work stress is that good staff are lost—and they are indeed lost.

There is no point in increasing funds for training if the working conditions lead to qualified staff leaving the aged care sector. In a recent study the National Institute of Labour Studies report on the care of older Australians found that nurses are substantially older than the typical female worker and that there are high levels of turnover. The report found:
Staff felt quite strongly that they did not have enough time to spend with residents or otherwise do their job properly. Related to that, they felt that the facility where they worked did not employ sufficient staff.

I can appreciate that measures which reduce staff paperwork can make some difference, but there is clearly an underlying problem, and other measures aimed at improving labour productivity would only make things worse. At the end of the day, no matter what other standards are in place, it is the work of carers that makes for quality aged care. But nowhere has the minister acknowledged this fact. What is missing from this government’s aged care agenda is minimum staffing guidelines. Only when we can be sure that there are enough qualified staff on every shift will we have acceptable standards of care. We cannot afford to skimp on this most important input into aged care. The best treatment is not good enough if it is delivered in a robot-like manner. It is degrading to all those in care to be served like battery hens rather than human beings.

While accreditation and reference to aged care standards can go some way towards improving aged care, the real test is the satisfaction of residents—that is so important. Those who are almost entirely reliant on care facilities are the most vulnerable of all Australians. They deserve the highest standards of protection and the right to the best care that Australia can offer. The failures that have come to light in recent years should never have gone as far as they did. A workable complaints resolution scheme would ensure that justifiable complaints were dealt with speedily and unacceptable practices were not allowed to continue. But there is nothing whatsoever in this bill to improve complaints procedures. For that reason, we can expect that the horror stories of mistreatment that come out from time to time will continue.

Only when residents and their families have a stronger say in their care can we be confident that mistreatment will not occur. The measures contained in this year’s budget and confirmed in this bill are part of a pattern of two steps forward and one step back. Short- and medium-term measures are put in place but the benefits are quickly eroded and only when another crisis becomes apparent is something done about it. It is not good enough to make handouts in the good years—and, I should add, in election years—and then sit back and let things slip in the following years as this government has done.

Aged care is now an established responsibility of federal governments. Our culture and traditions rely on government provision of the bulk of these services. That requires a commitment not just for the short and medium term but for the long term. We cannot afford to let things slip back again. Our economy will find it hard enough to keep up the commitment. If aged care funding does not keep up with the realistic demands of clients and providers it will become too expensive to catch up. We will be left without the broad access to aged care services that we have come to enjoy and we will be left with alternatives that will leave many aged Australians without proper care. That would be unforgivable.

I began by saying that Australia has developed its own model of aged care. That model has become entrenched in our culture and family traditions. It would not be easy to turn around now and change the principles of that model. It would be unfair to those who have contributed to the aged care of older generations if they are left to fend for themselves when they require care. We cannot turn our back on Australia’s beautiful elderly generation.

Mr BARTLETT (Macquarie) (5.32 p.m.)—We have become increasingly aware
in recent times of the implications of Australia’s changing demographics, and particularly the challenges presented by an ageing population. The proportion of those over 65 in our community will rise from the current level of 12.8 per cent to some 18 per cent in 20 years time and by the year 2041 to over 23 per cent. More significantly, the number of frail aged in the community aged over 85 years will rise from a current level of 224,000 to double that in 20 years time—to 440,000—and then will more than double again to 920,000 by the year 2041—a rise from 1.2 per cent to 3.8 per cent of the population in less than 40 years time.

The implications of this for aged care policies are profound. There are implications, for instance, for retirement policy, including pensions and superannuation, for health expenditure and, clearly, for aged care itself—residential aged care, community care and the associated support services. There are also clearly implications for the revenue side, specifically the ability of taxpayers—a shrinking proportion of the community—to meet the extra expenditure requirements.

The Howard government is serious about meeting these challenges. Our record shows it and the commitments in this year’s budget reinforce it. It is absolutely imperative that we provide the quality of care needed to ensure that the frail aged citizens in our community can live in dignity and can access the quality of care that they need, be that in their own homes or be it in specialist residential aged care facilities—depending on their desire, their choice and their level of need.

I want to briefly outline this government’s record and then look at the provisions in this year’s budget. The record of our commitment to aged care is very strong. Over the past eight years we have seen a very substantial increase in spending on aged care—an increase of 123 per cent when you include expenditure for next year in this budget. That is a rise from $3 billion in 1996-97 to $6.7 billion next year. For specialist residential aged care there has been an increase of 80 per cent, from $2.5 billion when we came into office to $4.5 billion next year.

This massive increase in spending on aged care has included, for instance, an extra 55,600 new aged care places, remembering that Labor’s legacy left us 10,000 places short when they left office. Labor’s own Auditor-General’s report in 1998 showed a shortage of 10,000 aged care places. The deficit has largely been addressed, with a growth of 55,600 new places under this government. Secondly, there has been an increase not only in the number of places but also in the quality of care. The introduction under this government of an integrated national system of accreditation and of certification—which had not existed before—the establishment of the Aged Care Standards and Accreditation Agency, a rigorous complaints resolution scheme and a system of ongoing, unannounced spot checks have ensured that we have raised the quality of aged care in this country. There has been a massive boost as well in capital upgrades to improve the quality of facilities.

I remind members opposite of the Gregory report, which came out under Labor in 1994. After 11 years of Labor government the Gregory report found that 13 per cent of aged care facilities failed to meet acceptable fire standards, 11 per cent failed to meet acceptable health authority standards, 70 per cent failed to meet satisfactory outcome standards and 51 per cent of residents in 1994 were in rooms with three or more residents. Under this government, there has been not only a massive increase in the number of beds but also a vast improvement in the quality of care and in the accreditation and monitoring of those levels of care.
We could speak about many other areas. There have been a number of other improvements, including improved training, nursing scholarships, support for carers and so on. But I now want to move on to this year’s budget, which continues and reinforces this government’s strong record of increased expenditure and commitment to quality, with a boost of $2.2 billion over the next four years. We will see an extra $2.2 billion—the largest ever increase in aged care spending—over the next four years.

There are a number of key measures to be included in that. First of all, there will be a further increase in the number of aged care places. There will be an extra 27,900 aged care places over the next three years, including 13,030 in the next year alone. As well as that, we will raise the target ratio from the current 100 places per 1,000 in the community over the age of 70 to a target of 108 places per 1,000 over the age of 70 in the community. This is the first increase in the targeted level since 1985—that is, the level of 100 per 1,000 in the community, which Labor failed to reach.

As part of raising the target to 108 places, there will be a doubling of the number of community aged care packages—from 10 to 20—reflecting the increasing number of residents in our community who want to stay in their homes and want to be able to make that choice if there is enough support, enough nursing and care support, for them to do so. We are committed to supporting that choice for residents when that is what they wish to do. This package also includes an extra 2,000 transitional places for elderly people while receiving rehabilitation after spending some time in hospital.

The second key area in this budget is an increase of $951.9 million for capital works. This has two components. Firstly, there will be an immediate injection of $513.3 million—that is, $3,500 per resident—to assist nursing homes and hostels to meet pressing maintenance and capital works requirements. I am pleased to say that, for my electorate, this will mean around $4 million in the next couple of weeks, before the end of this financial year. Secondly, it includes a further $438.6 million over the next four years in capital payments to assist improvement, construction and expansion of facilities over that time.

There will also be an additional $877.8 million over the next four years to assist facilities to provide better care, including paying higher wages to nurses and other staff. Our committed, dedicated staff in our aged care facilities certainly deserve that. With indexation, this should mean that the current average annual payment per resident of $30,500 will increase to $35,380 by 2007-08.

There are many other measures in this budget. There will be an 8.1 per cent increase to HACC funding, to bring it to $791.9 million next year. There will also be an extra $101.4 million for training nurses and aged care staff, including 1,000 aged care nursing scholarships. And we could go on and on. This year’s budget includes a massive commitment to increasing spending on aged care, to continue the strong record that we have seen under this government over the past eight years.

I now want to turn to one issue of concern for my electorate, and that is the way that the allocation formula works. As I said, the current formula is 100 places—that is, 90 residential places and 10 community aged care packages—per 1,000 in the community over the age of 70. We are to build that over the next four years to 108 places. I have some concerns over the way this formula currently applies. It specifically underestimates the level of need in outer metropolitan areas such as mine, because it measures the current
population within that community and fails to recognise those moving from inner urban areas and inner city areas to access nursing homes in outer metropolitan areas to be closer to their families. For instance, in some nursing homes in my electorate, up to 50 per cent of those on the waiting lists and over 50 per cent of those currently in residence come from outside the electorate.

I have been arguing for years that this formula needs to be finetuned to recognise the demand not only from within the electorate or the planning area but also from outside the electorate. I will continue to argue for this. In outer metropolitan areas such as mine, which includes the Hawkesbury and the Blue Mountains, we need an increase in aged care places—community aged care places and residential places—to allow for the demand not only from the local community but also from people outside our community who, when they access a hostel or nursing home, want to be closer to their adult children who are living in our area.

This government’s record of increased funding for aged care, increased aged care places, and a clear commitment to improving quality, accreditation and standards in aged care is unparalleled—and far beyond the position that we inherited. This year’s budget continues that record—with a record $2.2 billion, a commitment to another 27,900 places, a massive injection of funds for capital works, improving the conditions of our aged care facilities and improving the recurrent subsidies. I want to see more of that going to my electorate, and I will continue to argue for that. This budget and the amendment contained in this legislation continue this government’s commitment to ensuring quality aged care for the frail aged in our community.

Mr HATTON (Blaxland) (5.44 p.m.)—You can tell that we are getting closer to the election because, the closer we get, even if we have a general agreement that we will cut our speaking time in half, down to 10 minutes, members of the government are eager to go over that time in an attempt to press their case forward. With this bill, the Aged Care Amendment Bill 2004, they have overstated and overargued their case in relation to aged care. There are more than eight years—8½ years—in which we can see what the government have done in the aged care area during that time.

Mr Bartlett interjecting—

Mr HATTON—The member for Macquarie and the other members who have gone before him have dramatically overstated the case, and they have dramatically overstated the case against Labor. When Labor came to government in March 1983, aged care in Australia was in disrepair. The reason it was in disrepair was that, in the model that we had in place, which was from the Fraser government period, if people became too ill to stay at home and be cared for by their relatives, people faced one choice only. Because there were no real community services available in an organised manner, their one choice was to go into a nursing home—if they could get one of the high-cost nursing home beds. That was it. That is what the Fraser coalition government gave to the people of Australia. The infrastructure was primarily in the private sector.

What do we have now? Since 1996, the government have returned us to fundamentally private sector provision. If the government had their druthers, we would have completely private sector market driven provision. We have a model of aged care that was effectively thought up by Mr Moran, the largest private aged care provider in Australia. The previous minister brought in what she called an ‘ageing in place’ policy. Just as in Moran’s private nursing home complexes,
the notion was that, if you went into room 101, you went out of room 101. If you were there simply as a resident in a unit type complex and you needed to move on to hostel accommodation, that would be provided in the same room, without moving. If you then became a nursing home case, that would be provided in the same place. So you would not need to move around; you would age in place.

I think this government have ‘aged in place’ in relation to this policy. They have ‘aged’ a policy but they have not given all that much to Australia’s ageing population. We know that, over 13 years, the face of the aged care model in Australia changed. The ‘care’ was actually put into it under the Labor Party. What we did, at a cheaper cost to the Commonwealth, was say to people: ‘You don’t have just the one choice of going into a single aged care facility and into inappropriate nursing home care. You’ve got three choices. You can also stay at home, where either your family can look after you, or home and community care services—a combination of federal and state government—will work together to provide appropriate care at home.’ It was the cheapest option for the Commonwealth and the best option for people.

The second thing we did was to recognise that hostel accommodation, which was virtually non-existent at the time, needed to be rapidly upgraded and improved. Labor committed itself to expanding hostel accommodation in Australia by 15 per cent a year—real expansion, year on year—a dramatic expansion on what was an inappropriate level of service for those people who did not want to stay at home and felt that they needed a more communal approach to things and other people to help them through their later years. Labor provided that.

The third tier was to provide appropriately targeted high-cost high-care nursing home beds where people wanted them and on the basis of need. That is what Labor has fundamentally been directed to. The people that we strongly supported through those 13 years to supply those nursing home beds were the not-for-profit sector. We supported the not-for-profit sector because their hearts were in it. They wanted to help people who were aged and in difficulty and who could not look after themselves. They wanted to do that on a basis where they could pour the extra funds back into their buildings, back into their resources and back into their staff to provide better quality care.

Halfway through his contribution, the member for Macquarie argued that there was a 10,000-bed deficit when this government came to power. We have argued that there were in fact 800 surplus beds and not a deficit of 10,000 beds. He pointed to the Gregory report of 1994, commissioned by the former Labor government, which identified that, in the private nursing home sector—not the not-for-profit sector, which was strong and viable because the federal Labor government had poured in resources, through capital grants, to improve it—money had not gone back into reinvestment in bricks and mortar, in staff and in providing better aged care but into people’s pockets as private profit. That was the fundamental problem that Gregory identified. That was the problem that needed to be addressed to get the private sector doing what they should have been doing: appropriately reinvesting for the future. This government has chosen to adopt a different model, the ageing in place model, with an emphasis on private providers. For my money, that model does not provide the level of care that has been provided by the not-for-profit sector. Labor had a strong history not only of helping that sector to renovate its
infrastructure but of allowing it to provide more adequately than it did in the past.

The member for Perth, the shadow minister for ageing and seniors, in a considered speech at the start of this debate, made the quite appropriate comment that people’s expectations have changed intergenerationally—that people who were brought up during the Depression and the Second World War and who worked to give all that they could to their children went into hostel care or stayed at home. In fact, 96 per cent of people are still staying at home and being looked after at home, fundamentally because of the Home and Community Care packages that we put into place. The expectations of people have changed because of what happened during the eighties and nineties. Before then, they had no other choice.

People fundamentally would like to stay at home and be cared for there. That happened to my grandmother. My aunties chose to devote their time to look after her at home, and Home and Community Care services were able to be brought in to make her last years sustainable—and they were significantly difficult because she suffered from dementia. There was a strong family commitment backed by a good, reasonable, sensible program that had been put in place.

We also had a commitment to ensure that the capacity of people to adequately look after each other in retirement and in their old age would be greatly increased. There is nothing more worrying for a society where the average age that people reach is increasing than (1) whether there is the capacity to deal with the health problems that increase over that time and (2) whether people are going to have the economic capacity to ensure that they have a reasonable standard of living and that they can continue to look after themselves as they age. Sons and daughters and grandchildren want to ensure that their parents or grandparents are properly looked after, particularly if they suffer from a severe and significant or disabling illness, dementia being the most significant of these in recent years.

It is not just proper and right but a fundamental duty of government to address this area properly. The acting shadow minister, rightly, argued that the change that occurred over the eighties and nineties left us in the position where adequate services were being provided; but you have to reinvest appropriately in this area if you are going to ensure that people can feel secure about that.

The measures in this bill deal with two aspects that the Hogan inquiry addressed in attempting to ensure that older people’s futures are guaranteed on an appropriate basis so that, whether they are ageing in an aged care place or at home in the community, as they would rather, they would be looked after appropriately. In this foreshortened speech, as we have agreed to go for only 10 minutes, I commend the bill and I also commend to you, Mr Deputy Speaker, the second reading amendment moved by the acting shadow minister for ageing and seniors, and I indicate in supporting those that every one of those points is significant and should be dealt with.

Mr TUCKEY (O’Connor) (5.55 p.m.)—The Aged Care Amendment Bill 2004 is important legislation because it confirms the commitment—from listening to the previous speaker, the member for Blaxland—of the parliament to the aged care sector and of course, more importantly, to the people that sector attends to and supports. In my electorate, which is highly decentralised in many ways, there are 14 aged care facilities as well as seven providers of community aged care packages and 16 multipurpose services. The people of my electorate over many years, certainly all the time that I have represented...
them, have made very substantial contributions to the funding of their aged care facilities, whether they be low care or high care—which we used to know as hostels and nursing homes—and many of them are still prospering. People freely give of their time to administer them. Nearly all of the facilities that I represent—not entirely but nearly all—are run by voluntary committees. It is encouraging to see that at least some of the administrative arrangements are being revisited by this legislation to simplify those bureaucratic or, if you like, administrative arrangements.

It is a fact that a laissez-faire approach to this particular sector did fail. To my mind it did not fail so much in those small community-operated facilities that predominate in my electorate, but the evidence that came to this House from time to time of abuse of the system and neglect of those people the government charges providers to care for required a response. It was this government that provided that response. I find it ironic to hear people attacking a succession of ministers because the system that was implemented by this government has in fact identified areas of abuse, whether it be kerosene in a bath or other abuses that have been raised. I find it ironic that the government gets attacked by the opposition for creating a mechanism that points out to the opposition that there has been a failure in the system, a failure which, once identified, is rapidly corrected. I have never been able to understand why there is fault in finding those problems.

As part of that process, the amount of paperwork, reporting, inspections and so on has, by necessity, had to increase dramatically. I have had complaints over time about urgent assessments being done of people who had to have their status changed as their health deteriorated and the authorities later coming back and saying, ‘Look, you shouldn’t have done that. You oughtn’t to have done it. The fact is that this person should not be category X; they should be category Y. We have funded you for three months’—or whatever—at this other rate and now you must give us the money back.’ Of course, the money has been spent on providing a service at that level and it is not available. It has been a huge embarrassment from time to time for small community groups; it may be a bit different for the large corporate operations.

I am very proud that as a result of this year’s budget the O’Connor electorate will receive additional funding of around $6.55 million over four years and particularly that some $500 million will be made available to all the service providers around Australia. This will allow them to catch up on the various requirements that are now imminent regarding fire safety and other aspects of providing a better service, which in many cases arise from older premises not being built to contemporary standards.

As I have said, this legislation is relatively simple and does two particular things: firstly, it gives more leeway to the operator to upgrade patients to a higher level of care and, secondly, it requires people who have the capacity to pay to meet some of the cost, which I believe is most important. I think one of the great tragedies in this place is that, having supported the Hawke government in applying a bond system to hostels, a campaign was run to create great community concern about the cost of having a similar bond system for high-care nursing homes.

It is interesting that people who presently have quite modest homes with, as we see on television, an auction value of $600,000, $700,000, $800,000 or sometimes $1 million believe that it is appropriate to transfer to a nursing home—which to my mind is just another roof over their heads—and not make some capital contribution by way of a bond,
where the money is not lost to them. Plenty of people are now borrowing money against those very valuable assets to take overseas trips and things of that nature. The banks have designed a product where the interest capitalises and is a charge against the estate.

I am not sure that young home owners and others should be meeting a tax burden that covers such a situation. But, as you know, I am in disagreement with my party on that view; my party’s view is that there will not be bonds for nursing homes. I can only express a view that, where people have the financial capacity to make a contribution, it should not be a burden on the taxpayer. A nursing home is just another home—unfortunately, probably the last home the patients will occupy—and frequently people are not there very long when they get to that high level of care.

This legislation at least recognises that some people should make a financial contribution. That money will consequently be available, hopefully, to assist others who do not have that capacity. More importantly, if we were to go that step further—and the government says we will not—we would have more facilities for people who are struggling to find a place. I think some people are now realising the harsh reality that they cannot find accommodation for their ageing relatives and that maybe inheriting their house in due course is not such a good idea anyway.

The other point that I want to make in the limited time available to me is that I was able to announce that there are now training opportunities for aged care nursing personnel. I hope that the government can find more opportunities in that regard. Be they aged care nurses or nurses in the general hospital sector, I have never been able to understand why those who go through the old-fashioned system, if I can put it that way, of training on the job are treated differently from those who come out of university. I do not believe for a second that university trained nurses are better—in fact, it is probably the contrary. As I think the statistics show, many of them find it very difficult to adjust to the work that is involved.

I was involved in this debate. I spent four months in hospital once—through my own fault; I was trying to drive a car into a tree—and I was looked after by people who had been trained in the system. I well remember how it worked. In years gone by there was a residential arrangement, and the young people that came through that system have risen to the top. One lady, who became the epitome of nursing management and was a director of nursing, has her name in brass on St Georges Terrace. She was a matron and she was trained by the old system.

I still think that we can have both systems, but those who go through either system should be entitled to promotion, and each form of training should be considered equal. I have run out of time; otherwise, I would be expanding on that point of view. In the nursing home system, people can go away for additional training but they should have the same career opportunities whichever course they take. I tend to favour the education that is received on the job.

Ms JACKSON (Hasluck) (6.06 p.m.)—I am pleased to be able to join in this debate on the Aged Care Amendment Bill 2004, unfortunately with my time reduced. I would like to concentrate my remarks today on the aged care work force. Before doing so I will make some general comments with respect to this legislation and the amendments. I indicate that I speak tonight in support of the second reading amendment moved by the member for Perth earlier in this debate.

As we know, this legislation goes to specific changes in aged care funding. The
amendment to division 57A of the Aged Care Act will enable providers to charge a person who enters a high-care residential aged care facility an accommodation charge for the entire period that they live at the facility. This measure will come into effect from 1 July 2004. We know that behind that amendment is the fact that people—perhaps some who have sufficient assets to pay—will be required to pay a substantially higher daily charge and will also be forced to continue to make that payment for an indefinite period, until they leave the facility.

Of significant concern to those residents who are able to pay a daily charge is that that charge, through this legislation, will be increased by some 40 per cent, to $19 a day. I worry about the impact of this charge and the disproportionate way in which it will impact on providers. For example, a provider in a rural or regional area may well be relatively financially disadvantaged where there is a smaller proportion of people who have sufficient assets to pay the daily charge. I think that this is a sign that the government’s vision, if indeed they have a vision in the aged care area, is that the substantial investment required by our community for aged care will increasingly put the funding burden indefinitely back onto older Australians and those who can afford to pay.

In discussing that, I wish to talk about the issue of accommodation bonds. We know that, since the government’s 1997 Aged Care Act commenced, the aged care industry has struggled to obtain adequate funding, particularly for capital works expenditure. As a result of that, I think there has been pressure from the industry for government to extend aged care accommodation bonds into the high-level care area. Indeed, the Hogan review recommended that accommodation bonds or daily charges apply to both high- and low-care accommodation. So far, unfortunately in this place the minister has not conclusively ruled out the possibility of accommodation bonds being applied to the new medium level of care.

I am pleased to say that Labor has and continues to rule out supporting any such extension of the application of accommodation bonds. I note that the member for Perth, in his capacity as acting shadow spokesperson on aged care, referred to this in his speech and indicated that the Minister for Ageing has to date refused to rule out the extension after the election of bonds that are currently part of the high-level care definition to the medium-care level.

There are some other unanswered questions which I look forward to getting the minister’s response to. For example, does the decision to remove the five-year limit on those accommodation charges that I referred to earlier mean the government also proposes to change the five-year limit on deductions from low-care accommodation bonds at some time after the election, or will the bonds be available to providers for the duration of a resident’s stay even if it is greater than five years? Will an aged care voucher system be introduced? Will the requirement that at least 40 per cent of residents be concession residents before a provider can access subsidies continue, or are there also proposed changes in these areas?

As the Labor spokesperson said, we welcome the change to the resident classification system. I am pleased that there will be a review process to ascertain how the new model will be implemented in aged care facilities. I think that is a good step. I will certainly be interested, when that evaluation or review information comes before the parliament—if not earlier—in whether the change in the system has caused any extraordinary or unusual results vis-a-vis the reclassification of current residents.
I indicated at the outset of my remarks that I particularly wanted to address the issue of the aged care workforce. In my previous occupation before coming to the House, I was fortunate enough to work for the Miscellaneous Workers Union in Western Australia. Amongst their members was a very large and significant workforce employed in the aged care sector. It is a group that I have previously talked about in the House and, indeed, I think I referred to them at one stage as ‘the invisible workforce’—the people that you only think about when they are not there, rather than giving them the considerable recognition they should get from us.

In this industry, we still have a situation where those people providing care for the aged are working for wages and in conditions substantially lower than those that apply in the rest of the health industry and, in particular, in equivalent occupations or positions in our various state public sectors throughout Australia. To make matters worse, in many cases staffing levels are well and truly overstretched, making it difficult for staff to provide an adequate level of quality care for people who are often least able to care for themselves.

This is not by any means a new issue; this is something that has been a problem for decades. A National Institute of Labour Studies report on the residential aged care workforce, called *The care of older Australians*, highlighted several areas of concern. Foremost were the low levels of pay received by staff in this sector. The report also found that nurses in particular are substantially older than the nursing workforce in general, or the typical female worker, and that there are high levels of turnover of direct care staff, especially personal carers. No-one needs doubt that the conditions for staff in the aged care industry impact on their ability to care for residents, and this situation is further compounded by the amount of paperwork that staff are required to fill out as part of their duties. The National Institute of Labour Studies report stated:

Staff felt quite strongly that they did not have enough time to spend with their residents or otherwise do their job properly. Related to that, they felt that the facility where they worked did not employ sufficient staff.

Greg Mundy, the Chief Executive Officer of Aged and Community Services Australia, is also critical of the government’s efforts to address the concerns of staff and carers in the industry. In his recent response to the pricing measures contained in the most recent federal budget he said:

On the key issue of pricing, the Budget has only provided a 1.75 per cent increase above the current inadequate indexation. This will barely cover wage increases already in the pipeline.

We are not talking about substantial increases for already incredibly well paid staff. I had sent over to me today from Western Australia the rates of pay for people who are providing personal care in our aged care facilities. I am advised that the most common classification referred to in Western Australia is that of assistant supervisor or carer. That person currently has a base rate of $526.60, and that includes all the arbitrated safety net adjustments that have occurred over time. That is a miserable amount of money—an hourly rate of $13.86. No-one can suggest that that is an extraordinary hourly rate of pay. In fact it is probably about the same hourly rate that we pay to our child-care workers into whose care we put our children, and it reflects a complete lack of value or recognition of the work that those people perform. I have to say that that is acknowledged not only by the workers and the unions that represent them but also by the majority of aged care providers. In its submission to the pricing review Aged and Community Services Australia said:
As the pressure on salary and wages expenditure has mounted, compounded in many cases by an increasing proportion of highly dependent residents, many aged care providers have been forced to trim their service and have restricted the time available to engage in resident focused activities. Put simply, rosters have been trimmed and staff have less time available to spend with residents providing social support, structured or unstructured activities or otherwise attending to their needs.

The government has acknowledged that there is a problem, and I say that because it announced a conditional adjustment payment over four years as a top-up to the recurrent subsidy, one of the aims being to encourage staff training. However, the government has not seen fit to implement a transparent mechanism to allow monitoring of where those funds are being spent and how they are being used to provide further training for staff, nor will the payment in any way go towards assisting the recruitment or retention of staff in the industry when nurses are 24 per cent behind their public hospital counterparts. I compare my example of the assistant supervisor on $526.60 with a worker employed in the public sector doing similar duties on a rate of $605.08 a week. It seems to me that in difficult times people will go where their skills are recognised. Having dealt with many carers in the aged care sector, I appreciate that money is not the driving criterion in their career choice—indeed I am very grateful that it is not the driving criterion in their career choice; they simply would not be there. I agree with the comment by the Minister for Ageing in her second reading speech when she said:

In order to attract and retain staff, it is important that staff receive training and that caring for the aged is a rewarding career path.

Frankly, to retain staff, employers must be able to provide ongoing training for staff, and it is essential for pay rates to adequately recognise the skill of these people and the fact that they are providing quality care.

It is somewhat poignant, after the comments by the member for Bass following question time today, to note that today is International Cleaners Day—a very significant group of workers within the aged care area. It is appropriate on such days to think about the ‘invisible’ work force and what we can do to properly reward them for the job they do. In that respect the government has failed aged care providers in regard to staff wages and conditions. I know many providers who have had to implement savings measures within their institutions to try and help meet nothing other than safety net adjustments awarded by the commission. Frankly, after nearly six years of that, there is no fat in the system to trim. What has been directly impacted by this change is the quality of care that is being provided in most aged care workplaces around Australia. One thing that would assist that situation is Labor’s demand for a new national benchmark of care. I certainly hope we have a proper opportunity to see through the Senate inquiry and have that national benchmark implemented in the new year.

Mrs HULL (Riverina) (6.21 p.m.)—It is a great pleasure for me this evening to rise and speak in support of the Aged Care Amendment Bill 2004. I congratulate the Minister for Ageing for her contribution in delivering this package for the aged in our community. As one of the members of this House who has constantly sought a surety that we would start to deal with the issues of aged care—including more homes, more spaces and better rewards for not only the wonderful people who provide aged care nursing but also the people who provide caring at home—it is a great privilege to say that the budget delivered many of the things I have been lobbying for for some time, particularly in this industry.
This bill will give effect to two initiatives that were in the budget as part of the Investing in Australia’s Aged Care: More Places, Better Care Measures package. The bill’s passing will see this package implemented from 1 July 2004 and will bring great benefits to those in the aged care community across Australia. When the Treasurer handed down the 2004-05 budget, I was ecstatic over the funding and assistance that had been provided to the aged care sector. As the population continues to age, both the government and the community must and will find ways to address the needs of the aged care sector and ensure that we can best provide for our elderly residents. These people have contributed much to our communities and to our nation and they deserve our support at this time in their lives.

The first initiative which will come into effect with the passage of this bill will assist aged care homes by reducing the costs of administration required to facilitate processes. A resident in a facility will not be required to have an ACAT assessment before moving on to the next phase within that same facility. This will ensure that people can get a timely response to their needs once they start to move over those different thresholds. The second initiative, building better aged care homes, will remove the limit of five years on accommodation charges for new residents, who have the ability to pay, entering high level care so that they can make a capital contribution throughout their stay in an aged care home. That is something that I have always sought.

There is no reason why children should get an inheritance from their parents when their parents are in need of quality care. We are here on this earth to do and provide for ourselves. The fact that our parents have provided for us throughout our growing years does not mean they need to forgo their own quality of life in their elderly years in order to continue to provide for us after they have gone. Too many places are being taken up at the moment by people who could quite easily meet the cost and enable those positions to be freed up for those who are unable to pay to enter a home.

Ensuring access to equality of aged care services has been, as I have said, a significant priority for me and I was excited when the government announced many of its budget measures. There are about 1,298 aged care places in my electorate of Riverina and the Australian government provides $34.9 million dollars in recurrent funding to the Riverina electorate. There are 29 aged care facilities in Riverina, one multipurpose facility and 10 providers of community aged care packages. As a result, looking at the figures from this year’s budget, the Riverina will receive additional funding of around $13 million over the next four years. That is just the beginning and it will certainly assist the many current and future residents of aged care in the Riverina.

There are many heartbreaking cases of elderly people in my electorate, as I am sure there are in many other electorates, who have been separated in their old age due to differing needs. Many of the aged couples in my electorate have perhaps one member in one facility while the other member is in another facility on the other side of the electorate. In one such example of a couple like this at the moment the dearly loved wife who has a brain tumour has been cared for many years by the husband. He had his own surgery problems associated with his heart and had to travel to Sydney for heart surgery. He had complications there. His wife was put into respite for a little while but, to access accommodation which is in such short supply, she was then transferred eight hours drive away from Wagga Wagga. The result is that we have an elderly lady with a brain tumour who lives an eight-hour drive away.
We have heard very good speeches in this House with respect to the aged care sector. I would like to be able to contribute further and mention staff and particularly carers, who are very important in aged care residences. If you do not have those amazing staff members and those volunteers who come into the aged care sector and volunteer their time, then you do not have a flourishing, safe, quality industry. I also think that the more pay nurses receive, the better. They are worth their weight in gold. As I say, we can encourage and arrange more spending, because this government is one with good economic management. This government has a surplus, and it is only through having a surplus that you can start to provide these things. Through good economic management we are only now able to provide what is required for those great people who built this nation because that money was not being spent on them or provided for them before this government came into being. There is an enormous amount that needs to be done, but this government is the very government that should be doing it, and it has proved that in this budget. It has proved that it puts its money where its mouth is. There is no 10,000-bed shortage at this time, leading into this election, nor should there be, because the elderly people built this nation and made this nation what it is and they deserve our complete support. They deserve every bit that we can possibly afford so as to provide them with a standard of care that is equal to none.

In addition, the staff members need to be commended. It is recognised that working in the aged care sector is not a job you do as a career. It is a way of life. It is a quality of life decision you make, because it takes a special person to work in this area. Indeed, they are very special people, and they are very much deserving of recognition for the services that they provide. I am looking forward to that recognition. With the better and sound eco-
nomic management that this government is providing, I am sure that we can deliver to elderly people those quality carers, who also have been recipients in this government’s budget this year. Certainly, those staff members play an integral part in ensuring that our loved ones are cared for in the most meaningful way and have a high quality of life in their later years. I therefore commend the Aged Care Amendment Bill 2004 to the House and congratulate the minister. I recognise what she has put in place to ensure that the elderly people of Australia are cared for in a meaningful, quality, reassuring and secure environment.

Mr MOSSFIELD (Greenway) (6.33 p.m.)—On 2 June, the Minister for Ageing introduced the Aged Care Amendment Bill 2004 and referred to increases in government funding for aged care during the period of the Howard government. By chance, I believe, on the previous day a headline appeared in the Sydney Morning Herald which read: ‘Elderly forced to wait as aged care crisis worsens’. The article, by Adele Horin, said that there were 20,000 elderly people on waiting lists for nursing homes and aged care hostels in New South Wales and the ACT alone. These figures resulted from a survey conducted in December 2003 by the Aged and Community Services Association of New South Wales and the ACT. The result of the survey would suggest that federal government funding in aged care is a little late and, in view of the growing need in the sector, far too little.

Not only is the waiting list a long one but also the ACS survey found that the elderly were now waiting longer for vacancies than they did in 2001, so we are going backwards. It showed that the elderly have been well down the list of people needing government assistance. It showed that the money spent by the federal government over the past eight years has not kept pace with the demand in the sector. The survey referred to in the Adele Horin article showed that the average waiting time for nursing home beds is now 24 weeks, up from 19 weeks in 2001. That is an increase of over 26 per cent in just three years. Hostel waiting time is now 36 weeks, up 12.5 per cent from 32 weeks in 2001, and access to community aged care packages has experienced the biggest jump in waiting time, from 13 weeks in 2001 to 18 weeks today—an increase in the waiting time of nearly 40 per cent.

Areas with longer waiting lists and waiting times for high care include Western Sydney—the area that I represent—and the Hunter. While waiting times for both high care and low care may vary across the state, the ACS survey reported:

... some individual facilities have very long waiting lists with ... lists of over 100 people and waiting times of two years or longer—particularly in the area of domestic, dementia-specific facilities. The impact of dementia on aged care facilities has been highlighted in a report provided by the Australian Institute of Health and Welfare, entitled The impact of dementia on the health and aged care systems. Details of this report are contained in an article in the Canberra Times by Emma Macdonald. It refers to the fact that some 40 per cent of older people living in nursing homes have dementia and that dementia had:

... the greatest impact on the provision of residential aged care, compared with its impact on other services such as hospitals, GPs and community aged-care programs.

The report also suggested that people with dementia stay in nursing homes longer than people without dementia. Clearly, dementia patients will continue to have a growing impact on the aged care services, particularly in residential aged care. A further report referred to in the media last week raised the possibility of more pressure on nursing home facilities because of the increasing shortage
of people being able to care for the elderly who want to live in their own homes. The study, by the National Centre for Social and Economic Modelling at the University of Canberra, found:

A growing number of older Australians aged over 80 who need help to remain in their own home will quickly outstrip the supply of unpaid carers. The study suggested that, by the year 2031, 573,000 elderly and disabled Australians will not have the help of a primary carer. This then raises the issue that over time a greater percentage of our elderly will require residential care, and the need for increasing the number of qualified nursing staff in nursing homes. Under the present arrangement this would not appear to happen. Madam Deputy Speaker, 2031 might sound like a long time away, but unless the groundwork is laid now, unless the investment is made now, the growing crisis will simply spiral out of control. Nurses must be trained—we acknowledge that the minister mentioned this in her speech—but beds must be made available and this government is not addressing these fundamental problems in any meaningful way.

I referred to the shortage of qualified staff in nursing homes in a grievance debate speech that I made on 24 March and I would like to reiterate some of the points I made, although I did note that the member for Hasluck also covered this point very well. The problem is that with the low wages paid to nursing home staff, particularly nurses, we find that many are then applying to other organisations where the wage rates are better. Once again, I cannot overemphasise the issue of the underpayment of our skilled staff in nursing homes across this country. There is a lot of information available from peak bodies on this issue. We need to give nurses in the aged care sector parity with the public hospital system. We need to promote work in the sector and the advantages of working with older people. We need to protect nurses in aged care from being driven from the sector by the relentless questioning of their clinical and managerial decisions. There is a great need to look after the interests of the people working in this industry and I cannot overemphasise the need to pay nurses a reasonable wage. These are the views of the peak organisations in the industry and also the views being expressed to me by nursing home operators in my electorate.

Another serious problem facing the aged care sector is the number of young people with disabilities in nursing homes. The National Alliance of Young People in Nursing Homes said that there are some 6,200 young people in nursing homes around Australia, with this figure likely to increase to 10,000 within two years. I know you would agree with me, Madam Deputy Speaker, that this is a national disgrace. It means that not only are these young people with severe disabilities and conditions such as multiple sclerosis and brain damage not getting the specialised treatment that they are entitled to, but also they are taking away aged care places from the elderly. The problem will get worse, according to the views expressed to me in correspondence I received from Anglicare in May. This correspondence may well have been relating to situations for which the state government is responsible, but I think the point made is relevant. I will read out the appropriate parts of the letter. It says:

I am writing this letter to address the issues in the area concerning respite for children and young people with disabilities.

The difficulty we are all facing is that governments are closing residential respite without adequate replacements.

Non government agencies or for profit organisations (ie private nursing agencies) are expected to fill that gap.

If the care is not being provided directly for young people with disabilities there is going
to be an increase in the number of young people with disabilities in nursing homes, and this is just not acceptable. The alliance is asking for the federal government to call an urgent meeting with state governments to help resolve this crisis.

So what we have is young people who should be better cared for in specialised facilities taking up places in nursing homes, leaving literally thousands of elderly people on the waiting lists. We also have many of our elderly in public hospitals taking up beds there while waiting for appropriate nursing home beds to become available, and so adding to the waiting lists of general patients and straining the budgets and resources of our public hospital system. It is like a domino effect and our ageing population will only put more and more pressure on the system. Radical and extensive reform must take place in this sector or the crisis will spiral out of control. The Howard government, however, simply wants to put another bandaid on the problem and put off any hard decisions until after the next election. This is not good enough, as the second reading amendment moved by the acting shadow minister for ageing has clearly indicated.

In conclusion, I indicate my support for the amendment, which, in part, says that the government must establish whether:

(a) accommodation bonds will apply consistently for both high level care and low level care;
(b) an accommodation bond will apply to residents who are classified as medium-care residents under the new Resident Classification Scale;
(c) there will be a further increase in the maximum daily accommodation charge for non-concessional residents from $16.25 to $19, a nearly 40% increase from the current charge;
(d) the requirement that at least 40% of residents are concessional before a provider is entitled to a concessional supplement is retained into the future;
(e) bonds will be available to providers for the duration of a resident’s period of stay if it is greater than the current five years;
(f) an aged care voucher system will be introduced; and

most importantly—

(g) an auction or tender system will be introduced for the allocation of aged care places”.

We acknowledge the money that is being put into aged care. It is good; it is always well received. But what we are saying is that it is simply not enough. We believe that there are still many questions to be answered and these are highlighted in the amendment moved by the acting shadow minister for ageing. I have much pleasure in supporting that amendment.

Mr BALDWIN (Paterson) (6.43 p.m.)—I rise tonight to speak on the Aged Care Amendment Bill 2004, which again highlights the government’s record on aged care and the very plan that we have for the future of aged care in Australia. These amendments will mean that there will be no need for an aged care resident to be assessed by an aged care assessment team when a resident’s care needs change, as long as they live in the same aged care home. This means that residents can move from low care to high care more quickly and it removes a great deal of administration from the equation. It gives effect to the government’s response to the Review of Pricing Arrangements in Residential Aged Care’s recommendations on the removal of the five-year limit on the payment of accommodation charges. It will only affect those residents who enter high-level care after 1 July 2004 and who can afford to contribute to their accommodation costs. This recognises that it is reasonable for residents who can afford to make this contribu-
tion to pay a charge for the entire time they receive accommodation in an aged care home.

Existing residents and new concessional residents are not affected, and neither are those going into low-level or extra-service homes. Current residents will not be affected by these changes, and existing bond arrangements remain unchanged. In addition, the Australian government will ensure that residents who are in need can access hardship allowance. These amendments form part of the outstanding packages for aged care announced in the budget, including an extra 27,900 places. I see the Minister for Ageing in the chamber; I put her on notice that I will be pursuing a great number of those places for my electorate of Paterson. There is also an extra $513 million for aged care providers in this financial year to ensure that all residential aged care facilities can improve fire safety and building standards; $878 million to improve the quality of care; and $101 million to expand education and training places for nurses and aged care workers.

This is in stark contrast with the Labor Party, who have no plan for aged care, do not have an aged care policy, and did not even mention aged care in their budget reply. We need to understand that, after the 13 years of hard Labor, they left this country with a 10,000 bed shortfall and did not give the elderly the choice to stay in their own homes longer—and Labor did not have one single package in the entire electorate of Paterson. In Paterson we have gone from 587 aged care places and funding of $9.5 million, in Labor’s last year in office, to 933 aged care places and funding of over $20 million per year now. That is an increase of 346 aged care places—not to mention the ones that are under construction.

Last week, the shadow minister for aged care came and visited the electorate. He said there were not enough beds. But I wish he had contacted me and let me know he was in town, because I would have been more than happy to give him a tour of Paterson so that he could see with his own eyes some of the expansion and construction that is currently happening in aged care and the empty beds that are in Foster. You see, Labor left Australia with a 10,000-bed shortage, so it is understandable that they do not actually know what a construction site looks like. To give the shadow minister some indication of what is happening in Paterson, I would have started a tour in Dungog.

Dungog, as many members would know, is a great town just north of Maitland. I have had the pleasure of taking two ministers for aged care there in the past two years. In Dungog, there is a great aged care facility called the Lara Aged Care Facility, which is based next door to the hospital and has a great view of the countryside. More importantly, Lara is able to expand its facility by 10 beds because of a $220,000 grant from
the federal government. We would then shoot over the range to Stroud, to see the new wing that is being built at Stroud Lodge. Then we would take a short drive out to Port Stephens to see the construction, by the Moran Group, of the new 80-bed facility at Salamander Bay. I have taken a tour of this facility; it is going to be a very impressive service once it has been completed—state of the art, in fact.

We could then drive just a little way down the road to Shoal Bay, where in June 2002 new facilities were unveiled at Harbourside Haven Nursing Home—where the shadow minister was last week. This facility was able to expand because of the government's help with a grant of $430,000. We would have then shot around the corner to Fingal Bay to see the new 47-bed Bill King facility that has recently been built and opened. Then we would take a trip up to the Great Lakes—and I acknowledge that we have in the gallery tonight some people assembled from Great Lakes, including the planning and development manager from Great Lakes Council, Mr Hanaford, the man who approves these facilities. We would have had a look at the extension at the Bulahdelah Nursing Home. Thanks to a grant of $200,000 from this government, they are expanding the number of beds there. Can I say that all of the facilities have outstanding attitudes and quality of aged care provision.

We would take a little trip down to Hawks Nest, to see the Myall Lodge Hostel. I took our new Minister for Aged Care to see this facility, where she turned the first sod for an extra 20 beds, thanks to a grant of $175,000. The administrator of this facility, Frank Caulfield, is doing an outstanding job, together with his committee, in providing support for the elderly—including many veterans.

We could continue our journey and drive up to Forster Tuncurry, where a large number of elderly residents come to retire in the Great Lakes region. Again, the government has made an enormous investment in aged care in this region, and I have been able to take the Minister for Aged Care into the Great Lakes. Earlier this year, the minister was able to open the new 100-bed facility extension at Kularoo Gardens in Forster. Kularoo has received an additional 42 aged care places. We could then drive over the bridge to Tuncurry, where the GLAICA redevelopment is taking place, with an additional 40 beds. To finish the trip off, we would shoot over to the Forster Tuncurry Nursing home in Bonventi Close to see the extension of the new wing there.

That is the tour of Paterson that I would have taken the shadow minister on, so that he could see what can be done when you have a caring attitude towards aged care and when you are prepared to invest the money in aged care to suit the needs of the community. I hear the story from my opponents in areas in the Hunter and Newcastle, and they talk about the lack of beds. I have one suggestion for them, and that is that they actually sit down and talk with the aged care providers—and, indeed, get them to actually put in applications for aged care beds. You see, whilst the minister may be very good, if people are not putting in applications then it is very hard to actually grant them beds.

One of the other things in the budget that impressed me, as I said, is the fact that we are going to have a one-off payment of $513.3 million to providers, or $3,500 per resident bed. I would like to highlight how some $2.77 million will be coming to my electorate of Paterson. Great Lakes Nursing Home at Bulahdelah, with 51 places, will receive $178,500; Lara Aged Care at Dungog, with 52 places, $182,000; the Bill King Aged Care Facility at Fingal Bay, with 47 places, $164,500; Kularoo Gardens Centre for Aged Care at Forster, with 134 places,
$469,000; the Hillcrest Nursing Home at Gloucester, with 25 places, $87,500; Kimberra Lodge Hostel at Gloucester, with 20 places, $70,000; Myall Lodge Hostel at Hawks Nest, with 10 beds currently open—and wishing they had their full 30 beds open—$35,000; Raymond Terrace Gardens Nursing Centre at Raymond Terrace, with 50 beds, $175,000; the Salamander Bay Aged Care Facility, with 60 beds, $210,000; Harbourside Haven Hostel 2 at Shoal Bay, with 40 beds, $140,000; Harbourside Haven Nursing Home at Shoal Bay, with 68 beds, $238,000; the Harbourside Haven Village at Shoal Bay, with 38 beds, $133,000; the Stroud Community Lodge, with 25 beds, $87,500; Tanilba Bay Hostel, with 41 beds, $143,500; Forster Tuncurry Nursing Home at Tuncurry, with 80 beds, $280,000; and GLAICA at Tuncurry, with 51 beds, $178,000.

This is a very worthwhile injection of funds into the nursing homes in my community. It has been well received and will be spent investing in, developing and upgrading all of the facilities that we have. But is this the end of the story for aged care in Paterson? Not by a long shot. I want to see even more beds and expansions happening in my electorate. I want to see an extension to the number of people that aged care services can be provided to and, in particular, to the Ageing in Place positions that are available to our community. I commend this bill to the House. It has been well thought out and, more importantly, well received by the providers of aged care in our community.

Ms BURKE (Chisholm) (6.55 p.m.)—I welcome this opportunity to speak on the Aged Care Amendment Bill 2004 about an issue which is of great importance to many of my constituents. I have an ageing electorate, who are faced with anxiety about putting loved ones in homes and about needing aged care facilities themselves. As I move about my electorate of Chisholm, I am regularly approached by people anxious about aged care issues, whether they are the children of elderly people upset about the lack of local aged care beds for their parents or older people who are considering moving into a residential aged care facility within the next few years but are anxious about whether this care may be priced out of their reach.

In recent months, it has been difficult to allay many of their fears as the Hogan review has been hovering over all our heads. Unfortunately, whilst the government has finally released this review, it has ducked its response to some of the review’s recommendations, so my community’s apprehension only grows. As I said earlier this year on a couple of occasions, when the Salvation Army announced it would be selling 15 of its nursing homes—including one very large one, Inala, which is just outside my electorate but caters to many of the families in my electorate—the aged care sector is clearly in crisis. The anxiety of not knowing what is happening to those 600 beds at Inala is giving grave concern to many in my electorate.

Last financial year, the government only increased residential aged care subsidies by 2.2 per cent, well below the CPI increase and well below the amount that had been negotiated in wage increases. Catholic Health, our country’s largest non-government provider of health, aged and health related community care services, puts the annual increase in the real costs of residential aged care at about 4.85 per cent. It is no wonder that last year the chief executive of the Australian Nursing Homes and Extended Care Association, Rod Young, said that nursing homes simply could not continue to withstand this funding reduction in real terms and still maintain quality of care, build quality buildings and operate within a positive budget framework.
The government has been deaf to overwhelming pleas for substantial investment in aged care for many years now. We had a situation in my electorate where a fantastic facility had been built, but this purpose-built facility could not actually get licences for the beds. It took two years of lobbying for the government to finally come up and say that Cabrini nursing home in Ashwood could have beds. It was a ridiculous situation. There was a clear need and we were under our quota, but it took two years for those beds to come on stream. We have the same situation now at Strathdon, which again is just slightly outside my electorate but services many people in it. They have 30 beds ready to go and yet, again, cannot get licences. Unlike the member for Paterson, I am in a marginal Labor seat, and so maybe we are not attracting the beds as people in marginal Liberal seats are. Sometimes it does seem that these things are given more on electoral whim than on the actual aged care quota.

With the whiff of an election in the air, it comes as no surprise that the government has announced an injection of capital and recurrent funding. I welcome these very belated measures. I also support other reasonable actions which increase the viability of aged care services, such as the measures in this bill concerning accommodation charges.

This bill provides that aged care providers will be able to charge non-concessional residents in high care an accommodation charge for the entire period that person lives in that facility, rather than for the current maximum of five years. I am pleased that this measure will only apply to those who enter an aged care facility from 1 July 2004, ensuring that nobody is disadvantaged retrospectively. In the last parliament, I had a situation where an individual had to relocate his wife from one aged care facility to another because the aged care facility had closed down and he was whacked with an accommodation bond. He should have been excluded because of the legislation changes. It took an amendment through the Senate for that person not to be charged and for other people subsequently not to be charged as well, so I welcome this measure ensuring that people will not be disadvantaged retrospectively.

The government’s decision to introduce this bill underlines how many other issues in this portfolio the government has let go through to the keeper for now. A third party, Catholic Health, in its analysis of the aged care measures announced in the budget, said: The Federal Budget response to the aged care crisis was driven primarily by the proximity of the election ...

The Government went into this year’s Budget preparation hounded from all quarters over the erosion of its care funding subsidy, its lack of action on capital funding and the declining prospects of the aged care workforce ...

Clearly with one eye to its future outlays, the Government spent to alleviate the short term angst whilst safeguarding any exposure to long term entitlements. By implication, the Government leaves open the option of extending user fees and lump sum payments to cover accommodation costs.

It is vital that the Government construct a more appropriate indexation of its subsidies to accurately reflect industry-based costs, otherwise future Budgets will need to make up the shortfall.

I also share the concern of another body, the Australian Healthcare Association, which represents public hospitals and public aged care centres: the budget ignored a clear need for more aged care places for residents needing high levels of care. As AHA executive director Prue Power said: ... member hospitals around Australia report that they are forced to keep older patients in hospital longer than necessary because there are no aged care beds available. This is the major cause of our crisis in Emergency Departments. The government has missed the mark ... Unfortunately the
budget does nothing to help these people and their families. Hospitals are not a home—only aged care facilities provide a long term care environment for these frail and vulnerable people.

I certainly know that the two major hospitals within my electorate, Box Hill and Monash, face bed cloggage. It is a major concern to them that they cannot move people onto aged care facilities because they simply do not exist in the area. We are lucky that the state government introduced interim care beds that are meeting this need but it is not a long-term solution.

The Australian Medical Association also found it disappointing that the bigger picture for the long term had been neglected. The association noted:

... there is nothing— in the budget— about making dementia a National Health Priority, or allocating additional research money to addressing the dementia epidemic.

This is at a time when the Australian Institute of Health and Welfare has predicted that dementia cases will grow to the half-million mark by 2041, up from about 167,000 cases in Australia in 2002. The AMA vice president said it was also a matter of great concern that ‘aged care nurses are paid up to 25 per cent less than acute care nurses in hospitals’. He concluded:

Overall, in the budgetary surplus situation, the aged care package could have done so much more to address the bigger picture of the future needs surrounding ageing in our society.

One of the most troubling of the questions left unanswered by the government is whether accommodation bonds will be extended. With the government intending to introduce a new resident classification system, will bonds be imposed on residents who were formerly classified as high care residents? We still do not have an answer. The Minister for Health and Ageing has refused to rule out extensions of bonds to the medium care level that is part of the current high care level. That is why I support the second reading amendment to this bill that notes:

... the Government ... seeks to put off until after the election the Government’s true intentions on a range of issues, including whether:

(a) accommodation bonds will apply consistently for both high level care and low level care;

(b) an accommodation bond will apply to residents who are classified as medium-care residents under the new Resident Classification Scale;

(c) there will be a further increase in the maximum daily accommodation charge for non-concessional residents from $16.25 to $19, a nearly 40% increase from the current charge;

(d) the requirement that at least 40% of residents are concessional before a provider is entitled to a concessional supplement is retained into the future;

(e) bonds will be available to providers for the duration of a resident’s period of stay if it is greater than the current five years;

(f) an aged care voucher system will be introduced; and

(g) an auction or tender system will be introduced for the allocation of aged care places”.

Labor’s position on accommodation bonds is clear. We believe—as do the majority of Australians—that access to residential care must be determined by medical need, not financial means. I certainly remember when I was standing as the candidate back in 1998—the first time I was elected into this place—that the issue of accommodation bonds was rife and people were frightened. You need to alleviate their fears; they do not like the uncertainty.
Labor in government would ensure that the planning ratio for the allocation of aged care services reflects the needs of the population. Labor would develop strategies to improve recruitment, retention, training, working conditions and remuneration of nurses in the aged care sector—something the sector is crying out for, something that is greatly needed. We would also work closely with the state and territory governments to ensure that there is a nationally coordinated approach to dementia. We would seek to promote dementia research, early diagnosis of dementia, carer support and best practice management in dementia care.

I would, however, like to thank the government for its funding of the first ethno specific aged care facility for Chinese people, which will be built in Melbourne, and to congratulate the state government for overcoming planning issues that were going to stop this facility being built. We need more of these aged care ethno specific centres. People revert to language of birth in their old age and they need support that deals with language and psychological and social issues of their race. If elected to government, Labor will invest in aged care because we recognise that it is an investment in everybody’s future.

Mr GEORGIOU (Kooyong) (7.05 p.m.)—The Aged Care Amendment Bill 2004 relates to an area of vital concern to our community. It is becoming something of a cliche to speak about our ageing population, which means that everybody recognises the issue. But sometimes cliches also allow us to turn real problems into a neat, detached abstraction—in this case, a demographic phenomenon. The risk is that in doing so we lose sight of the fact that there are people involved. In my electorate of Kooyong, I have seen a significant number of people who are trying to manage the impact of Australia’s ageing population at a day-to-day level: older people, their family and friends and people working in aged care. I have met with many of these people over the years and their day-to-day issues are very tangible.

This government is well aware of the complexity of meeting the needs of older Australians, now and into the future. Since coming to government in 1996, the Howard government’s vision for aged care has been one of a world class, high quality, accessible and affordable system that meets the needs and preferences of individual older Australians. To this end, and with some pain, the government has reformed aged care substantially. For example, accreditation and certification programs now cover all aspects of residents’ needs: health, personal care, safety, independence, privacy and dignity.

We have allocated over 55,000 new community and residential aged care places and increased funding for home and community care. The government has also provided support for carers and for the training, education, networking and mentoring of aged care workers. The government has also provided subsidies for projects providing innovative models of care for older people with particular needs. Overall, the government has more than doubled funding for aged and community care services—from $3 billion in 1995-96 to $6.7 billion for 2004-05.

The achievements of this government to date are significant, but the government also recognises that the complexity of meeting the needs of older Australians into the future requires ongoing reflection and policy development. Part of this ongoing process has been Professor Warren Hogan’s Review of Pricing Arrangements in Residential Care. The government is in the process of responding to this and it is focusing initially on the immediate and medium-term recommendations.

Addressing the concerns of the people in my electorate and across Australia will re-
quire ongoing work. The government’s Investing in Australia’s Aged Care: More Places, Better Care package, announced by the Minister for Ageing, is a very wide-ranging package, and includes an initial response to the Hogan review. The package will alleviate many of the concerns that have been raised with me. As the minister described it, the package encompasses ‘investing in better care, providing more aged care places, building better aged care homes, delivering better skills for better care and providing the right care in the right place at the right time’.

The measures contained in this bill are elements of this package. Unfortunately, I do not have the time today to address all its elements, but I would like to address some of its key components. One major concern that we all know about is waiting lists for places in aged care facilities. The government is increasing the number of aged care places it subsidises, targeted to the preferences and needs of the community. There have been 35,371 new aged care places allocated over the past four years. Over the next three years, approximately 27,900 new aged care places will be allocated, including 13,030 places in 2004. In order to enable more older Australians to receive aged care services, the Australian government will increase the aged care provision ratio from the existing 100 operational aged care places, residential and community, to 108 operational places for every 1,000 people aged 70 and over. This is the first increase in the aged care provision ratio since it was introduced in 1985.

But we do know that it is not enough just to have more places available. We want older Australians in residential care to have an environment that is as safe, as comfortable and as home-like as possible. This requires investment in new homes and upgrading existing homes. By 2008, aged care homes are expected to improve fire safety and to meet new privacy, space and amenity conditions that have been developed in consultation with the aged care sector. In 2003-04 the government is contributing over $510 million—$3,500 per resident—to assist providers to meet these standards. The government will also provide $438.6 million to assist providers to raise and repay funds for capital works. This is a very significant contribution.

The government is also providing new funding of $101.4 million over four years to enhance the skills and career opportunities of the aged care work force—from nursing qualifications through to English language skills. Aged care providers will be assisted in their ability to reward staff with better wages, more flexible working conditions and the new conditional adjustment payment. The government will provide $877.8 million over four years, increasing residential care subsidies by seven per cent by 2007-08, on top of indexation, to enable providers to continue to improve quality aged care.

Providing the right care at the right time and in the right place is a key element of an aged care system that meets the needs of individuals and is sustainable into the future. To this end, the government is increasing funding for aged care assessment teams to expand and enhance their role in ensuring older people receive the right level of care; increasing funding to the Aged Care Standards Accreditation Agency; introducing new residential care supplements to better target assistance to people with higher care needs; and providing additional funding to strengthen culturally appropriate aged care and Aboriginal and Torres Strait Islander flexible services.

As part of the government’s package, another aspect of this bill is the removal of the requirement for an aged care assessment team to assess residents who remain in the same home but whose aged care needs have
increased. This will allow residents to more quickly receive the care to match the changed needs. From my discussion with aged care providers in the electorate of Kooyong, I expect that all measures like this, directed at reducing administration and facilitating care appropriate to each resident’s individual needs, will be well received.

Despite the inevitable critical responses to packages on the part of the industry, the response to this particular package has been outstanding in terms of a recognition by the industry that substantial new resources are being committed. It is important that people be critical, but there has been a very real recognition by the industry that the government is actually addressing fundamental issues.

The measure that I just referred to is just one of over $80 million worth of new measures designed to reduce administrative requirements on aged care staff, allowing them to spend more of their time caring for residents. Other measures include simplifying the resident classification scale and having government agencies rather than aged care providers assess the assets of people entering residential care.

The measures contained in the Investing in Australia’s Aged Care package will see the government spend an extra $2.2 billion, and a total of $30 billion, on aged care over the next four years. Much remains to be done, and ongoing reassessment and policy development will be required to address the complex issue of the needs of Australians as they age. This package is a significant component of the government’s commitment to ensuring that older Australians receive world-class, high-quality, accessible care and that aged care is affordable and sustainable into the future. The measures which will be implemented with the passage of this bill are part of an important wide-ranging package. I commend the bill to the House and I congratulate the Minister for Ageing, the member for Curtin, for achieving a remarkably successful outcome which will benefit older Australians and, hopefully, all of us.

Ms JULIE BISHOP (Curtin—Minister for Ageing) (7.15 p.m.)—I thank the members for O’Connor, Herbert, Indi, Macquarie, Riverina, Paterson and Kooyong for their positive and optimistic contributions to the debate on the Aged Care Amendment Bill 2004. Their support of the government’s plans for aged care is much appreciated. I know that they have been speaking to providers, families, residents and carers in their electorates about this government’s concerns for the future viability and sustainability of aged care. I also acknowledge the opposition speakers on this bill.

Aged care is a matter of significance and of great importance to the coalition government. We have made it a priority from the outset, and we have treated it as a matter that is deserving of a great deal of attention in the form of funding, initiatives and leadership. When the Howard government came to office, we articulated our vision for aged care in this country: a world-class, high-quality, affordable and accessible aged care system that would meet the needs of individual older Australians as they aged. In contrast, I must say that the sector had lost its way. When we came to office in 1996, we found an aged care sector that had lost its way under a Labor government that had lost its way in aged care. Aged care had been seriously neglected under the Labor government; that is a fact. Opposition members should be careful to restate the facts, not the fantasy, and they should not try to rewrite the sorry history of aged care under Labor. It is a fact that, in an independent report, the Auditor-General found that, under Labor, there was a shortage of 10,000 aged care places. That is a fact.
The government set about building the stock of aged care places. Over 55,600 aged care places have been allocated across Australia since 1996. In fact, 35,371 places have been allocated in the last four years. Yes, there have been delays in bringing these places online, in making these places operational, but 70 per cent of the delays—that is, beyond two years from the date of allocation—are because of state, territory and local government planning processes and procedures. So, instead of talking about phantom beds, the acting shadow minister ought to turn his attention to his state and territory Labor colleagues and ask them, implore them, to work with the Howard government to ensure that aged care places that are already allocated—that already have funding allocated to them—are not delayed by bureaucratic state and territory Labor governments or local government planning procedures; that is the issue. The acting shadow minister is able to assist in this process by taking the matter up with his state and territory Labor colleagues.

Not only has the government sought to allocate sufficient places over the past eight years, it has also addressed other areas of need that were so neglected under Labor. We have injected record levels of funding. Funding has gone from $3 billion when we came into government to over $6.7 billion this financial year—a 123 per cent increase in funding in aged care. We have introduced a series of reforms, with the Aged Care Act 1997. Most notably, we have introduced a system of accreditation, the first nationally legislated quality assurance program for aged care. Directors of nursing, and providers around the country, tell me that the Howard government’s accreditation system is the best thing that has happened in aged care; it has lifted the standards and we now have an aged care system that any country would be proud to call its own. We have introduced certification, providing standards to ensure that the buildings—the physical environment—are what Australians would expect for older Australians needing care.

Much has been achieved over the past eight years, but the ageing of the population—the profound demographic shift that Australia is experiencing and will continue to experience over the coming decades—presents many challenges. It increases the demand for aged care but it also presents many opportunities for us to get the policy settings right, now. We are tackling the hard issues such as: what is the right balance between public and private funding for aged care? What is the correct balance between the contributions of the individual and of the society, through taxpayer funded programs, when it comes to paying the costs of caring for older Australians? We know that Australians are living longer and with increasing means overall. So we are finding the right balance in sharing responsibility for aged care between self-care, informal care and formal care. We have tackled those issues.

In relation to residential aged care, the Australian government commissioned a review of pricing arrangements in residential aged care, which was conducted by Professor Hogan. The review was thorough, fully resourced and well researched, with broad community and industry consultation. There were some 1,250 submissions, 900 detailed financial reports from aged care providers and 270 formal consultations in capital cities and regional centres. Professor Hogan provided his recommendations to the government in February this year and his final report and recommendations on 5 April 2004. The opposition was bleating: ‘Where’s Hogan? Where’s the government’s response?’ This government responded to all the recommendations for immediate change that were contained in the Hogan report, together with funding allocations, by 11 May 2004—
just over four weeks later. The Hogan report was published in full on budget night. The government responded in full to all the recommendations for immediate change. I ask: where is Labor’s response to the Hogan report? It has been a month since the budget. Where is Labor’s response to the most thorough, well-resourced and comprehensive review of residential aged care ever undertaken in this country?

Pending the completion of the review of pricing arrangements in residential care, I remind the House that, back in the 2002-03 budget, the government provided $211 million over four years to increase subsidies above normal indexation and $47.5 million to improve the supply and quality of the aged care work force. So, even while we were awaiting the outcome of the review, we were attending to the needs and concerns of the aged care sector.

Such is the commitment of this government to aged care that in response to the Hogan review we invested $2.2 billion in a package announced on budget night—the largest single investment in aged care by any government at any time, coming on top of record levels of funding and record numbers of places allocated across the aged care sector. It is nonsense to suggest the government have not responded to Hogan or his recommendations. All 15 recommendations for immediate change were responded to. We fast-tracked one of the medium-term changes that Professor Hogan said were worthy of consideration some time around 2008—the issue of capital—and dealt with that on budget night. As for the long-term options, Professor Hogan himself said they were not recommendations but ideas that he floated that he believed would be worthy of consideration by some government post 2008. It is ludicrous to suggest that, by responding in full to all immediate changes recommended by Professor Hogan and fast-tracking a significant medium-term issue on capital, we have done anything other than respond in a sensible, measured, appropriate and proper manner.

This $2.2 billion package, Investing in Australia’s Aged Care: More Places, Better Care, builds on our previous reforms by providing further support for older Australians needing care. It also encourages aged care providers to become more flexible, accountable and innovative in the delivery of care. It gives a clear direction for the future of aged care. It maintains our policy imperatives of quality of care, equity of access, efficiency and sustainability. With more funding, more aged care places, more choice, more training, better systems, better administration and better management, this package is just the type of responsible and measured approach to the short- and medium-term issues in residential aged care that have been the hallmark of this government’s commitment to the sector since coming to office in 1996. A total of $30 billion will be allocated to aged care between now and 2007-08. In total, from the time this government came to office in 1996 until 2008, over $67 billion will be allocated to aged care.

Specifically, the package covers a number of issues. There is additional funding of nearly $880 million over four years as a conditional adjustment payment. Professor Hogan recommended a 1.75 per cent conditional adjustment payment on top of the annually indexed subsidy. We have accepted that recommendation in full. That will deliver the means and resources to the aged care sector to pay competitive wages to those in the aged care work force—to sit down and negotiate AWAs with the work force so that we can attract and retain aged care workers.

The package includes nearly $15 million over four years to increase the amount of the viability supplement, which is about
$13 million a year, available to rural and remote providers. We have significantly increased the number of aged care places that we subsidise by increasing the provisional ratio to 108 operational places for every 1,000 people aged 70 years and over. That means that about 27,900 new places will be allocated across Australia over the next three years, including 13,030 places this year, in 2004. For New South Wales that means 8,575 new places in three years; Victoria, 6,555; Queensland, 4,350; Western Australia, 1,890; South Australia, 1,675; Tasmania, 635; the ACT, 505; and the Northern Territory, 140—with a national flexible pool of 3,550 places. They are record numbers of aged care places, coming on top of the 35,371 allocated over the last four years.

On the question of capital, the Labor Party is obsessing over the issue of accommodation bonds in high-care facilities. It has become an obsession, and I will come to that later; I guess it is because there is nothing else in their lives in relation to aged care. The extension of bonds into high care is not appropriate and is not necessary. We have provided $438.6 million by way of increases in concessional, transitional and respite payments to help better position providers to raise and repay borrowings for capital works. In addition, we will provide over $513 million—worked out on the basis of $3,500 per resident—to aged care providers in recognition of the forward plan for improved safety and building standards for aged care homes required by 2008 certification, for improved fire safety in particular.

As I have said before and as I will say again—and the acting shadow minister is here so I will say it once more for his benefit—the government have estimated that the sector will require $10.3 billion to service its capital requirements over the next decade. Without additional assistance, public and private capital contributions—this is pre

budget night—would have amounted to $9.1 billion, which would have left a shortfall over the decade of about $1.2 billion. This is over the next 10 years. Our package will ensure that that shortfall for capital requirements is met entirely, with the vast proportion, nearly $1 billion, coming from the government. So there is no necessity to change the government’s policy on bonds in low care.

I think the obsession with bonds is because the Labor Party have no ideas for aged care. They have no policy, no platform, no philosophy, no passion. One would have thought that in response to the government’s budget aged care package Labor could have come up with one policy, with some sort of response to the Hogan report. Older Australians, their families, their carers and their aged care providers and peak industry representatives ought to be very concerned and very disappointed this evening by the position that has been adopted by the Labor Party on this bill concerning amendments to the Aged Care Act.

Labor made no submission to the Hogan review. They had no ideas to offer, nothing to add, to this comprehensive review. What is going on over there? The Labor leader ignored aged care in his budget-in-reply speech. Faced with a $2.2 billion package for aged care in the government budget, what did the Leader of the Opposition say in reply a couple of nights later? He said nothing. The words ‘aged care’ did not pass his lips. Does aged care not deserve even passing mention, passing recognition, passing acknowledgement by Labor?

The government’s response to the Hogan review also included $101.4 million over four years to fund a major expansion in training places for aged care workers and nurses; $48 million over four years for aged care assessment teams, to allow better case man-
agement, more timely assessments and better links between community and residential care; and funding to streamline the resident classification scale by reducing the current eight categories to three. In contrast to the Labor policy vacuum, this government is getting on with the job of implementing the recommendations that we have accepted from the Hogan review, including ensuring that over half a billion dollars will be paid to aged care providers before 30 June this year.

These amendments—as I outlined in my second reading speech—allowing accommodation charges to increase to $16.25 a day in recognition of the capital needs of this sector and removing the need for ACATs to assess residents who are moving from a low-care situation to a high-care situation in the same home are sensible. They are part of the most significant package of aged care initiatives and funding that Australia has seen. Older Australians and their families deserve no less. I commend this bill to the House.

Mr GAVAN O'CONNOR (Corio) (7.33 p.m.)—The Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004, or a version of it, should have been debated in this place four years ago. Four years ago Minister Truss received a report from a panel of experts—the independent reference group—that placed a spotlight on the problems with the livestock export trade. This group was formed in July 1999 to review all aspects of the livestock export trade. It was formed in response to some significant incidents in the trade that related to the welfare of animals. It completed its initial review and provided its report to the minister in February 2000.

I think it is very important to note who made up that group. It was chaired by Australia’s Chief Veterinary Officer, Dr Gardner Murray, the most senior veterinary officer in the land. Its members comprised Professor Ivan Caple, Chair of the National Consultative Committee on Animal Welfare—the minister’s key advisory body on animal welfare matters; Dr Hugh Wirth, the President of the RSPCA; and Mr Malcolm Foster, a former chair of the Red Meat Advisory Council. That council was established by former Minister for Primary Industries and Energy, Mr Anderson, as his key adviser on matters dealing with the red meat sector; however, its advice has largely been ignored by the Minister for Agriculture, Fisheries and Forestry. I suspect the problem has been not with the advice but with the ability of the minister to effectively act on that advice. The first report of the independent reference group made a number of recommendations, but its findings were largely summed up by the following paragraph:

The export of livestock has developed as a legitimate trade activity, and Australia has considerable expertise in the procedures involved. However the IRG advises that unless robust systems are in place to support animal health and welfare, and to
address customer and community concerns, the ongoing viability of the livestock export trade will be jeopardised.

How pertinent that quote is to the debate we are having here today. That warning from a panel of experts to the minister responsible for overseeing this trade, which is worth around $1 billion a year, was pretty clear. But, at great cost to the reputation of this industry as well as to Australia’s reputation as a country with high standards of animal welfare practices, the minister chose to largely ignore that advice. The rest is history. The inevitable happened and the industry again experienced unacceptably high mortalities in shipments. Rather than act on the recommendations that he already had before him, the minister again sought advice from the independent reference group. That group met on 2 and 3 October and basically found that the problems that were identified in 2000 were still there in 2002. The report from the review in 2002 stated:
The IRG considers that the recent spate of livestock export incidents, particularly in shipments originating from Portland, is evidence of systemic failures within the whole live animal export program and associated framework.
The IRG recommends that industry and government urgently address these incidents in a transparent and comprehensive manner, otherwise Australia’s reputation could potentially be damaged.
The same report then made this telling statement:
The IRG strongly believes that its report of February 2000 remains highly relevant as the basis for delivery of sustainable animal welfare outcomes for the live animal export trade.

Here, in 2002, the Minister for Agriculture, Fisheries and Forestry again received a report from the independent reference group which says that the recommendations it provided to the minister in 2000 were still pertinent and still central to the effective regulation of this trade. So, unfortunately, in 2000 there was no attempt by this minister to put the industry on a sustainable path—and as I have said before, this industry is worth over $1 billion a year. It has supplied an important alternative market for sheep and cattle producers and is particularly important for sheep producers in Western Australia and for cattle producers in Northern Australia.

We then saw the *Cormo Express* fiasco unfold. It appeared daily on our television screens and on the front pages of our newspapers and, unfortunately, it featured prominently in the international media. It was very damaging to this country’s reputation, and its impact on that reputation was made far worse by the minister’s incompetence and mismanagement. The Minister for Agriculture, Fisheries and Forestry, after having two previous reviews of the live export trade, was forced to initiate another review of the trade. The most recent was undertaken by Dr John Keniry, and it was completed in December last year and provided to the minister. The review found that, while the industry had made some progress in improving its performance, its approach to problems had been both ‘reactive’ and ‘incremental’. The report stated that, if the trade is to continue, there needs to be a substantial improvement in animal welfare standards and outcomes in a short time frame.

The Keniry report contained eight recommendations. First, an Australian code for the export of livestock that focuses on the health and welfare of animals during export must be delivered. The code must be directly referenced in the relevant Commonwealth legislation. Second, the federal government must be solely responsible for the relevant legislation for granting export licences and permits and enforcing compliance with the national standard. Third, the criteria for the approval of export licences and permits should be more closely linked to the legisla-
tion and include an assessment of the history of the operator and related companies, demonstration of the systems necessary to comply with the national standard and proof that the national standard has been met. Fourth, third party veterinarians responsible for the preparation and treatment of animals for export must be directly contracted and accountable to AQIS.

Fifth, a suitable veterinarian should be on all vessels travelling for a period of more than 10 days and randomly on 10 per cent of all other voyages, and should report directly to AQIS. Sixth, there must be a continuation of the current industry research and development program. Shipments should be banned where there is a high risk, including the closure of the ports of Portland and Adelaide during periods when the risk is greatest. Seventh, governments and industry should secure a quarantine holding facility in the Middle East and trade with Saudi Arabia should not resume until written conditions to manage the trade are agreed upon. Eighth, a national response system should be established to plan and manage any future livestock emergency.

I think it is pretty obvious to all members of this House who can examine this issue in a fair-minded way: the Minister for Agriculture, Fisheries and Forestry had a warning from his independent reference group in 2000 and he failed to act. He had another report in 2002 which essentially told the minister that he ought to implement the recommendations of the 2000 report and again he failed to act. Then he was forced through circumstance to implement another review and through that review the government has been forced to act, and that is why we have this bill before us today.

The purpose of this bill is to give effect to at least part of the government’s response to these recommendations by amending the Australian Meat and Live-stock Industry Act and the Export Control Act. The bill provides the basis for increasing government regulation of the live animal export trade by: allowing the minister to determine a set of principles, known as the Australian Code for the Export of Livestock, that must be taken into account by the secretary and authorised officers in exercising powers or performing functions under the Australian Meat and Live-stock Industry Act; improving the integration between the provision of the AMLIA and the Export Control Act by requiring compliance under one act to be taken into account when determining matters under the other; enabling the secretary to deal with the licences of associates or previous associates of applicants or holders of livestock export licences under the AMLIA; providing a legislative basis for the scheme relating to accredited veterinarians under the Export Control Act; and creating seven new offences in relation to the scheme for accredited veterinarians under the Export Control Act which apply for both accredited veterinarians and other persons, including exporters.

There are two recommendations in the Keniry report that have attracted some criticism. One is the recommendation that no animals be shipped from the ports of Portland and Adelaide at a time of high risk, specifically from May to October. Labor does not support the recommendation that both Portland and Adelaide be closed to live exports during the winter months. Rather than a blanket closure of these ports, a proper assessment of the risk for each shipment should be undertaken and shipments approved or rejected accordingly. The second recommendation that has attracted some criticism was the requirement that a veterinarian must travel on all voyages longer than 10 days and on 10 per cent of randomly selected voyages of less than 10 days duration. The government now requires that a veteri-
narian travel with all shipments to the Middle East, and Labor supports that approach.

In recognition of the importance of this industry and in response to the failure of the Howard government to develop and implement an appropriate regulatory regime and enforce adequate animal welfare standards for the livestock sector, Labor developed a detailed policy for the sector. That policy was built on the outcome of a wide range of discussions with all stakeholders in the industry. It was released in July last year. Do we really have to govern from opposition? The minister should have acted on the reports and constructive recommendations that he received from his independent group of advisers. Labor’s policy was built on the following principles: the strengthening of the role of the independent reference group in advising the minister on key issues affecting the trade; reforming the Livestock Export Accreditation Program to ensure that it requires appropriate industry standards and that it protects animal welfare; requiring the industry body Livecorp to improve its effectiveness and accountability; requiring the industry body Livecorp to improve its effectiveness and accountability; improving the coordination and transparency of mortality investigation and reporting; acting against operators that flout legislative and regulatory requirements; promoting an international animal transport standard to regulate conditions governing the transport of live exports; and supporting the development of Australia’s carcase export trade. That latter point is a key element of Labor’s future policy for this industry.

The conclusions reached and the recommendations made in the Keniry report largely follow Labor’s analysis of the live export sector and the reforms to this sector that we proposed in 2003. The amendments proposed in this bill will establish an effective mechanism of enforcement of strengthened standards proposed in our policy. This will be achieved through the formal linkages of these procedures with the relevant Commonwealth legislation.

There are a number of initiatives in Labor’s plan which are not recommended by Keniry but which I consider to be essential if this industry is to be properly managed. Timely advice on how this industry is operating is absolutely essential. This could be achieved through the independent reference group, or a similar independent group, monitoring the industry’s performance and providing ongoing advice to the minister. There is simply no point in the minister seeking advice when there is a crisis—that is too late. It is important that Livecorp ensures that its board contains a majority of special-qualification members to enhance its independence from industry participants. There has been considerable talk about this happening but, I understand, with no result to date. A properly constructed Livecorp board is essential if these new arrangements are to have any chance of working in the longer term.

The current reporting arrangements for shipments that experience high mortality rates must be reformed. The department must coordinate reporting by both AQIS and the Australian Maritime Safety Authority. There must also be better accountability by the government of the day to the parliament. The minister should regularly table in both houses of parliament consolidated mortality data and AQIS and AMSA mortality reports. Comprehensive mortality data and details of transgressing export companies should be published on the AFFA web site. And there is a need for Australia as a major livestock exporter to promote an international standard for vessels that transport live animals by sea.

If this industry is to have a future, it must significantly upgrade its efforts to improve animal management practices in those countries that take our animals. That increased
effort must include additional funding for infrastructure and training programs. When Labor wins the next election I will develop a five-year plan to improve animal welfare practices in all export destinations. The five-year program will be developed in consultation with the government of each destination and industry stakeholders, and the implementation of this program will be subjected to annual audits. At the end of the five-year period each trade will be subjected to a major review.

This bill is only the first part of a package that has flowed from the Cormo Express fiasco. The government proposes to introduce a compulsory levy to fund industry initiatives. The government also proposes to match on a dollar-for-dollar basis levy funds applied to research and development. We are yet to see what that particular legislation looks like but I expect that the minister will try and rush it through this place in the next week or so and try and force it through the parliament to fit the government’s election timetable. I am sure that he will argue that Livecorp will collapse if we seek to delay the progress of that bill and properly consider what it actually does. Let me assure him that we will consider this bill properly by referring it to the Senate Rural and Regional Affairs and Transport Legislation Committee, and we will do the same with the next bill.

The statutory levy is a tax imposed by the parliament on exporters. We must ensure that the funds collected are properly managed and spent in accordance with the reasons for their collection. The matching funds that are being provided to Livecorp for expenditure on research and development are taxpayers’ money. We have to be sure that the system and, I assume, the statutory funding agreement between the Commonwealth and Livecorp that is put in place to facilitate the payment of those funds are appropriate. The new arrangements will also change the relationship of the various stakeholders in the red meat trade, such as Meat and Livestock Australia’s relationship with Livecorp. It is important that we make sure those new arrangements are satisfactory.

This bill has associated regulations which we have yet to see—but we expect to see and consider these associated regulations before this bill progresses. Labor supports the bill, but I propose an amendment condemning the government for its mismanagement of the live animal export trades. I now move:

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 failing to respond to a series of independent reports that recommended significant reforms to the administration of the live-stock export trade; and

(2) further condemns the Government for allowing Australia’s reputation as a country that demands a high standard of animal welfare practices to be badly damaged in the international community because of its failure to resolve the Cormo Express fiasco in a timely fashion”.

I do not move this second reading amendment lightly. The government’s inaction and the minister’s incompetence have put at risk one of Australia’s great rural industries and major exporters. Thousands of farm families and communities depend on this industry for their prosperity. It is inconceivable that a minister and a government could have let this issue drift for a period of years.

Mr Snowdon—Unbelievable.

Mr GAVAN O’CONNOR—It is absolutely inconceivable and, as the honourable member for Lingiari has said, unbelievable. Yet it has happened. A major rural industry has been put at risk because of the incompetence of the minister and the inaction and incompetence of the government. The gov-
government stands condemned for its treatment of this issue. The warning must be put to the industry that it is on its last call: either these reforms are made to work or the industry will suffer the consequences. The increasing interest of the Australian public in animal welfare issues will come into play on the floor of this parliament.

This situation could have been headed off by a government with some degree of resolve and commitment to the industry. But the minister let it drift. He had on his plate a series of constructive reports from an independent reference group that he set up to advise him on these matters. As a consequence of this situation not only has this trade, and the livelihood of those who are engaged in it, been put in jeopardy but also the reputation of Australia’s great red meat industry has been compromised.

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

Mr Snowdon—I second the amendment.

Mr TUCKEY (O’Connor) (7.57 p.m.)—As is so typical in this place, the member for Corio gives us a lecture based on hindsight. Of course, the member for Corio did not bother to tell us during his speech that he cannot look after his own constituents in the car industry. He did not tell us that, under the Hawke government, he was dead against live sheep exports—because at that time the union movement, which had completely destroyed the abattoir or meatworks business in Australia demanded of him and his colleagues that this trade cease—and it was only Ian McLachlan who kept them occurring. But the member for Corio, as he attacked the minister in hindsight, also did not tell this House of the circumstances surrounding the 80 days that the sheep remained on the Cormo Express.

There was and is nothing wrong with the Cormo Express as a live sheep carrier. It is a particularly well-equipped vessel, which is best substantiated by the fact that after 80 days at sea, something never contemplated in the livestock export business, a limited number of animals—far too many tragically—actually expired. With all the comings and goings, with all the shortages of feed and the replacement of feed from areas up there, most of the sheep survived.

So a circumstance arising out of a trade or business dispute between the owner of the sheep on the Cormo Express and the Saudi authorities suddenly becomes an issue of animal welfare. It is all right for Dr Keniry to advise us after the event that it is not wise to do business with the Saudis—and it is not and it never was, because the Cormo Express was the second occasion of major concern that we had. Both occasions related to scabby mouth: on the first, scabby mouth was a fact; on the second, it was not. Scabby mouth is a cold sore in sheep and would have no effect on the consumers of that meat.

For whatever reason, a veterinarian who was on board that vessel said to the ABC when this scandal broke: ‘I knew we were in trouble before they tied up the ship in Saudi Arabia. There were no trucks waiting on the wharf.’ This was before the vet or anyone else from the Saudi authorities had come on board to inspect the sheep. There were no trucks there. We are all at a loss to know what the reason was, but it was not the health of the sheep or the conditions on board the Cormo Express. The exploitation of a commercial dispute by those persons—a very limited number, I might add—who stood and protested from time to time and were given a grossly distorted value by the media has caused government to further impose regulations upon this industry.

I do not object to that. I recognise the need. But I have also been around this place long enough to know what it is like. I have
been a livestock producer, and I know what it was like before the industry had live animal exports. The primary industry and the producers of livestock were captive to a totally recalcitrant union movement that could not even see that there was benefit for their own work force in killing buffalo in the Northern Territory. They could not possibly accept that slaughtermen could earn at that stage something like $1,000 a week working on piece rates. They wanted them back in the fold. It is only since we have had live sheep and cattle exports that there has been a rationalisation within the meatworks industry.

It is a great pity that we have not got a large number of meatworks employing Australians. One of the problems today is that the meatworks that are still surviving cannot find any Australians who want to do the work. In my electorate, a large number of Afghan asylum seekers are very grateful for that employment, and the particular meatworks desperately wants to keep them. That is the reality. If all these sheep that are being exported live were to come back to the livestock market, not only would there be a collapse in price down to infinitesimal levels but many of these sheep would have to be destroyed on the property because we do not have the meatworks capacity to deal with them. Why is that? As I said, it is because over the years nobody has been able to break the tally system that sends people home at 2 o’clock in the afternoon because they have killed their quota and all the other things, notwithstanding the fact that the whole industry has changed to high degrees of automation from what was typically a very manual industry.

Let me repeat that, as a conveyance of livestock, there was nothing wrong with the *Cormo Express*. The member for Wannon stood in this place some time ago when Dr Keniry decided that you could not export sheep from Portland and South Australia at certain times of the year—and I welcome the comments from the member for Corio with regard to that matter—and pointed out that the mortality rate ex those two ports was even less than some others. As I am advised, there needs to be an upgrade of the on-site feedlots, but a myth was created that all these animals were in trouble simply because of the conditions on land when they were exported. The myth is not sustained by the mortality rates of those that travelled. The industry has had its difficulties from time to time, but of course we only hear them mentioned when some excessive mortality circumstance arises. In between, tens of thousands and hundreds of thousands of livestock are exported with probably no greater a mortality rate than that which the same number of sheep would suffer in the normal event of farming or pastoral activity. They do die out there. It is a tragedy. There is no solution.

Of course, we have the media visiting the subject—I think *60 Minutes* did twice—and demonstrating some of the less acceptable methods by which animals are killed or treated for consumption in importing countries. Every effort can be made in that regard, and it is my understanding that massive strides have been made. But, if anybody thinks it is going to be one sheep or another sheep, the fact of life is that for many of those countries slaughter on the spot, no refrigeration and a demand for the halal process mean that those things will happen—and for our people to make a lot of that, with the intention of leaving animals to die in the bush in Australia, seems peculiar to me.

However, the government has taken a responsibility upon itself. Any criticism that it delayed doing so is without substance. We would not be here today if the Saudi authorities or some Saudi official did not refuse to accept delivery of the sheep on the *Cormo Express*. Such an event happens to be a commercial problem that arises from time to
time. It has never happened in Kuwait or other countries, but it has on a number of occasions in Saudi Arabia. I draw the attention of the House to the recent rejection of two or three shiploads of highest quality Australian wheat, where the accusation was that it was infected with Karnal bunt, which is virtually the AIDS of the wheat industry and would be a headline grabber of the gravest magnitude if it were to exist or had been identified in Australia. Every test that has since been applied to that wheat says it was not there. But did it make a difference? The only advantage we had in that particular commercial transaction was that wheat is not a living thing as such, and therefore it was not a matter that people would be concerned about as they were with the sheep on the Cormo Express.

Nevertheless, I want to put on the record, as I put it out publicly at the time, that if these circumstances arise in the future—and, let me say, I totally support Keniry’s recommendation—then an appropriate arrangement ought to be made for an onshore quarantine facility, be it in Saudi Arabia or somewhere else, or in numerous facilities, where the sheep can be guaranteed to be unloaded upon arrival. For such countries that cannot accept that principle—and I would exclude Kuwait, because their reputation in dealing with us is exemplary—we should never reintroduce a business exercise, for example, with the Saudi people. You cannot be held to ransom with a load of sheep. The point of gravest importance that I wanted to make was that they cannot be brought back to Australia once they have been exposed to the various flying insects in those regions and other matters that could cause a problem. We have enough difficulty as it is protecting our clean, green image. The reality is that these matters are of grave importance in terms of the protection of our livestock industry.

The compulsory levy is a matter of some concern to me. Like the member for Corio, I want to know why we have to have it, because I do not think the livestock producer, or the exporter in this case, is the person at fault—and I do not think the government was at fault. Someone bought a shipload of sheep and took it to Saudi Arabia; it was not accepted there. All of the things that happened thereafter have now been held up as some sort of animal welfare issue. So I welcome this legislation. I believe it is a necessary but unfortunate response and it will add to the cost of doing business for people at the end of the market—which is, of course, the primary producer, whom I represent. I think it is time that we took that into account.

Debate adjourned.

AGED CARE AMENDMENT BILL 2004

Second Reading

Debate resumed.

The DEPUTY SPEAKER (Mr Barresi)—I will now deal with the division that was called after 7.30 p.m. I took the view that the deferred division should not be proceeded with until the member speaking at 8 p.m. had completed his or her speech, so I did not interrupt the member for O’Connor.

In accordance with standing order 193, I shall now proceed to put the question on the motion moved earlier today by the honourable member for Perth on which a division was called for and deferred in accordance with standing orders. No further debate shall be allowed.

Question put:

That the words proposed to be omitted stand part of the question.

The House divided. [8.14 p.m.]
(The Deputy Speaker—Mr Barresi)

**Ayes**

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| Ferguson, L.D.T. | Ferguson, M.J. |
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| Gibbons, S.W. | Gillard, J.E. |
| Grierson, S.J. | Griffin, A.P. |
| Hall, J.G. | Hatton, M.J. |
| Hoare, K.J. | Irwin, J. |
| Jackson, S.M. | Jenkins, H.A. |
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| Latham, M.W. | Livermore, K.F. |
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| McLeay, L.B. | McMullan, R.F. |
| Melham, D. | Mossfield, F.W. |
| Murphy, J. P. | O’Byrne, M.A. |
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| Plibersek, T. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |
| Sawford, R.W. | Sciaccia, C.A. |
| Sercombe, R.C.G. | Sidebottom, P.S. |
| Smith, S.F. | Snowdon, W.E. |
| Swan, W.M. | Tanner, L. |
| Thomson, K.J. | Vamvakinas, M. |
| Wilkie, K. | Zahra, C.J. |

* denotes teller

Question agreed to.

Bill read a second time.

Message from the Administrator recommending appropriation announced.

**Consideration in Detail**

Bill—by leave—taken as whole.

**Mr STEPHEN SMITH** (Perth) (8.21 p.m.)—I move:

Schedule 1, after item 3, page 3 (after line 13)

3A After paragraph 57-2(1)(h)

Insert:

“(ha) if the application of Resident Classification Scale levels 1, 2, 3 and 4 as ‘high care’ and levels 5, 6, 7 and 8 as ‘low care’ is modified or replaced with the effect that care recipients are categorised into three levels, namely Resident Classification Scale levels 5, 6, 7 and 8 as ‘low care’, levels 3 and 4 as ‘medium care’ and levels 1 and 2 as..."
high care’, the payment of an accommodation bond can only be required in respect of care recipients categorised as ‘low care’.

The effect of the amendment is quite straightforward. It will absolutely ensure that accommodation bonds can only be applied to the current low-care category. The history of this matter in the parliament this year is reflected by questions and answers during question time. On 17 February the Prime Minister was asked by the shadow minister for aged care, the member for Canberra, Annette Ellis:

Will the Prime Minister rule out the extension of aged care accommodation bonds?

The Prime Minister answered:

I have already indicated that accommodation bonds are not part of current government policy—

creating the form of words which the Prime Minister is only too adept at and can move away from if he is re-elected. To a subsequent question on the same day from the member for Canberra, the Prime Minister responded:

I have given an answer and I have nothing to add to it.

So that set up the fabric of the government’s artifice in this area that an extension of accommodation bonds is not part of its policy. On 30 March, before the publication of the Hogan review and the budget, I asked the Minister for Ageing:

Does the minister rule out the extension of accommodation bonds for high-level aged care residents?

I got a nil reply. The next insertion in the saga was the Howard government’s response to the Hogan Review of Pricing Arrangements in Residential Care. There were recommendations for immediate change, which the minister was at pains to remind us the government has adopted. One recommendation read:

Recommendation 5 Resident Classification Scale Basic subsidies should be paid at three levels: high care, medium care and low care, replacing the existing Resident Classification Scale (RCS) categories in the following way:

Low care to consolidate current RCS levels 5 to 7;

Medium care to replace RCS levels 3 and 4; and

High care to replace RCS levels 1 and 2.

Resident classification scale No. 8 is omitted. Aficionados will know that it is not referred to because one gets no money for that. So we have an eight-category scale but we only refer to seven.

The government indicated in its response that a new funding model with simplified resident categories would be introduced in 2006 and that that would be developed and introduced in consultation with the community and aged care providers. I have proceeded on the basis that the government is indicating its adoption of the Hogan report in that respect to consolidate the resident classification scale from eight to three—low, medium and high.

The catch is obvious. The proposed medium-care level contains resident classification scales 3 and 4, which are currently high level. The obvious question, which I asked of the Minister for Ageing in the week of the budget, was whether the minister would rule out extending accommodation bonds to the proposed medium-care level. The minister did not answer the question and simply said:

Our policy on bonds remains unchanged.

That did not look like an answer to me, Minister, and it certainly was not as helpful as the answer given by your officials in Senate estimates. I quote from the Senate Community Affairs Legislation Committee estimates hearing of Wednesday, 2 June 2004, page 104. Senator Forshaw said:

CHAMBER
Under the current arrangements accommodation bonds are applied to low care.

Ms Bailey, one of the assistant secretaries, said:
That is correct.

Senator Forshaw asked:
Will accommodation bonds be applied to the medium-level care categories?

Mr Mersiades, a first assistant secretary, said:
The government said that the current bond arrangements remain unchanged.

Ms Halton said:
The old high becomes high and medium. Low stays low.

Senator Forshaw asked:
What happens for a new resident who is classified medium level?

Ms Halton answered:
They would have been classified high under the old scenario—(Time expired)

Ms JULIE BISHOP (Curtin—Minister for Ageing) (8.26 p.m.)—In respect of this amendment, I point out that the Hogan review of pricing arrangements in residential aged care made 15 recommendations for immediate change and the government dealt with all of them in its $2.2 billion funding package announced on budget night. Investing in Australia’s Aged Care. One recommendation related to the residential classification scale, currently an eight-level scale. The recommendation was that that scale be reduced to three levels. The government accepted that recommendation and has committed to reviewing the RCS, as recommended by Professor Hogan.

The RCS is to be replaced with three levels, but there are two supplements that were also recommended by Professor Hogan and that we have accepted—that is, supplements in relation to dementia care and palliative care. They will need to be developed as part of the consultation with the community and the industry that we will need to undertake in relation to the design of the new RCS model. Work has commenced. We are preparing to consult and involve the industry and conduct trials in relation to this new model for the RCS and, as I said, the two supplements. The eligibility criteria and the rate of payment of these new supplements will also have to be factored into the new model. We will introduce these changes at the appropriate time to give effect to the necessary changes and, as has been indicated in our response to Hogan, by 2006.

This amendment, firstly, is clearly premature, because the work on the new RCS model has only just begun. Secondly, it does not address the issues in the complete area in the sense of the subsidies that will be required. It is not only a residential classification scale of three. There are also two supplements, for dementia and palliative care, that are not mentioned. Thirdly, it is pretty poor drafting—for example, the use of the word ‘if’ in this potential hypothetical. It may not in fact turn out this way, depending upon the consultation we have with industry, the community and others in the sector. I would not have thought that as a matter of drafting it would be appropriate to write hypotheticals into the Aged Care Act. Also, there is considerable uncertainty in relation to the definition, as currently drafted, as to whom it will apply to and when. Clearly, this lack of clarity would not be acceptable in any event.

This amendment raises the question of extension of accommodation bonds for high care and the opposition have raised the issue of the new medium-care level that has been proposed by Professor Hogan and that is yet to be incorporated into a new RCS model. As I have said, the government has decided not to accept Professor Hogan’s recommendation. We have introduced other initiatives
that more than meet the capital requirements of the sector. The government policy on bonds is unchanged. There is enough capital in the system now. We have estimated the capital needs for the next decade. We have put in place initiatives and funding that more than meet that capital need. We do not need assistance from the opposition to set or settle policy in relation to capital because we have dealt with the capital requirements of the sector in our response to Hogan. Nearly $1 billion in capital will be provided to this sector in the next four years: over $438.6 million by way of increases to concessional, respite and transitional places payments; and a $0.5 billion payment to be made before 30 June for capital requirements, particularly in relation to 2008 certification and fire and safety standards.

I suggest to Inspector Clouseau over there that he get over it and move on to something that is more relevant; something that is an issue. Obviously, the Labor Party is having difficulty in articulating any policy on aged care. The Leader of the Opposition can hardly string the two words together. He did not mention aged care in his budget in reply speech. This attempt to defer attention from its own lack of policy is just political grandstanding. For the reasons that I have stated I cannot accept this amendment.

Mr STEPHEN SMITH (Perth) (8.31 p.m.)—To continue my remarks, I will resume quoting from the Senate estimates Hansard. Senator Forshaw asked:

What happens for a new resident who is classified medium level?

Ms Halton, the secretary of the department, replied:

They would have been classified high under the old scenario and not eligible for a bond.

Senator Forshaw asked:

That rules out bonds for medium-level care?

Halton replied:

Absolutely, yes. Absolutely, yes. The words so easily pass the secretary’s lips but neither the minister nor the government can bring themselves to say those words. They will not say the words, ‘Accommodation bonds will not be extended to medium care,’ because they have been going around winking and nodding to sections of the industry and saying, ‘Don’t worry. After the election, if we are re-elected, we’ll extend it to the medium care level.’ So the words ‘Accommodation bonds won’t apply to the medium care level’ will not escape the lips of the minister. If it was all so easy, the minister could simply stand at the dispatch box and say, ‘Accommodation bonds will not be extended to the proposed new medium care level.’ But she will not say that because disingenuously she and the government are saying out of the side of their mouth to sections of the industry, ‘Don’t worry. After the election we’ll slide it through.’

We know the government has always been absolutely committed to extending accommodation bonds in aged care. They fought tooth and nail to get it through in 1997 and it was only because the Senate agreed with us that accommodation bonds were restricted to low level care. Our rationale for that was that low level care is more akin to residential. High level care is more akin to health care and there you are looking at need, not at a person’s capacity to pay. The government has been obsessed about trying to get the extension ever since and has led sections of the industry by the nose in that endeavour. You will not find the minister saying, ‘Accommodation bonds will not be extended to the new proposed medium care level,’ because that is not what she has been saying out of the side of her mouth to sections of the industry. That is not the nod and the wink that she has been giving.
Ms Julie Bishop interjecting—

Mr STEPHEN SMITH—Move to the dispatch box, Minister, and say the words that dare not escape your lips: ‘Accommodation bonds will not be extended to medium care.’ That is all you need to say: ‘Accommodation bonds will not be extended to medium care.’ Those words will not escape the lips of the minister. They will not escape the lips of the minister from the dispatch box or in public because what the government wants to do is slide through, hoping the public will not read the fine print, hoping the public will fall for their disingenuous line, and after the election—if they are re-elected—they will extend accommodation bonds to the proposed medium care level, which is an effective extension of accommodation bonds to the current high care level. That is what they are on about.

If as the minister said all the problems of the world in aged care capital funding have been solved—there is a $10 billion shortfall, $9 billion was there, this gives $1 billion—all she has to say is, ‘Accommodation bonds will not be extended by the government before or after the election to the proposed medium care level.’ But the minister will find any cover to avoid saying that, to fail to say that or to refuse to say that. We know that they are disingenuously out of the side of their mouths, while nodding and winking, saying to sections of the industry: ‘Don’t worry. After the election, it’ll be extended.’ There is a very easy way for the minister to put that down. Just let the words slip out of your lips. Or alternatively, put it into the act and agree to the amendment.

Ms JULIE BISHOP (Curtin—Minister for Ageing) (8.35 p.m.)—All Labor has to say is what its aged care policy is. The obsession about the government’s position in relation to capital is exposing Labor’s vacuum in aged care policy development. The member for Perth knows he has no evidence to state—false—that I am going around saying one thing to the House and another to the industry. He has no evidence because it is not true. I am not saying one thing in the House and another to the sector. I am not nodding and winking—certainly not at anybody in the aged care sector, anyway. The government policy on bonds remains unchanged. Bonds apply to low care.

It seems that the member for Perth and the Labor Party cannot get over the fact that this government commissioned a report into residential aged care—a thoroughly resourced, detailed and comprehensive report—and responded to it. Within one month of receiving the final report and recommendations the government responded in full to the immediate change recommendations, brought forward the capital issue from the medium-term recommendations and provided a record level of funding—the largest single package of aged care funding ever delivered by any government at any time: $2.2 billion.

The issue of bonds has been dealt with. We have looked at the capital requirements of this sector. We have come up with ways to fund that capital need over the next 10 years. Nearly $1 billion will be injected into the sector over the next four years—yet its requirements over the next decade are $10.3 billion, and $9.1 billion would have been derived in any event under current policy settings.

Labor is still trying to get over the fact that we have responded to the Hogan review. What is Labor’s response to the Hogan review? What does Labor say about the 15 recommendations and the six medium-term and half-a-dozen long-term options that are raised in the Hogan report? The fact is that, in relation to the issue of capital, the ship has sailed. Labor is still standing on the wharf throwing streamers. The game is over. We
have come up with initiatives that meet the capital requirements. This Labor amendment is entirely unnecessary. It is hypothetical. It is poorly drafted. It is not needed.

Mr STEPHEN SMITH (Perth) (8.38 p.m.)—Game, set and match—the words dare not escape her lips. The phrase ‘Accommodation bonds will not be extended by the government to the proposed medium-care level’ will not escape the lips of the Minister for Ageing—and it is so obvious why. It is obvious that, in a disingenuous way, after the election, if they are re-elected, that is what will occur. It was easy for the Secretary of the Department of Health and Ageing to say it. I will quote again from page 105 of the Hansard of the Senate Community Affairs Legislation Committee. Senator Forshaw asked:

What happens for a new resident who is classified medium level?

Ms Halton, the Secretary of the Department of Health and Ageing, replied:

They would have been classified high under the old scenario and not eligible for a bond.

And then Senator Forshaw asked:

That rules out bonds for medium-level care?

And Ms Halton replied:

Absolutely, yes.

All the minister needs to do is either say that the secretary of the department is right or be up-front, open, honest and not disingenuous and say, ‘The secretary of the department is wrong’—because that is what the government is on about. The words ‘Accommodation bonds will not be extended to the proposed medium-care level’ will not part the minister’s lips—and we know why.

Ms JULIE BISHOP (Curtin—Minister for Ageing) (8.39 p.m.)—It seems that the member for Perth has some difficulty understanding the fact that there has been a recommendation that the residential classification scale be reduced from eight to three. It is a recommendation that we have undertaken to review. It may well be that things will change in low, medium and high as a result of the dementia and palliative care supplements that are required. The three-scale model is yet to be established. It will be done in consultation with industry, the community, residents and the like and other experts in the funding tool and the RCS modelling.

In those circumstances, Labor’s amendment is patently premature. We do not even have a finalised resident classification scale. So, until such time, this amendment is premature. It does not address the complexities that could arise as a result of having a three-tier system with two supplements—palliative and dementia. The amendment is poorly drafted. No-one would accept this amendment the way it has been drafted. I say again: they have the Hansard and they can read what the secretary said and they can read what I have said. We have dealt with the issue of capital. It is off the agenda. The ship has sailed and Labor are still standing on the wharf throwing streamers. They should get over it and get on to something relevant.

Question put:

That the amendment (Mr Stephen Smith’s) be agreed to.

The House divided. [8.45 p.m.]

(The Deputy Speaker—Hon. I.R. Causley)

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AYES

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bereton, L.J.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Cox, D.A.
Crean, S.F. Crosio, J.A.
Danby, M. * Edwards, G.J.
Emerson, C.A. Evans, M.J.
Ferguson, L.D.T. Ferguson, M.J.
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**Question negatived.**

Bill agreed to.

**Third Reading**

Ms JULIE BISHOP (Curtin—Minister for Ageing) (8.50 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**AGRICULTURE, FISHERIES AND FORESTRY LEGISLATION AMENDMENT (EXPORT CONTROL) BILL 2004**

Second Reading

Debate resumed

**The DEPUTY SPEAKER**—The original question was that this bill be now read a second time. To this the honourable member for Corio has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Mr ADAMS (Lyons) (8.51 p.m.)—The purpose of the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004 is to give effect to the government’s response to the Keniry report into livestock exports which was announced by the Minister for Agriculture, Fisheries and Forestry on 30 March 2004, by amending the Australian Meat and Live-stock Industry Act 1997 and the Export Control Act 1982. The
The bill provides the basis for increasing government regulation of the live animal export trade by a number of measures. These include the introduction of an Australian code for the trade and better integration of the provisions of the Australian Meat and Livestock Industry Act and the Export Control Act; enabling the departmental secretary to deal with not only export licence holders but also associates or previous associates of licence holders; and providing a legislative basis for the roles and responsibilities of the veterinarians involved in the trade.

I have had some deep concerns about this trade because there is a fair amount of evidence that animals exported live suffer a fair degree of cruelty, particularly when they are left on board a ship for six to eight weeks, as happened in the Cormo Express experience. Also, being a former meatworker, one sees this as jobs disappearing, and that is the other, even more pressing issue — the export of meatworkers’ jobs. As I have a big meatworks in my electorate, actually in my own town, it does concern me greatly that, the more that is exported, the more jobs go to people in other countries.

We have taken a strong position in driving reform in the trade, but at the moment we are not going to ban live exports. But this bill reinforces the need for reform in the trade. I know that it is important to many farmers to get a good price for their animals. If we could ensure that a decent price were paid here, the need to export jobs would not be so pressing. In 2002 Australia exported around six million sheep and one million cattle, generating around $1 billion. The main markets were the Middle East for the sheep and South-East Asia for the cattle. They are significant markets, but there is a lot of misinformation about the need to have the sheep delivered live. There are ways in which the market could be reformed with careful consultation of end users which I am sure would result in a better system. It is the middlemen that seem to be the problem in delivering any change.

The minister has failed to instigate any reforms, despite the number of shipments suffering high mortality rates and despite calls for change. Early in 2000, an independent panel of experts delivered a report containing 11 key recommendations directed at improving animal welfare, but the key findings have not been implemented and there has been no move to look at further negotiations and other forms of exports. Another report was commissioned in 2002 in response to unacceptably high mortality rates. This report contained more recommendations — another nine, in fact — one of which was that recommendations made in its 2000 report be implemented, because they were still highly relevant. Even so, throughout the industry stakeholders are reasonably comfortable with the report. It still did not go far enough for animal welfare groups, most of whom wish to close the industry down.

A couple of the recommendations have been criticised: one, that no shipments should be made from the ports of Adelaide and Portland at times of high risk — May through to October — and, two, that animals travel on voyages no longer than 10 days and, on 10 per cent of randomly selected voyages, of less than 10 days duration. My party do not support the former recommendations but would prefer to see a proper assessment undertaken of the risk for each shipment, and shipments approved or rejected accordingly.

Labor’s policy looks at strengthening the role of the Independent Reference Group in advising the minister on key issues affecting the trade. It will also seek to reform the livestock export accreditation program to ensure it requires appropriate industry standards and protects animals’ welfare. It is important too
that we require the industry body, Livecorp, to improve its effectiveness and its accountability—not just for the voyages; it should also be responsible for the care of the animals during delivery to their final destination. It is also important to improve the coordination and transparency of the mortality investigation and reporting, and to actually take up issues and act against operators who flout legislative and regulatory requirements. Although we will be promoting an international animal transport standard to regulate conditions governing the transport of live exports, it is even more important to support the development of Australia’s carcass export trade.

I should mention that at the end of last year when the local meatworks suddenly shut down, giving the argument that there were insufficient animals to put through, it turned out to be a bit of a ploy to hold the state government to ransom to provide a gas pipeline quickly, because they were having problems with residues coming out of their rendering plant. But it shocked both farmers and meatworkers alike, and the live trade is often seen as a negative to the meat-processing industry. However, the town came together, including the local government, the meatworkers union, the state government and me, and sought a quick solution, all pushing the company to reopen as soon as possible because at Christmas the pay packets were greatly needed.

Meatworkers around Australia are in the same boat, always at the whim of the livestock industry players. Farmers say they get a greater price for live sheep, but one has to wonder why that is the case. It is certainly a problem when the live deals fall through, because the demand is for sorts of sheep different from those that are raised for the domestic market. So if the sheep are not taken for various reasons then the market for them is limited. Last year, after a shipment was cancelled in the debacle that went on, about 45,000 of the sheep that were saved in Tasmania by the farmers for the next shipment had not had their tails taken off. There is a limited market for very large-tailed sheep; you take your chances with them at the local market.

Labor believes there are other things that can be done to better manage the live sheep trade, including the strengthening of arrangements to ensure the minister receives timely, expert and independent advice about the performance of the live export sector from the Independent Reference Group. There is certainly a requirement for Livecorp to ensure its board contains a majority of specially qualified members to enhance its independence from industry participants. That way there may be more open and transparent scrutiny of the conditions of the trade. Full and complete reports by AQIS and the Australian Maritime Safety Authority on high mortality incidents should be a requirement too. There should be reports presented on a regular basis to parliament and published on the web site. We also need to ensure that there is performance and promotion of an international convention of standards regulating vessels and the export of live animals by sea.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Howard Government: Policies

Mr ALBANESE (Grayndler) (9.00 p.m.)—Recently the House has been subjected to the idiotic claims of the Minister for Foreign Affairs that the Leader of the Opposition is taking his cue on every issue from the American political strategist Dick Morris. The foreign minister’s Dick Morris claims
are nothing but poll driven sleaze. It is interesting, though, to ask where the foreign minister and his colleagues in the government are getting their advice. You do not have to look too far; they are getting it from the shady White House string-puller Karl Rove.

Let us look at some of Karl Rove’s strategies, outlined in some recent magazine articles. First, use the Iraq War to present yourself as a strong wartime leader and paint your opponents as weak on terrorism. Our PM got this tactic, which uses our service men and women to help get him re-elected, straight from the neocon playbook. Second, introduce legislation to abuse human rights and paint your opponents as unpatriotic. Rove gave the US the USA PATRIOT Act; we got half-baked ASIO and migration exclusion zone excision bills.

Third, when brave public servants blow the whistle on your lies, destroy their reputation. The Rove Republicans attacked the credibility of former intelligence chief Richard Clarke. Think about how shamefully the Howard government has treated Andrew Wilkie, Martin Toohey, Lance Collins, Jane Errey and, most disgracefully of all, Kylie Russell—the gutsy widow of an SAS soldier who spoke out on the poor treatment of the dependants of soldiers who die serving their country. Fourth, stack the courts and public bodies to destroy their independence. Look at the US Supreme Court, which handed the Republicans the White House, and then have a look at the changing composition of our High Court and the boards of organisations like the ABC and the National Museum.

Fifth, divide the electorate through dog whistles that appeal to conservative social values. In America they got a debate on gay marriage and adoption and in Australia, ditto, even though this has not been a big public issue here. This is the most blatant copy of them all. Sixth, when you introduce a program or law that no-one will accept, give it a name that suggests it will do the exact opposite of what you intend. Rove gave the US the Healthy Forests initiative and the No Child Left Behind Act, which destroy forests and leave millions of children with a second-class education. Here we get serious competition for the most Orwellian bill titles of them all: Peter Reith’s Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999 or the member for Warringah’s Workplace Relations Amendment (Fair Dismissal) Bill 2004 or Workplace Relations Amendment (Protecting the Low Paid) Bill 2003, which make it easier to sack people and harder for low-paid workers to get a decent wage.

Seventh, exclude hostile voters from the electoral roll. In the US, Jeb Bush’s cronies engineered the removal of the black and the poor from the Florida roll, helping his brother make the White House. The Howard government is trying to remove young people, prisoners and the homeless because it knows that they will never vote Liberal. Eighth—and this is a telling point—destroy your opponent’s credibility by claiming that he is a plagiarist. In the US, Karl Rove is running attack videos comparing John Kerry’s statements with those of other politicians. Here the government makes false claims of plagiarism every time the Leader of the Opposition opens his mouth—all done on the principle that, if you throw enough mud, some of it will stick.

This is what grates the most about this government—their Zen hypocrisy. While they are busy claiming that Labor have stolen our ideas from Dick Morris, they are busy wrapping themselves in the flag, questioning their opponents’ patriotism, destroying reputations, stacking courts, bashing gays and appealing to racial and religious prejudice, all under the inspiration of the darkest,
dirtiest political insider of them all: Karl Rove.

Mr Ross Cameron—Mr Speaker, I raise a point of order: the allegation that the government is bashing anybody is unparliamentary and should be withdrawn.

The SPEAKER—I am listening closely to the member for Grayndler’s speech. Whether or not I like his sentiments is not the point; the point is whether his language is parliamentary, and it is thus far.

Mr ALBANESE—These are the desperate tactics of a government that have run out of credibility and are rapidly running out of time. Karl Rove’s playbook saved them at the last election when they played his race card. But the Australian people are now awake to these tactics and Rove will not be able to save them again.

Nuclear Energy: Waste Storage

Ms PANOPOULOS (Indi) (9.04 p.m.)—It is not a pleasure to follow the member for Grayndler, with his frothing statements, desperation and arrogance. Let me remind him that it will be the Australian people who decide about the policies of this government and their attitude. I rise to speak on something more important on behalf of the people of Violet Town and Baddaginnie in my electorate. From 12 November 2003 until very recently this community suffered the tortuous and wretched path of uncertainty regarding the Victorian state Labor government’s plan to impose a toxic waste dump facility on private land-holders’ property. This was not what was promised to the people back in November last year. The residents were promised a ‘world-class containment facility’ that would ‘continue the responsible management of hazardous waste into the future’. Talk about trying to turn a sow’s ear into a silk purse.

If there is one thing for which the people of Baddaginnie and Violet Town are renowned it is accepting the official edicts from the comfortable inner-city offices of the state government with a grain of salt. These people can smell a lie a mile off. They know that a so-called ‘world-class containment facility’ is, in fact, a toxic waste dump facility—something this tricky state Labor government and their spin doctors would not admit to.

Even more offensive to these local communities is that letters had been sent to local residents by Minister Batchelor, the state Minister for Major Projects, advising them that not only could a waste dump be built close to or on their properties but state government staff and contractors would enter their properties over the next few weeks to begin testing the proposed sites. It was disgraceful, and there was no community consultation whatsoever. The Labor Party in Victoria is so arrogant that it did not even go through the motions of community consultation on this issue.

In the furore that followed the announcement—which was only made because the information was leaked—it became quite apparent that the state Labor government had been quietly and persistently scouring Victoria for a toxic waste dump site since 2000. Then, when they got wind that the information regarding the placement of the facility had been leaked, they had staff from their own department scour the properties and hand deliver a letter to the property owners informing them of the placement of this toxic waste dump either close to or on their land. It is this type of cloak-and-dagger action that smacks of an arrogant and complacent government out of touch with the concerns of rural and regional Australia. Minister Batchelor said in the hurriedly prepared letter to one land-holder in my electorate:

I realise this news may cause some concern and uncertainty. Every effort will be made to accommodate your concerns and make sure that you
completely understand what is proposed, how you will be involved and your rights.

That was written last November. In May, after six long months of much ‘concern and uncertainty’ to the residents involved and to the wider community, and indeed the whole Strathbogie shire, the state government gave the Baddaginnie and Violet Town communities the reprieve that residents were waiting for and removed them from the short list, instead opting to place the toxic waste dump on crown land near Mildura. Why the change of heart? Why has suitable crown land now been identified that was, as we are told, not an option six months ago?

I was on the road driving in Mansfield when I heard the announcement that the Bracks government had backflipped and spared the Baddaginnie and Violet Town communities of the imposition of the toxic waste dump. I could not help but let out a cheer at the fact that the hard work and lobbying undertaken by local communities in opposing such an indiscriminate, haphazard and ill-planned facility had finally paid dividends. I congratulate the many vocal members of the community for getting behind this opposition—the Crockers, the Goldsworthys and many others who had their properties threatened through the proposed action; the Violet Town action group, who battled away with limited resources but plenty of community passion; and Robbie Rae for keeping us informed through her regular, humorous and informative emails.

The Premier has failed to apologise to the Baddaginnie and Violet Town communities, who endured a virtual hell during a period of over six months to fight for their survival. This was a community effort and a community win. The state government’s tail is drooping sadly between its legs. The people have landed a powerful blow against a state government that thought it could impose its plans for a toxic waste dump on innocent rural communities and walk away. This has not been the case. I commend the local communities of Baddaginnie and Violet Town, and indeed the whole Strathbogie shire, for their efforts in achieving this victory for commonsense. Unfortunately, this is not the only arrogant imposition of an inappropriate facility on the people of north-east Victoria. (Time expired)

International Cleaners Day

Ms O’BYRNE (Bass) (9.09 p.m.)—Mr Speaker, as you well know, today is International Cleaners Day—a day that recognises across the globe the work done by one of the most invisible work forces in society. It began in the United States in 1990 as International Justice for Janitors Day, which remembers the shameful beating by Los Angeles police of cleaners and their supporters protesting peacefully against the multinational cleaning contractor ISS. On that day one woman was beaten so brutally that she lost her unborn child. The public outrage over this incident resulted in ISS agreeing to recognise the cleaners’ union and in a fairer deal for those workers.

In remembrance of that day, the SEIU take action every June and other cleaners’ unions around the globe have adopted the day as International Cleaners Day. It is appalling that these invisible workers still do not have any guarantee of fair wages or reasonable and safe working conditions. It is appalling that it is necessary for the LHMU—the union representing cleaners in Australia—to deem it necessary this year to hold the inaugural Golden Toilet Brush Awards and the WC Awards for the worst contractor. The WC Awards recognise companies that have employed the worst industrial practices for cleaners in the ACT. The proud recipient of the honours this year is McKellar Property Services, which is a company contracted by
one of the largest government agencies in the ACT—the Australian Taxation Office.

In Tasmania there are many similar stories of cleaners not being granted their proper work entitlements. There are around 1,500 contract cleaners in Tasmania who, like their colleagues around the country, struggle to support their families on some of the lowest wages in some of the worst conditions. There are countless heartbreaking stories that I could recount about the abominable conditions and treatment of cleaners in Tasmania. There was one instance where a woman was working as a contract cleaner and had been with a company for many years doing the same hours, the same shifts and the same work every week, and then one week they just decided not to pay her. This woman was also caring for her invalid husband.

She pursued the pay and waiting time entitlements owed to her—we must remember that any change in her earnings would impact on her carer's allowance and Centrelink payments. When she approached her employer, she was told on one occasion—and I will quote this because it might not be parliamentary otherwise—that if she wanted to get the money owed to her:

'I'll bend over and if you can pull the money out of my arse you can have it.' That is an outrageous thing to say; it is an outrageous thing to hear in the parliament. But it is more outrageous for this poor woman to hear when trying to get her pay each week. That is the sort of thing that we would not tolerate in any other profession—we do not tolerate it here—so why should this poor woman taking care of her husband have to tolerate it in her workplace?

In another example, a woman was working for the same company for 22 years. They lost one contract and they said, 'It's all right, don't worry. You'll be back in next week; we'll give you a call.' They simply never called her because they never wanted to pay her redundancy. Another woman for personal reasons had to go to work at a different time—there was a particular personal crisis. She did the same work at the same place—she did the same job—but she was sacked because she turned up at a time that the employer did not want her.

These cleaners ensure our workplaces are fresh and hygienic at the beginning of each work day. It is something many of us take for granted, but these workers are in our workplaces well before us, ensuring our bins are emptied, our carpets vacuumed, our workspaces tidied and our kitchens hygienic. They are an invisible workforce carrying out one of the most thankless jobs in society. Maybe it is because they are so invisible that we as a society allow these appalling conditions to occur.

Governments and companies who let these contracts are responsible as well. When we let contracts we do not absolve ourselves of our responsibility to ensure that good work practices take place. In the ACT there is now a cleaning industry code of best employment practice. This code gives employees and contractors peace of mind that the company they are contracting is adhering to fair working conditions for their contract cleaners. The code ensures that workers are paid at award rates and are working in conditions that are safe and meet occupational health and safety regulations. This code is an excellent example of how the cleaning industry should be.

Today, on International Cleaners Day—or Justice for Janitors Day internationally—I join with the LHMU in asking everyone to thank their cleaner. Leave them a note or a card thanking them and recognising the work they do. But I more specifically call on employers, and especially government departments—in particular, federal government departments—to ensure that they are not
party to the exploitation of these invisible workers.

The SPEAKER—Before I recognise the next speaker, can I point out to the member for Bass that, while I did not take issue with the comment she made, for the information of all members and the Hansard record, the facility of quoting does not separate someone from the obligations that they have under parliamentary language. You cannot sneak in unparliamentary language in the guise of a quote. I am not taking issue with the member for Bass; I merely wanted to put that on the record, given the comments she made before her quote.

Deakin Electorate: Mitcham High-Rise Development

Mr BARRESI (Deakin) (9.15 p.m.)—Last Saturday I attended a public rally against a high-rise proposal for Mitcham which would see two apartment blocks built next to St John’s Primary School in Mitcham—14- and eight-storey apartment complexes. Around 700 locals attended the rally, which ended with a public meeting at St John’s Primary School to voice their concerns about the development and the lack of consultation about it. That was the second such rally within two weeks—a testament to the community’s anger. The fight is on and I stand with the community to ensure that the integrity of our local area is maintained and that commonsense prevails.

The House may recall that this is not the first time I have spoken about this issue. In fact, there is a growing number of local planning concerns that I have taken on board following representations from my constituents during the regular discussions we have had. Another notable concern was about allowing a waste transfer station to be built within 50 metres of residences in Heatherdale Road, Mitcham. Those who participate in the planning system, be they developers, councils, residents or businesses, need the confidence that the minister is responsive to the interests of communities and is willing to act.

In particular, the community that I represent is outraged at the lack of consultation over the state government’s 2030 master plan for metropolitan Melbourne. At the public meeting on the weekend the state member for Mitcham felt the heat from a community angered by his government’s treatment of this issue. The member for Mitcham claimed that the proposal for a high-rise tower in Mitcham was not a fault with 2030—in fact he believes that overall it is a good policy. The community let the member for Mitcham know what they think about that position. Melbourne 2030 is wrong, and the proof is in the planning dispute. In fact the community organisation Protectors of Public Lands (Victoria) is holding a protest at the Victorian parliament to say no to Melbourne 2030. In a flyer that was distributed at the public meeting, PPL encouraged the community to go to the steps of Parliament House in Spring Street tomorrow, Wednesday, 16 June 2004, at 12.15 p.m. to ‘defend your neighbourhood and suburb, your heritage, parks and public open spaces from the high-rise, high-density developments of Bracks’ and Delahunty’s planning blueprint for Melbourne’.

Some months ago, during the public hearings of the Standing Committee on Environment and Heritage, of which I am a member, we heard evidence from Victorian government officials about the projections for the eastern suburbs of Melbourne. Their figures indicate that the eastern suburbs will need to accommodate over one million people under the 2030 plan. That will put incredible stress and strain on those communities. More importantly, it will also anger many communities who feel isolated and not consulted on the entire master plan for Melbourne. When the figures are averaged out, they mean that
the city of Whitehorse, which is within the Deakin electorate, will have imposed upon it up to 300,000 new dwellings. In many ways the Mitcham high-rise proposal is the first visible sign of Steve Bracks’ and Mary Delahunty’s master plan. This policy is wrong and it is being forced upon the Victorian Civil and Administrative Tribunal. VCAT is not the bogeyman here; it is simply responding to ministerial policy and direction. As the member for Mitcham conceded at the public meeting, VCAT is compelled to respond to government policy. This is government policy and it seems that there is a significant fight brewing.

There is only one person who can fix this issue on behalf of all the residents of the eastern suburbs. The Victorian Minister for Planning, Mary Delahunty, has the power to call in this case and intervene. But Mary Delahunty is playing cute politics. On the Saturday prior to the public meeting she put out a press release saying that such a development is inappropriate. If it is inappropriate, I call on Mary Delahunty to call in the project. On basic commonsense grounds VCAT should not even be considering this matter. It is a decision that needs to be made by Mary Delahunty. She needs to resolve this matter and provide the residents of Mitcham with some security about the future of our environment. What the state Labor government fails to understand is that the kind of anger that has come out of this issue has not come from nowhere. The community is angered by the ignorance shown to them by the developers and, in this case, the council and the state government. Mary Delahunty has the power; it is unfortunate for us in Mitcham that she lacks the willpower to act.

Mr Byrne (Holt) (9.20 p.m.)—I rise tonight to talk about a genuine community hero—one of those people who spends a lot of his life unnoticed by the mainstream media. This chap is called Murray McGregor. Murray is not a sports star, he is not a businessman and he is not an entertainer. He is someone who has contributed to the community for 55 years, day and night, making this a better place to be. I would like to discuss tonight the failure of the Order of Australia Council to acknowledge Mr McGregor’s contribution. I would like to read a bit from the nomination form for the Order of Australia. It states:

The Australian honours system recognises the actions and achievements of people who go above and beyond what could be reasonably expected and, in doing so, encourages national aspirations and ideals of the highest community standards and values.

Recipients are people from all spheres of the community. Any individual, community organisation, professional body or similar group can nominate an Australian citizen for an award.

I would like to detail Murray McGregor’s service to the community and leave it to this House to determine whether it was fair that Murray McGregor, who has been nominated for an Order of Australia award five times in six years, has not been given that honour.

From 1944 to September 1945—that is, for 18 months—he was at Air Training Corps, Bairnsdale Squadron. In 1944 he joined the CFA in Bairnsdale. He was there from 1944 to 1946. He was at the Stratford CFA from 1948 to 1950 and at the Dandong CFA from 1952 and 1955. In 1950 he joined the St John Ambulance Brigade and had 16 years of membership. He was first aid officer for Oakleigh, Murrumbeena and Caulfield football clubs, and first aid officer for Carnegie Cycling Club, the Royal Mel-
bourne Show, the Warragul Show, Moomba, the 1956 Olympics and two royal visits.

He joined Telecom in 1956 and in 1987 he retired after 31 years service. Between 1974 and 1976 he was the president of the 1st Springvale Scout Group. Between 1993 and 1998 he participated in events such as the task force, cleaning up and planting trees after the Ash Wednesday bushfires at Mount Macedon, Cockatoo and Upper Beaconsfield; cleaning up after bushfires at Strathbogie and around Maryborough; cleaning up after the floods in Gippsland and around Benalla. He spent two days at the Moe tip, searching for the body of the missing toddler Jaidyn Leskie. He also spent many hours clearing the railway track for Puffing Billy.

In 1987 Mr MacGregor retired from Telecom and received a medal commendation for services to the community. In 1998 he was appointed a bail justice for Victoria. Between 1990 and 2002, after being appointed an independent third person by the Office of the Public Advocate, he was present when minors and intellectually handicapped people were being interviewed by the police. In 1994 he was appointed a justice of the peace for the State of Victoria. Between 1995 and 1998, after being appointed to the Aboriginal Justice Panel, he assisted members of the Aboriginal community with justice and legal matters. In 1986 he was appointed a community visitor under the Intellectually Disabled Persons Services Act; in that role he visited residential units to check standards of service. In 1998, as he had reached 70 years of age, he retired as a bail justice. Between 1999 and 2001, he was a justice of the peace, a community visitor for the City of Casey and an independent third person for the Office of Public Advocate. In 2002 he was a justice of the peace, an independent witness, an independent third person and a community visitor.

Murray MacGregor has given 55 years of service to the community—incredible service to the community, if you take note of what has just been read into the Hansard. He has been recognised on numerous occasions. For example, in 1987 he received a medal commendation from Telecom for outstanding services to the community; in 1998 he was the City of Casey Citizen of the Year; in 2000 he received the Commonwealth recognition award for senior Australians in La Trobe; in 2000 he received the City of Greater Dandenong Citizen of the Year award for a non-resident; in 2001 he was a Council for the Ageing senior achiever and he received a senior achiever in the Victorian state government Senior Citizen of the Year award and a certificate for nomination to the national Australia Day Senior Australian of the Year Award; in 1969 he was made a life governor of the Royal Freemasons Homes; in 1989 he was appointed a vice president of the Royal Freemasons Homes; and in 2001 he received a certificate of appreciation from the Victoria Police.

Murray MacGregor, as I said, is not a high-profile person. He is not a sports star. He is not someone like Ray Williams, who has donated $600,000 of other people’s money to the Liberal Party. He is someone who should have been given an award.

Queanbeyan City Council: Water Supply

Mr NAIRN (Eden-Monaro) (9.25 p.m.)—Tonight I want to talk about water and, in particular, the water supply for Queanbeyan. Queanbeyan is in a unique situation: its water supply comes courtesy of the ACT, even though much of that water actually comes from New South Wales; in fact, it comes from the Googong Dam, which is just outside Queanbeyan. That dam’s catchment is wholly within New South Wales but is controlled by the ACT. I will not go into the his-
tory of that; suffice it to say that in many respects Queanbeyan is beholden to the ACT for its water. There is a long-term agreement for the ACT to supply water to Queanbeyan. That had not been a problem until the Labor Party won government in the ACT. Since coming to government they have been hell bent on controlling development not only in their own territory but also in New South Wales adjacent to the ACT border, which includes Queanbeyan.

Firstly, the ACT government once again became a land developer, sidelining the private sector. Many of the private sector developers in the ACT voted with their feet and started to invest outside the ACT. Secondly, the ACT produced a spatial plan which totally ignored what was happening just across the border. Looking at that draft spatial plan, one would have thought nothing existed outside the ACT. After outrage from the Queanbeyan City Council and other shire councils in the region, the spatial plan was changed and the reality of what exists in Queanbeyan, Sutton, Wamboin and other areas around the ACT was shown. But that has not stopped the ACT from trying to prevent development over the border.

My attention was drawn to a letter from the ACT Chief Minister’s department to the Queanbeyan City Council regarding the proposed development commonly called The Poplars. This development lies wholly within the boundaries of Queanbeyan City Council. In effect, the subject letter denies Queanbeyan City Council access to a reticulated water supply from the Googong bulk supply main for The Poplars subdivision until an integrated water supply strategy has been completed.

The reason for such a denial is apparently based on a statement made by Senator the Hon. Ian Macdonald, when he was Minister for Local Government and Territories, in a letter to the then Chief Minister in January 2000. In that particular letter Senator Macdonald talked of the need for an integrated water supply strategy before further developments in a particular part of New South Wales should be approved. As I recall, that particular letter related to an application for water supply to a subdivision called Weetlabah, which is located in the Yarralumla shire and not Queanbeyan city.

It now appears that the ACT government is using a statement made in relation to development in the Yarralumla shire to justify refusal for a development in Queanbeyan. But such a refusal is actually contrary to a longstanding agreement dating back well before the ACT government ever existed. I am particularly concerned now that the ACT government have effectively become a consent authority for any new developments in Queanbeyan. We have seen them try to control land development in areas outside Queanbeyan and now they are saying, ‘Well, we won’t give you water’—and this is to a city that has been receiving water via the ACT for a long time.

It really is a disgraceful situation that a government across the border could act in this particular way. But it appears to fit exactly with what the ACT government seem to do constantly. They made a decision recently to locate a correctional facility literally on the doorstep of Jerrabomberra, which is also part of Queanbeyan, without any consultation whatsoever. They made that decision simply because Narrabundah residents were not happy with their previous decision to put that correctional facility near Narrabundah. So they said, ‘Right, let’s stick it near some residents who don’t vote in the ACT.’ They seem to be doing this sort of thing constantly to residents across the border. They talk about working with the New South Wales government and the Queanbeyan City Council but, by demonstration, they certainly do
not work with them at all. They simply want to keep all development within ACT borders rather than allowing for development in neighbouring regions.

Debate interrupted.

House adjourned at 9.30 p.m.

NOTICES

The following notices were given:

Mr Ian Macfarlane to present a bill for an act to amend the Textile, Clothing and Footwear Strategic Investment Program Act 1999, and for related purposes. (Textile, Clothing and Footwear Strategic Investment Program Amendment (Post-2005 scheme) Bill 2004)

Mr Wilkie to present a bill for an act to amend the operation of Australian Design Rules as they relate to the provision of spare wheels for passenger vehicles. (Australian Design Rule Amendment Bill 2004)

Ms King to move:

That this House notes that:

(1) 18 August is the anniversary of the Battle of Long Tan and Vietnam Veterans Day;

(2) following the Battle of Long Tan in 1966, the South Vietnamese Government decided to award gallantry award medals to several members of D Company and also a Unit Citation to the Company;

(3) at the last minute the then Australian Government requested that they not be awarded and the soldiers were instead given dolls and cigarette cases;

(4) that approval to have the awards presented was to be sought at a later date; and

(5) as the Minister for Veterans Affairs has the authority to approve the wearing of these awards, and given that sufficient documented evidence exists to support such a decision, that approval should be granted.
The DEPUTY SPEAKER (Mr Mossfield) took the chair at 4.00 p.m.

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 3 June, on motion by Mr Costello:

That this bill be now read a second time.

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 SCIACCA (Bowman) (4.01 p.m.)—I support the amendment moved by the honourable member for Hotham. The Treasurer’s ninth budget bears all the hallmarks of a government that have no vision for our community and no plan for Australia’s future. The Howard-Costello government, with an election looming, asked themselves: ‘What can we do at this late hour? What can we pull out of the hat to try to win back the Australian public and secure ourselves another term?’ The answer they have come up with—namely the Appropriation Bill (No. 1) 2004-2005 and cognate bills—fails to address the concerns of the community. Instead they have resorted to a pre-election spending spree. Yet, despite a phenomenal $52 billion in spending over the forward estimates, the central planks of the Treasurer’s budget speech—the tax cuts and the bonus payments for families—will not deliver one extra cent to some six million families and singles.

Despite record spending, they have failed to invest in the basic services that the community I represent on the south side of Brisbane and which people across the country want to see preserved and enhanced. That was made abundantly clear in the results of a post-budget poll of families released by Newspoll a few weeks ago. Asked what would be most useful to help them balance work and family commitments, only 11.1 per cent of respondents favoured an
increase in family payments, while 21.5 per cent wanted more government help for child care and 65.5 per cent wanted to see more family flexible working hours, time off work for family emergencies and more choice for parents who wanted to work part time—the kind of initiatives that should have been implemented in what the Treasurer has been trying to sell as a family friendly budget; the kind of initiatives that have been overlooked in favour of a quick fix, short-term sweetener, speedily handed out to families in the lead-up to the election.

This government has seen fit to drain money away from health and aged care services, education and training. But I guess we can take heart, because there is one public service the Howard-Costello government remains committed to, and that is government advertising. Senate estimates reveal that the government currently has 21 advertising campaigns either running, in the media, or in the pipeline. That is in excess of $109 million worth of advertisements—money that the government could invest in services but prefers to spend on spin. Is it money well spent? Do the myriad government ads popping up on our screens and permeating our newspapers at the moment convey vital information to the community? Or are they, as Dr Sally Young of the University of Melbourne recently reflected, ‘just blatant acts of self-promotion’?

Let’s look at an issue that is the subject of great community concern and the subject of a multi-million dollar advertising campaign at the moment: Medicare. The ‘Strengthening Medicare’ ads, reinforced by a glossy booklet that was delivered to households across the country in the last week, reassure us not to worry, the changes to Medicare will not mean any existing services are lost. But of course the pressing question for people in my electorate—people who are struggling as a result of the 20 per cent drop in bulk-billing services over the last three years—is not whether Medicare will suffer further cuts, but when the government will act to resurrect our universal health care system.

Ads and brochures selling the government’s spin mean little when people cannot find a bulk-billing doctor and are being forced to pay more out of their own pocket every time they visit the doctor. My staff took a call recently from a couple from Belmont in my new electorate of Bonner—that is if I get elected for it, Mr Deputy Speaker Mossfield—who are increasingly concerned about the conveyor belt mentality that they and many of their friends feel has crept into the medical profession in the last few years, a mentality fostered by the government’s neglect of our health care system and in particular its attack on Medicare. They are not alone in feeling like they are being diagnosed, handed a prescription and pushed out the door of the local surgery as quickly as possible to maximise the number of patients the doctor can get through in a day. Not that the doctors are to blame. They are doing their best to survive under this Howard government—a government that has allowed Medicare and bulk-billing to decline for years. When it finally bowed to public pressure to act, it came up with the ironically named MedicarePlus package, which prescribes different patient rebates depending on age, concession card status and where you live.

The finger of blame should be pointed firmly at the government, who have tossed aside the fundamental principle of the universality of Medicare and have become comfortable and relaxed with bulk-billing rates that are predicted to decline even further, to around 52 per cent, under MedicarePlus. By the end of its ‘Strengthening Medicare’ advertising campaign the Howard-Costello government will have spent in the order of $21 million. That is $21 million selling a myth that will be completely dispelled the minute anyone walks into their local doc-
tor’s surgery. That is $21 million that would have been much better invested in the health system by covering the cost of hundreds of thousands of bulk-billed GP appointments, expanding Medicare access to MRI at the Greenslopes Private Hospital or re-establishing a Medicare office in the Wynnum-Manly district in my electorate. This government closed the Medicare office in Wynnum in 1996, the year they were elected. Since that time, locals have been forced to travel to Capalaba or Carindale to submit their Medicare claims—no easy task if, like many of the elderly people in the area, you are without private transport. If they send their claims away in the post, people have to wait for the money to be deposited into their bank accounts.

Another of the campaigns currently running as part of the pre-election advertising blitz is the piggy bank ad selling the government’s revamped super co-contribution. According to the Daily Telegraph, the $4.2 million ad campaign cost more than originally intended as they had to remake the ads because the piggy bank got so big the government feared people would too readily see the co-contribution for what it really is—that is, an exercise in pork-barrelling. Back when he was on this side of the House, the Prime Minister advocated that taxpayer funded advertising should be strictly limited to informing taxpayers of their rights and responsibilities. The co-contribution ads tell low income earners that if you make personal super contributions the government will now give you a helping hand with the super co-contribution.

In the House we have heard those on the government side waxing lyrical about how great the scheme is because it will deliver $1,500 a year to low income earners. But what are they not telling us? Firstly, they conveniently gloss over the fact that only those earning $28,000 or less a year are entitled to the full $1,500 co-contribution and that for every dollar earned above that rate the government’s $1.50 for every $1 paid reduces by 5c. They rarely refer to the fact that, in order to receive the full $1,500 co-contribution, low income earners have to contribute $1,000 after tax to their superannuation fund.

I would be very interested if the Treasurer could find many people earning $28,000 a year or less, particularly those with children, who could find a spare $1,000 lying around, making them eligible to receive the full benefit promised by this government. In fact, on its own figures, the government estimates that only one in 10 Australians earning under $28,000 will be able to take advantage of this scheme. Even now that the ceiling of the co-contribution has been extended to those earning up to $58,000 a year, it is expected that only one in four Australians in this income bracket will benefit.

So for all the government’s rhetoric, this program will not deliver security in retirement for low income earners. What is much more likely to happen, according to Barbara Smith the head of Online Super, is that the real winners under this policy will be high income earners with a low income earning partner to whom they can gift $1,000 for deposit into their super fund. The superannuation advertising also fails to mention that, while low and middle income earners have the co-contribution scheme, the superannuation surcharge for those earning $99,000 a year or more has been cut in half, while the other 95 per cent of the population does not get a single cent in superannuation tax relief.

Sadly, with an election on the horizon, the Howard-Costello government is much more interested in spin than it is in services. But that did not save it from a public relations hiccup when the Australian Electoral Commission recently wrote to voters enrolled in the new seat of
Bonner in my state of Queensland. The seat of Bonner was created in the recent redistribution of Queensland electoral boundaries. Bonner stretches from Moreton Island in the east, takes in the Wynnum-Manly district, Hemmant and Murarrie, runs the length of Creek Road through Carindale up to Mount Gravatt, Holland Park West and Wishart before it loops back to include the suburbs along the southern border of the Brisbane City Council local government area, namely Burbank, Mackenzie and Gumdale. I am honoured to have been recently preselected as the Labor candidate to contest the seat at the upcoming election.

The Australian Electoral Commission wrote to all households in Bonner to let them know how they had been affected by the redistribution and to ask them to verify their electoral roll details for that abode. But when they were preparing the mail-out, much to the chagrin of many locals, the AEC addressed the letters to only one member of the family. In the days after the letter hit, my office fielded calls from several women who were put out, to say the least, that the government saw fit to address correspondence directly to their husbands. They felt it was an indication that the Howard-Costello government views their husbands as the natural head of the household and considers their own role as a secondary one. That might have been the case in the past; it has certainly not been the case in my family for some time. When inquiries were made with the AEC, it became clear that when the letters were generated they were addressed only to the first person to appear at that address in alphabetical order on the electoral roll. This was done, my office was advised, as a cost-cutting measure.

Labor is all for cutting government waste. We have already identified some $8 billion in savings to be made by reducing waste and mismanagement. But it does make you wonder just exactly how much additional cost would have been incurred if all voters’ names had been included in the address block of these letters. Governments should be concerned with engaging the community and encouraging voters to want to participate in the political process. Instead, this mean decision to send the letters out in this form has left the constituents who contacted me, and no doubt any others who did not pick up the phone, feeling disenfranchised.

While the AEC is desperately trying to save money, it seems Telstra is equally determined to save itself the time that would otherwise be spent recording and investigating complaints, as Mrs Elsbeth Jeffs discovered a few weeks ago. Mrs Jeffs called on a Tuesday morning a few weeks back, once her phone had been reconnected after a weekend of being without a landline. She wanted to record her disappointment at the treatment she had received from Telstra while her phone was out of order. On the previous Saturday, the Jeffs had discovered that they could not call out, nor were they receiving incoming calls on their home phones. They got in contact with their service provider Optus who, when they discovered that they were dealing with a line problem, contacted Telstra. Not only did Telstra give Optus incorrect advice about the estimated time required to rectify the problem, but when Mrs Jeffs contacted Telstra directly she was told in no uncertain terms that she was not a Telstra customer and, therefore, her problem was of no concern to them.

Mrs Jeffs is 76 years old. She cares for her husband who is 78 and suffers from a heart condition. Although the couple have a mobile phone, when they are at their home in Wakerley they need to walk into the garden to get clear coverage. Of course the last thing Mrs Jeffs would want to do if her husband took ill would be to leave him. So she was very anxious to have their line problem—a line for which Telstra is responsible—fixed as soon as possible. Her anxiety was not helped in the least by the aggressive voice she encountered at the end of
the Telstra complaints line. If this is the way Telstra typically responds to complaints, it is hardly surprising that in 2003 the Telecommunications Ombudsman received 25 per cent more complaints about landline telephone services than in the previous year. If this is the sort of treatment customers receive when the majority of Telstra is still publicly owned, is it any wonder that Labor and the vast majority of Australians remain opposed to its privatisation?

There has been a lot of talk on this side of the House about the need for greater government regulation of the banking industry, particularly in relation to spiralling bank fees and rising personal debt. The Howard-Costello government has preferred to take a hands-off approach to debt and consumer protection. But in an age when more and more young people have access to credit and mobile phones, it is time to step up the government’s regulatory role and protect young consumers from getting into debt that could hang over their heads for the rest of their lives.

Mr Arthur Rennick of Wynnum is particularly concerned about the way reality television programs and their promoters earn millions of dollars from young people who call 1900 numbers that have a high per minute cost or use SMS lines that cost more than double the price of a normal text message to enter competitions or to have their say on which of the shows’ contestants are voted in or out. We are now faced with a situation where teenagers as young as 16 are seeking assistance with debt problems. Surveys conducted last year reveal that 34 per cent of people aged between 18 and 24 had mobile phone debts. The average debt owed by the young people interviewed was a staggering $5,000. The Queensland government has recognised the problem and is providing legal services for young people unable to cover their mobile phone debts.

In addition to treating the symptoms, we need to address the causes. A La Trobe University report recommended that education programs be introduced to educate young people about potential debt traps and that mobile phone companies and other credit providers be required to use simpler, more explicit wording in their contracts. Mr Rennick has also come up with some solutions that are certainly worthy of further investigation. He suggested, for instance, that all telecommunications providers put a block on calling 1900 numbers as a factory setting on mobile phones. By making users apply to have the option reinstalled, the more impulsive reality television viewers may be deterred by the extra effort required. He also suggested that, in the same way that many Internet polls will accept only one vote from each computer, phone polls and competitions should be limited to accepting one call or SMS from a mobile phone number. Australia’s total household debt is $650 billion and rising. If we want to reverse the trend, governments at all levels need to work together to ensure that young people with an overzealous interest in series four of Big Brother are not paying for it for the rest of their lives.

Last month I spoke in the House about the lack of initiatives in this budget to address youth unemployment. The equally pressing issue of mature age unemployment and underemployment is another crucial area that has been overlooked and demands our urgent attention. In the wake of the Treasurer’s calls for Australians to work till they drop, I would have expected that his budget might have included some measures to assist the many people over 50 who want to work to find rewarding employment. But it did not rate a mention.

Glen Thompson lives in the new electorate of Bonner. At 50 years of age he has an impressive resume, rich in skills and experience. He worked with the Federal Police here in Can-
berra before joining the old Department of Administrative Services, where he worked his way up to general manager. When the department’s work was outsourced, Glen was made redundant. He soon secured work with Westons, but their operations moved offshore. Glen got work as a production manager with another Brisbane based company before transferring to Ansett. But, since the airline’s collapse, finding work has got a whole lot harder.

Despite his extensive experience in the full spectrum of positions from storeman to manager, Glen says that it is near impossible for him to get a job. He feels that, when he applies for jobs, his experience and ability count for nothing—the only thing employers look at is his date of birth. Glen told me that unless you are 24 with a list of degrees as long as your arm, they just do not want to know about you. That is a feeling I know many people in his position share. With his know-how, Glen would make a valuable contribution to any employer who took him on. He has put in countless applications, but he says, ‘Once they look at your birth date, they don’t even bother to respond, let alone give you an interview’. That is why Glen has taken the initiative and started his own business mowing lawns.

Glen is one of the many of the baby boomer generation who find themselves stuck in a cycle of unemployment or underemployment. He believes that in our throwaway society it seems to have become too easy to throw people in his position on the scrapheap as well. He said that more training seems to be the only solution anyone has come up with, but he pointed out that, if he goes back to uni now, he will be 54 by the time he graduates. Being 54 with a degree will not open any more doors than being 50 with a great deal of experience, because his main barrier to returning to the work force is not ability but age.

A broader approach has to be taken. The government needs to work with employers to promote success stories about mature age workers and facilitate a change in attitude towards mature age jobseekers. Perhaps more direct methods should be examined—such as providing incentives to employers who give equal employment opportunity to mature age applicants.

Some very positive ideas came out of the Age Counts report of the House of Representatives Standing Committee on Employment, Education and Workplace Relations inquiry into issues specific to older workers seeking employment or establishing a business following unemployment, which was tabled in August 2000. Those ideas included the introduction of a national strategy and campaign to target employers and promote the benefits of maturity and age balance in the work force; a government program to work with large and small businesses, employees, unions and other relevant organisations to develop a code of conduct when dealing with redundancy and retrenchment of mature age workers; and specific subsidies for mature age traineeships and apprenticeships. While the government has responded to some of the committee’s recommendations in dribs and drabs, disappointing there has been no formal response to the report, reaffirming Glen’s suspicions that the issue has been tossed aside as ‘too hard’ or, worse, ‘not important enough’ to be bothered with. It is time for policies that rise to the challenge and make a meaningful investment in mature age jobseekers and break down the barriers that make it so difficult for them to break into the labour market.

This is an issue that is of great concern to the community and should be a high priority for us as the community’s representatives but, knowing their track record, we should not be surprised that the Howard-Costello government have chosen to ignore strong community sentiment on mature-age unemployment and the issues of Medicare, government spending priori-
ties and Telstra that I have examined today. We should not be surprised that this budget is a blueprint for re-election, not a plan for the nation.

Come election time, though, the government may well be surprised to learn that the Australian people are not so easily taken in—that they would much prefer long-term investment in community services, health, education, employment and the environment to stopgap measures and one-off payments. They can join with Labor in condemning the government for its cynical election-drive spending spree which, while it represented a record $52 billion spend over the forward estimates, failed to deliver crucial services to Australians, including funding the pneumococcal vaccine for children—that is, until only the other day when it decided to come on board—funding VET in Schools so young Australians can either earn or learn, ensuring access to higher education, ensuring all Australians can access bulk-billing services and ensuring adequate measures to respond to Australia’s skill shortage. *(Time expired)*

**Mrs GASH (Gilmore) (4.21 p.m.)—**The recent Commonwealth budget has continued and consolidated the record of the coalition government in delivering over the last eight years the best economic conditions Australia has seen in generations. After successive budgets, we now all pay less tax and the dividends of good management have resulted in this family budget whereby we are able to invest in the social fabric of our communities. However, such success is not about generating a good set of numbers for its own sake. Instead, low inflation, low unemployment, low interest rates, low debt and healthy economic growth are the substantive indicators that point to what is really going on on the ground and in regions like my electorate of Gilmore.

What does it mean for our Gilmore electorate? It means more jobs being generated because businesses have the confidence to continue to expand and grow. Last week, there was the opportunity to spend time with some of the business leaders from Gilmore and for them to talk with the Assistant Treasurer and Minister for Revenue, Senator Coonan, as she visited Nowra, Bomaderry, Berry and Kiama. For me, the purpose of these visits is to provide our local people with the opportunity of putting their issues and concerns directly to ministers so that they can be personally involved in the change process. I am pleased to say that our business leaders had many suggestions on how we could further improve the management of the economy, particularly the administration of the tax system. That in itself is an indication of their own investment and improvement in order to reach further success.

However, their overall report card on business conditions in Gilmore could hardly be more positive. ‘Things are really very good for business. There really isn’t very much we can complain about,’ they all said. Serious criticism was forthcoming and was reserved solely for the New South Wales government for the promotion of the use of workplace safety as an industrial weapon against employers and jobs and the lack of investment in local infrastructure—as well there were the other threats to employment that are proposed by the federal Labor Party. Except for the last issue, the criticism is levelled uniformly at the New South Wales Labor government.

Having been a resident of Gilmore for just about all of my life, I can honestly say that I am committed to the people of the region. I care about their future and, as we move towards another election, I will recommit to continue working hard for the betterment of all, be it business, residents or the community as a whole. Gilmore residents are discerning people who do not accept the untruths and game-playing that Labor go on with in our region. Our region...
knows just how bad a government the New South Wales Labor government have been for our state. They are very adept at marketing themselves and controlling the media agenda but are completely out of their depth—if not just plain lazy—when it comes to reform and management of the state’s finances.

With a mixed sense of disappointment and optimism, this brings me to the key issue affecting the South Coast of New South Wales, including the majority of the constituents of Gilmore. The Princes Highway has become an ultimately sad story of contrasts. Tragedy on this road is marked by 26 deaths occurring in just seven months. Meanwhile, the New South Wales government confidently boasts of spending a little less than $32 million a year on the highway, even though that is mostly reserved for a few large projects north of Kiama. Hardly any money, if any, is earmarked for the sections of road that produce bottlenecks and fatalities. Plans to build a Berry bypass by 2010 seem to have gone by the wayside. Talk to publican Col Waller or just about any member of the Berry Chamber of Commerce, excluding a couple of apologists for Labor’s inaction, and they will point out in no uncertain terms that a tourist, a local, a retiree or a child outside a shop is quite likely to be killed by the state highway that cuts the historic tourist town right through its centre.

Let me highlight for a moment a section of the Princes Highway that is actually the most dangerous according to the safety studies. The three or four kilometres just to the north of the township of the well-known tourist destination of Berry statistically illustrate that it should be at the top of any priority list. Tindalls Lane through to Broughton Village, Foxground and surrounding sections have an appalling accident rate. Is it any wonder, given the design of the road? If a fatality is not disastrous enough, the effects on the whole region are compounded with the highway being blocked for hours following incidents. Block this road on this section and heavy transport comes to a complete standstill. A meandering country tourist route cannot handle the quantity of traffic that now travels up and down the south coast.

Ten years ago studies were done on the possible relocation of the highway to cope with the increasing demands of daily traffic flows. Various scenarios were outlined and, even before that, plans existed to bypass Berry. This town is now a bottleneck just about every day of the week, with peaks on weekends and public holidays. Wide loads in Berry are now diverted down residential streets since the Princes Highway through the town cannot physically allow them to pass, and the noise at times is unbearable. For local residents the bypass has become folklore. Most people have just about given up, saying it will never happen. The people of the state seats of Kiama and South Coast, which Gilmore takes in, cannot afford to give up.

It is of great concern to me that the New South Wales roads minister, Carl Scully, with the support of the member for Kiama, Matt Brown, continues to delay even the determination of a plan of action, let alone funding for this section. No longer can he continue to cry, ‘It’s the Australian government’s fault.’ He knows this is the most dangerous section that cries out for further funding, and the expert advice says that, with any spending, without the future plan for this section of road being determined, we could see money being wasted on areas that may end up being a residential access road. It has not been easy accepting such advice, because I know how the residents and those who travel this section regularly feel about this area. I know they feel cheated about where the priority lies, and I cannot disagree with them, but until the state government decides where the road will go it cannot be considered in the black spot funding.
The excuses flow quick and fast from New South Wales roads minister, Carl Scully, and his local mouthpiece, Matt Brown: ‘We are spending money on the Princes Highway’, but not enough to address the serious black spots. There was almost some unity at a federal level, with the Labor transport spokesman, the member for Batman, suggesting that New South Wales should try a bit harder on the Princes Highway and that Matt Brown, the member for Kiama, should be pushing for a greater spend from the New South Wales government. As I said, for a time it looked like there would be some general agreement to pressure New South Wales to act. Unfortunately, as we so often see in the Labor Party, Labor comradeship won the day to the detriment of the people of the South Coast.

Several weeks ago I was pleased to announce that the Australian government would contribute black spot funding to address some of the worst sections. It is funding we have been pushing for over quite some time. The member for Batman said black spots would not be enough—a couple of million at the most—and suggested it was a beat-up. In complete ignorance, the member for Cunningham said, and continues to say, that it is nothing new and that black spot funding is being delivered every year. So used to publicity stunts are they, such as the year-long route and safety studies that Carl Scully announced to divert attention from his lack of action, that Labor expected my announcement to fit their stunt criteria. Twenty million dollars is no stunt, but, would you believe, the next morning the Labor candidate for Gilmore came out and took the credit, saying that she had applied the pressure. Such blatant mistruths are not what Gilmore needs. In fact, when she had the member for Batman tour the region a few weeks ago, he managed to promise not even one cent. Well, some pressure that amounted to.

In delivering this $20 million, the Australian government has essentially attempted to do several things. Firstly, we wanted to break the impasse, the stand-off that was resulting in no new investment going to the most dangerous highway in New South Wales. Committing these new investments of $5 million for the Pambula Bridge and around $15 million south of Nowra is a clear signal and acceptance of the desperate conditions that face South Coast residents, as well as other motorists who tour the region. Secondly, we wanted the investment to be substantial enough to make a significant contribution to areas of serious difficulty. The South Nowra to Jervis Bay Road section was earmarked for improvement under the previous New South Wales government—a government that understood its responsibility to support the strengthening of the state’s infrastructure. When the Carr government was elected this was one of the first road projects to be scrapped, even though the need for this development was as justified then as it is today.

The funding commitment also includes $561,000 for a northbound turning lane at the Sussex Inlet intersection. That is not a lot of money, you might think. In the road construction business it probably is not, although it serves to demonstrate even further how inadequate the funding of the Princes Highway south of Kiama really is. Even to provide a turning lane to an intersection that has been the scene of any number of serious accidents is beyond the capacity of this state government’s planning.

The other aspect that we have sought to address in this funding exercise is the question of the role of each level of government in these funding decisions. Some months ago there was an editorial in the Illawarra Mercury saying that, while the rightful responsibility for funding major upgrades to the Princes Highway definitely rests with the New South Wales govern-
ment given the extraordinary carnage seen on the road, the Australian government has an ethical responsibility to assist. It is an argument born out of an in-depth campaign by the Illawarra Mercury to support the upgrade of this road. It has led the way in seeking out all of the representatives of government, residents and motorists and bringing them down to experience the road.

It is also an argument that adds description to how I have always felt about my own role in addressing the upgrading of the highway on behalf of the constituents of Gilmore. Being the member for Gilmore is not for me a stepping stone to greater heights somewhere else. To represent Gilmore is as good as it can get. Motivated in this way, I can never be divorced or remote from the community that I live in, even as a politician. I am first and foremost a resident, with friends and colleagues who have been living in fear of the danger that presents itself too regularly on the road that we must rely on.

I would not suggest for a moment that this $20 million of new money is the panacea for fixing every black spot on the Princes Highway. If only that were possible! There are many sections that could have been addressed and have not been in this announcement. We must also be careful not to have politicians picking and choosing which bits of road to fund. Pollies are not experts in fixing roads. In fact, we have tried to get a plan from Carl Scully for some time in order to address the worst sections. This was not forthcoming. It was almost as if he did not want to cooperate in case we did some good.

We had no alternative but to ask the Shoalhaven City Council to do the job for us. Naturally, we had to have a plan with costings, to be presented to the Deputy Prime Minister and Minister for Transport and Regional Services. So thorough was the Shoalhaven City Council’s plan that it was accepted in full in the hope, of course, that the state government, which so badly wanted us to contribute, would match our new funding to allow all of what was proposed—that is, that work on the worst of the black spots would be completed. But guess what? Whilst Mr Scully had referred to it as petty cash, when we ask him to now put his dollars on the table, there is not a chance. He wants to hold out and continue to blame the Australian government in the run-up to the election. What gutless wonders they are! Together with the media and the community, this was our opportunity outside of politics to do more for the Princes Highway.

The community needs to be aware that our funding is not dependent upon the state matching it, but it goes without saying that $40 million goes a lot further than $20 million. We do wonder whether it really needs to be like this. Are these petty arguments par for the course in building decent roads and transport infrastructure? The announcement just over a week ago, coinciding with our local black spot announcement, committed $11.8 billion over the next five years to our key national transport road and rail infrastructure. AusLink sets an example to states like New South Wales on what they should be doing in terms of planning and implementing infrastructure projects.

Some sections of the local media were content with parroting the Carl Scully line that the Princes Highway had been left out of AusLink. In fact, in responding to AusLink, this was the key theme from the New South Wales roads minister, who is always trying to play political games. Rather than saying that this historically massive injection of funds will improve the freight links between Sydney, Melbourne and Brisbane as well as make the same rail links even more competitive with road transport—and rather than saying that this funding boost
will take the load off the New South Wales government, allowing it to focus more determinedly on its own responsibilities, such as the Princes Highway—Mr Scully had to try and scam a few votes by politicising Princes Highway funding yet again.

Labor in New South Wales have a simple mantra for all of the problems that beset the state—and there are plenty of them: it is always the fault of the federal government. They invent funding cuts, which they have to promote with prime time TV ads, to cover up for the fact of funding increases. They deny responsibility when it clearly belongs to them. They refuse to do the hard work of economic reform to fix the condition of the budget and they use every tactic available to them to create the impression that they are governing at all. Money is like a drug of dependency to the New South Wales government. They suck up large amounts of it but, as with all addicts, they do not have the capacity to use it for what it was intended.

Even though money is the New South Wales government’s excuse for not addressing the urgent requirements of the Princes Highway, we need to look beyond this. A report to the Shoalhaven City Council earlier this month says:

Shoalhaven City Council, as well as the other member organisations of SEATS and PHocus, have repeatedly requested the NSW Government to place on the table a strategic plan to demonstrate to the other levels of Government and community that a program of works has been developed to achieve a significant upgrading of the Princes Highway.

If you were really serious about the threat the condition of the Princes Highway poses, surely you would at least have the plan of action ready to go just in case the funding should happen to appear from somewhere. The report continues:

At meetings with various Ministers and Shadow Ministers by the various lobby groups, the question has always been asked ‘which components of the upgrade does the group wish to achieve first, and how much money will be involved in these programs?’ As there is no such document available to Council, the work of the delegation is frustrated by the lack of available data to push its case …

It is this complete unpreparedness to act that shows how this road hardly even features on its priority radar once you go south of Kiama.

The only contributions that Carl Scully has made have been the announcements of a couple of studies. The Gerringong to Bomaderry quantum study was policy on the run in response to a spate of fatalities and a visit by Senator the Hon. Ian Campbell, the Minister for Local Government, Territories and Roads. The state member for Kiama, Matt Brown, in whose electorate the study is largely occurring, could not even say who it was that was doing the study when asked about it on local radio. The second contribution, yet another study—this time announced subsequent to the Australian government’s announcement of a commitment to black spots—was, surprise, surprise, a safety study into black spots, with a vague mention of possible funding resulting.

It is only when consistent pressure is applied that this state government are forced to act. They can continue to argue about affordability, but they cannot continue to deny its priority. At the very least, Carl Scully must put his plan on the table. The Australian government, in this budget and in the announcement of the national transport infrastructure plan, AusLink, have put our plans—and the money to back them—on the table. It is high time for the New South Wales government to follow suit.

Mr WINDSOR (New England) (4.37 p.m.)—Before starting my contribution, I would like to congratulate the member for Gilmore on the role that she played in the development of the
ethanol industry. That is one of the issues that I will be raising in my contribution, particularly in relation to renewable energy and some of the things that the Prime Minister has announced today. I particularly recognise the member for Gilmore for the work that she put into the successful campaign to get the excise freedom period extended to an appropriate time that allowed private sector investors to invest in the progression of that industry. I encourage her to keep that support going. I am sure she will. I also wish her some degree of luck in terms of the Princes Highway, because it really has become a deathtrap over time.

My contribution will be fairly wide-ranging. There are a number of positives in the budget that I will comment upon and a few issues that I think the government needs to have a closer look at. In a technical sense, any budget that delivers a surplus indicates that the economic ship is being steered in a reasonably stable direction. We can all argue that the surplus should or could have been spent in a whole range of other ways. One of the things that has come through in the 23 public meetings I have held in my electorate over the last two months—both prior to and following the budget—has been that, in the main, a lot of people would have accepted more money being spent on health and education rather than on the tax cuts coming through. That is not to suggest that everybody is against tax cuts, but I think there is a growing realisation in the community that the government and the community need to look at the betterment of health and education.

There are obvious funding shortfalls, whether at the state or federal level. You only have to read the papers daily to see what is happening with health in general. At the moment, in my electorate, there is a proposed amalgamation. There are proposals right across New South Wales to amalgamate certain areas of health service delivery into much larger conglomerates. I think the proposed area to be administered from Newcastle, which would include the electorates of New England and Gwydir and various electorates down through the Hunter Valley to Newcastle, would be nearly 1½ times the size of Tasmania. Next Tuesday there is a protest rally occurring within the electorate at Tamworth to allow people to cast their views on this amalgamation process.

Underlying the process is not only the drive for centralisation of power but also the recognition that the funding base for the delivery of today’s technical health services is probably not of the magnitude that it should be. If we look at the trolley jams and other things in hospitals, there is the need to spend much more on health. I convey these few words about health because I think there is a growing recognition in the community that it is not only about tax cuts. I think people are quite comfortable with giving a little bit more if they can see real benefits on the ground and not money being hived off. The member for Gilmore talked about Commonwealth-state relations on road funding and how politicians enter the debate and start to make decisions about where the roads should go. It is not necessarily the best way to do things, nor has it been the best way to do things in terms of health.

I was interested to note that the various ministers for health met recently to talk about the future of the delivery of health across the nation and whether there were any benefits to the Commonwealth in taking over responsibility. I understand that it was a little bit tongue-in-cheek for the Minister for Health and Ageing to be talking about that, but I think it is an issue that really does need to be thrashed out. We have several ministers for health—a federal one and then obviously all the states have their own ministers. Are there ways and means by
which we can achieve some savings there? I think it is something that needs to be examined closely.

I thought the budget was a fairly clever budget. I have been in politics for 13 years and I do not think I have ever seen one like it. I made a comment in my press release at the time; in fact, I called it—in inverted commas, for the Liberals in the room—‘the Labor budget’. From a coalition government, it pointed to an early election. The winners were families, carers, the elderly and others. At the time I was quite astounded at the amount of money that was being thrown in all sorts of different directions. I made the comment that the election would be on 7 August and that I was prepared to bet anything that was valuable to me that that would be the date. I was obviously further astounded that there was no bounce in the polls in the week after the budget—there has been subsequently. Whether that has been as a result of people recognising the benefits in their pockets through their family allowances and other things, or whether there has been a bit of a stalling in the Labor Party’s momentum, I am not the one to judge. But I now suggest that the Prime Minister will probably not call an election for 7 August, so I am glad I did not bet all those things that are dear and important to me.

I thought it was a clever budget politically because it took some of the ground from the opposition on some of the issues they held near and dear, and it has some undoubted benefits for people in the community. Even though it was accepted in a reasonably cynical way, I think that many people in the community were pleased with some of the budget outcomes. I would like to go through a few of those outcomes. Obviously, transport is a very important issue at the moment. AusLink has been announced and various funding arrangements have been put in place. I applaud the government for recognising the need to coordinate road and rail. I think that recognition of the whole AusLink philosophy has been long overdue. I am not certain that the way in which the funding arrangements have been put together actually drives that terribly far into the future, but I think it is an important starting point in terms of that particular objective. A community in my electorate which I live near is going to be a major beneficiary of the AusLink proposal in relation to rail. Also there is the formation of the inland rail link that Emerald Compton has been a proponent of for quite some time.

Also the Australian Rail Track Corporation agreement, which has been a long time coming—it has had to get through the state election and the union movement et cetera—has been signed, and something like $872 million will go into that arrangement. That will give the Australian Rail Track Corporation access to a railway line through New South Wales for 60 years under a lease arrangement as well as some management responsibility for other branch lines. Therein lie further problems down the track as well. It is something the government really does need to look very closely at.

Only last week—and this is quite exciting—there was a handover of the historic rail buildings in the community of Werris Creek. It is a massive railway station with one person working at it at the moment. It was built in the 1880s on a black soil paddock in recognition of a decision that was made at the time by the New South Wales government to branch the main line. This particular venue was chosen because there was a gap in the hills. Up until then, the development of rail in Australia had all been on a main line basis. The decision was made that they would branch the main line at this place called Werris Creek, which was essentially a tent city of gangers and workers. The railway line proceeded out to Moree, and consequently there was the development of the grains industry and a whole range of other industries. The rail line
also went on to Tamworth then through to Brisbane. Later on, another link went out to Dubbo. This particular community became very important for the inland and the coathanger that rail provided in terms of transportation and the development of a number of industries.

It was the day after AusLink was announced that, in a sense, with the Australian Rail Track Corporation agreement, there was a revisiting of the past on a broader scale: the same thing that was happening in New South Wales 120 years ago is happening nationally now in relation to the development of an inland rail link. I would encourage the government, and particularly the minister responsible and the Prime Minister, to really get behind Everald Compton and a few of these players, the private sector investors, who are keen to get the rail from Melbourne through to Werris Creek, where it effectively is now—and there are options to go from Werris Creek to the Queensland border as well—and encourage the development in other states so that we can have a rail track that truly does go from Melbourne to Darwin via the inland of the eastern section of Australia.

The minister announced $11.8 billion for AusLink, of which $872 million was a one-off ARTC payment. That was played up, in a sense, to be very good for the nation. But when you examine the $872 million, for instance, I think something like $150 million is a contribution from the Commonwealth, $50 million is a contribution from the states and I think $50 million, in round figures, is a contribution from the private sector through Pacific National, one of the major players. The balance—which is something like $620 million, if my maths hold correct, and Mr Pyne will be well in front of me—

Mr Pyne—It is pretty close to the mark.

Mr WINDSOR—has created some degree of debt for the Australian Rail Track Corporation. In the press releases it appears as though the $872 million has been a contribution from the federal government. That is not the case. My understanding is that $150 million of that is from the federal government. There has also been a $450 million one-off arrangement to look at some upgrades of rail in different parts of the nation. The Newcastle to Werris Creek line is one of them, and the Cootamundra to Werris Creek line is another one. There is also some work along the North Coast as well. Those works have to be applauded.

With the announcement of AusLink and this $12 billion package for the future—it is bigger than the Snowy Mountains scheme and those sorts of things—if the current arrangements were just extended for the five-year period which AusLink is over, the government would have expended something like a bit over $10 billion anyway. It is a repackaging of some of the existing schemes such as Roads to Recovery, local government grants and a whole range of other funding arrangements that have all been bundled into what is now called AusLink with this one-off $450 million, which I applaud, and the signing of the ARTC arrangement, as I mentioned a moment ago.

In relation to AusLink, I will mention a little community called Legume, which is in the far north of my electorate. If I go there and back for a day I have effectively driven 1,100 kilometres. There is a little piece of road called the Legume to Woodenbong road. It is the missing link between the Darling Downs of Queensland and the north coast area of New South Wales, where the member for Page comes from, and further south and further north. It is the missing link between those two very important areas of Australia. I was very pleased to see in the AusLink arrangements that there is a provision for roads of regional importance. I ask the Minister for Transport and Regional Services to look very closely at the submission that will
come through from the Legume to Woodenbong road committee. It is backed by shires and
members in southern Queensland, as it is backed by councils and members of parliament in
the north of New South Wales. It is right in the top portion of my electorate. Those people feel
they are a little forgotten by the world but this piece of road is of regional importance not only
to the people who actually live there but also to the people of southern Queensland and northern
New South Wales.

I was also pleased to see that in the budget the Regional Partnerships funding has been ex-
tended. I note that when he was in the electorate a week ago the Deputy Prime Minister, who
was Acting Prime Minister at that time, inspected the facilities in terms of the equine industry
in my electorate with a view to obtaining extra funding to complete a new facility which
would cost in the vicinity of $10 million. The current arrangement is that there is about $6
million available.

The New South Wales government has made a donation, as have local council and the ma-
JOR Australian equine industry groups, who have put their money where their mouth is. We are
eagerly awaiting an announcement from the federal government as to its contribution to the
national equine centre, which will be very important in terms of the development of that ind-
ustry nation wide. I also note that there is an application before Regional Partnerships at the
moment for the Glen Innes learning centre, which will be very important for the Glen Innes
community. I urge the appropriate departmental people and ministers to look favourably at
that particular issue.

There are a number of issues that I will deal with quickly, as time is running out. I men-
tioned renewable energy and the member for Gilmore earlier on. Announcements were made
by the Prime Minister today about renewable energy. I think that, there again, the long-term
focus of the excise exemption to the productive sector within Australia, the off-road sector—
not the enthusiasts, but those who actually produce something from using various fuels—is to
be applauded. I am a little disappointed that it does not start till the election after next; 2008 is
the phase-in.

Within my electorate there is a firm called G&C Foundry, run by a fellow called Geoff
Swilkes and his wife. They employee 20-odd people. Because of their location they operate
on diesel powered generators and use an enormous amount of power. Even the previous
member for New England, Stuart St Clair, raised this issue in this parliament, and I have
raised it a number of times: in our view, they should not be taxed the full excise in relation to
their business. I am pleased to see that this exemption means that they will not be taxed, but
they still have to wait another four years before that tax is actually removed. This is impor-
tant, there is no doubt about that, but I would urge the government to do it now rather than
wait another four years for a phase-in from 2008 to 2012.

Turning to other matters, Telstra is still on the agenda. I do not think that is a very good
thing for country people in general. I think my view on Telstra is pretty well known. On aged
care, I was pleased to see that the formula has gone from 100 beds to 108 beds per 1,000 peo-
ple aged over 70. I think that is a positive thing. I congratulate the government, particularly
the current and former ministers for ageing—we have had two in this term of parliament—on
the work they have done in relation to the multipurpose service model. It is a good model; it is
working well in communities. The electorate of New England is going to have something like
seven MPSs. The involvement of Minister Bishop and Minister Andrews has been a successful foray into that particular portfolio.

I see that Mr Pyne is in the chamber at the moment. I would like to thank him for the work that he has done in relation to sheltered workshops—that is, the recognition that smaller communities do have a right to look after their own people with disabilities within those communities. I also applaud the people within my electorate in sheltered workshops who are working towards developing a model which allows the location of sheltered workshops—as the Prime Minister and I refer to them—within the electorate. That brings about administrative advantages in terms of being able to administer relatively smaller sizes. I thank the House for its forbearance. (Time expired)

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Family and Community Services) (4.57 p.m.)—Before I begin my speech on Appropriation Bill (No. 1) 2004-2005 and the cognate bills, I thank the member for New England for his remarks concerning the disability employment services reform package. I had the great pleasure of travelling to Tamworth and the small community of Glen Innes in his electorate, and I talked to people on the ground about what had been proposed. As a direct consequence of my travels around the country and also the representations made to me by members across the parliament, including the member for New England, the government acted to change the way that we were going to reform disability services and I think we have ended up with a package which has been extremely well received. We will make sure that the 17,500 young people and not-so-young people who are in what are commonly called sheltered workshops remain in those places and continue to make the contribution that they are making to their local communities, to their own lives and to their families.

The coalition government is responsive to the many concerns of ordinary Australians, and in this budget it is addressing a number of those issues. Principal amongst them are the major reforms which have been implemented to strengthen Medicare. Australia currently enjoys a world-leading health care system, but as technology improves and the population ages, reforms are necessary to reduce the growing strain on that system.

An ageing population also increases the need to provide for our senior citizens. Those who built this nation into the success it is today deserve our respect and also our attention. Over the past 8½ years, the coalition government has done much to reward those senior citizens who have been responsibly taking steps to provide for their own retirement. But steps are also being taken to ensure that senior citizens in need are provided with a high standard of aged care. While we must have regard for those who built Australia in past decades, we also need to look to Australia’s future. No issue is as crucial to this future as the education of the young. The government will increase the resources directly to this important national purpose. Education does not finish at school. Apprenticeships play a vital role in assisting the 70 per cent of school leavers who do not proceed to university to find jobs and become financially independent. The coalition government continues its strong support for apprenticeship programs in this budget. The nation’s future is also tied to maintaining a lead in emerging technologies. A crucial element of this is to ensure that Australians receive access to the information superhighway through high-bandwidth Internet connections like ADSL. Whilst steps are being taken in this regard, it is an issue that I have raised personally with Telstra to ensure that it is given the high priority that it warrants.
Finally, Australia’s future requires that we have regard for our national heritage so that future generations are left an environmental legacy which befits this country. The coalition government is committed to funding Medicare and ensuring we have a strong public health system. The new Medicare package is the single largest boost to Medicare since its inception. The package provides additional incentives for doctors to bulk bill with an additional $5 being paid to doctors for every bulk-billed service provided to children under 16 and to Commonwealth concession card holders. Not only does the Medicare package improve bulk-billing, it also tackles the problem of accessible health care, particularly in rural and regional Australia. Medicare delivers more doctors and more nurses—1,600 nurses will be assisted with grants and new rebates. These nurses will be able to provide assistance with minor health issues, such as immunisation, freeing up doctors to help with more serious conditions. The biggest initiative to come out of the Medicare package is not the additional doctors and nurses or the increased incentive to bulk bill; it is the introduction of a safety net—a safety net that will help millions of Australians. For concession card holders and families who receive family tax benefit part A, 80 per cent of all out-of-pocket costs for non-hospital medical services above $300 a year will be covered by the government. This will support 12 million Australians, including 80 per cent of families with children. Another eight million Australians will be assisted where their out-of-pocket expenses for medical costs outside hospital are above $700 a year. This safety net measure will directly help around 450,000 families and individuals a year to cope with high out-of-pocket expenses.

The new initiatives introduced through Medicare add up to an extra $2.85 billion being spent on health care. But despite this additional funding to the public health system, the coalition government has reaffirmed its commitment to the private health insurance rebate. People who take out private health insurance reduce the burden on the taxpayers and they should be supported and encouraged, like the 64 per cent of people in my electorate who have private health insurance. The coalition government is committed to the private health insurance rebate of 30 per cent; Labor is not. I am sad to say that Labor is not.

Mr Danby—Rubbish!

Mr PYNE—Labor has failed to commit to it and the member for Melbourne Ports knows that is the truth. Like people who take out private health insurance, thereby reducing the burden on taxpayers, self-funded retirees are to be commended and assisted for the part they play in reducing the taxpayers' burden. Since 1996, the coalition government has delivered results for self-funded retirees. This has occurred not only through tax breaks but also by providing assistance with health care costs. The Medicare levy threshold for senior Australians has been increased so that older Australians do not pay the Medicare levy until they incur an income tax liability. Many senior Australians may also be eligible for the senior Australians tax offset. This means that a single person will pay no tax if their income is $20,500 or less. If their income is higher than this, they may still pay less tax up to the point on the income scale where the senior Australians tax offset phases out. For eligible senior couples, they pay no tax if their joint income is $33,600 or less. A further tax benefit came about as part of the new tax system. Excess imputation credits are now refunded to the individual. This is a major benefit to self-funded retirees who may now receive greater returns on their investments.

Not only has the government provided tax breaks; it has also assisted self-funded retirees on the health front. Flu vaccinations are provided free of charge to all Australians over 65.
years of age. For diabetes sufferers who find it difficult to control their diabetes with injections, new generation insulin infusion pumps will help sufferers administer insulin throughout the day without the use of needles. The Commonwealth seniors health card was extended to approximately 50,000 Australians in July 2001. Holders of this health card are entitled to certain cheaper prescriptions and, in some cases, a telephone allowance. Older Australians have played their part in making Australia the great country that we all enjoy today. It is only fitting that they are provided with adequate and accessible health care.

Not only self-funded retirees but all senior Australians have benefited under the coalition government. The government has committed additional funding to improve aged care services and increase the number of available places. An extra $2.2 billion will be spent over five years to achieve these two aims. An additional $58 million will be provided to lift the number of aged care places to be allocated over the next three years to 27,900. The quality of aged care is also important. In 2003-04 the government is allocating $513 million to aged care providers to ensure that fire safety regulations and building standards are met. Over the next four years, the government will improve the quality of care by allocating an extra $878 million to aged care providers.

The Howard government will provide $30 billion for aged care services over the next four years—making a total of $67 billion from 1996 to 2008. Aged care workers will also be the recipients of additional government funds. We will see 1,600 aged care nurses begin training in the next four years to enhance their skills and ensure the quality of care is continually improved.

The Howard government believes strongly in providing choices to parents—a choice between a government or a non-government school, between co-ed or single sex schools, between a generic school or a specialised school. Greater choices mean an education better tailored to the individual needs of the child and the parents. I mentioned the notion of a specialised school, which in decades past would have been called a technical high school—a school focused on music or agriculture or technology, a school that allows students to concentrate on specified subjects. Senator Fifield of Victoria expounded on this subject in his maiden speech most recently, and he did so so well that I recommend it to all honourable members to read.

Such schools do exist in Australia—mainly in New South Wales—but there are none in my state of South Australia. For far too long, schooling in South Australia has been generic only. Offering the same subject choices in the same teaching format to students with different learning styles and interests is totally inadequate. Students excel when they are interested in their subjects and have a comfortable learning environment. When it comes to education, one size does not fit all. Great prospective careers are being jeopardised because of a failure to tailor education adequately. There is an urgent need for states to provide specialised schools, like the technical schools of decades past—schools that can cater to the individual student and best prepare each person for their vocational pursuits. States are not doing enough to identify talented children and are not doing enough to ensure Australia’s future as a world leader in education. I would urge the South Australian state government to investigate the possibility of opening a technical school in my electorate of Sturt so that each child’s potential may be maximised appropriately. I am sure my constituents would welcome a technical school in my district.
There are other issues about which my constituents feel strongly—ADSL coverage, transport issues and playground fencing. Central to Australia’s concerns and future both in terms of education and more broadly are information technologies. In particular, ADSL is a great technological advancement, the availability of which is crucial to improve Australia’s access to the information superhighway. It provides for faster transmission of data and allows for one line to be connected to the Internet and still receive a phone call.

But at the moment problems exist with providing readily available access to ADSL even in an electorate like Sturt, which would be regarded by many as an inner metropolitan electorate. I am sure my friend and colleague here in the chamber, the member for Riverina, would be shocked to know that in an electorate that is only kilometres from the GPO we still have difficulties with access to ADSL. The further out from the exchange in Adelaide a person lives, the poorer the quality. Noise and static are common in areas that are only five minutes from the city. For inner metropolitan areas to experience such problems is unacceptable. I can drive from one end of my electorate to the other in 20 minutes and across my electorate in 10 minutes. It is unacceptable that ADSL is not provided in a high-quality fashion to people who live in metropolitan Adelaide.

A number of Sturt constituents, particularly at Athelstone, have written to me expressing their displeasure with the service. Whilst most parts of the Adelaide metropolitan area are able to access broadband Internet, parts of the north-eastern suburbs are missing out. Telstra is trying to overcome this by boosting transmission along the lines every few kilometres but, given the number of phone lines in Australia, this is taking a tremendously long time. I have written to my affected constituents and urged them to list their ADSL interest with the Telstra ADSL register. Hopefully, if enough people register, Telstra will recognise the north-eastern suburbs as a high-demand area and quickly rectify the problem. To help with a speedy resolution, I am meeting with Telstra’s metropolitan general manager and community liaison officer in July to see what can be done to improve this service.

The eastern suburbs have been the beneficiaries of Commonwealth roads funding over the last few years, the most noteworthy example being over $45 million spent on the Portrush Road, in the middle of my electorate. This is still under way and the improvements to road safety are being greatly appreciated, but there are many more roads that need the attention of the Australian and state governments. The notorious Britannia roundabout in my electorate has been the site of traffic jams and accidents for decades. The Royal Automobile Association estimates that 53,000 cars a day use the roundabout. It is also claimed that the Britannia roundabout is the worst accident spot in Adelaide, with two accidents a week. The state government has suggested a bandaid solution of traffic lights, but an underpass from Kensington Road to Wakefield Street is a far better solution. Traffic lights cause congestion and unnecessarily hinder the traffic flow, whereas an underpass would allow traffic to flow freely from the eastern suburbs into the city. Over the last couple of years, the state government have spent $60 million on a new bridge at Birkenhead, in the west of the city. But they are reluctant to spend $25 million on a roadway that has been hazardous for generations. It is unacceptable and the people of the eastern suburbs find it unacceptable. I have written to the state minister for transport to try and get the result the people of Adelaide’s eastern suburbs deserve.

The people of Sturt are also very concerned about the future and safety of our children. The government, in its justice and community safety measures introduced in this budget, is well
aware of this. As my constituents’ desire to have a specialised technical school in the electorate shows, the education and upbringing of the next generation is of significant concern. With increased traffic on our roads, the fencing of playgrounds is of paramount importance. Providing a safe environment for our children to play in should be of concern to everyone. Sturt has many playgrounds and parks but, surprisingly, very few of them are fenced. This causes many parents in my electorate to take their children to the area of Unley, or the central business district or North Adelaide, to play with their children. It seems surprising in 2004 that people still need to do that.

While the eastern and north-eastern suburbs have magnificent parks and playgrounds, parents avoid them. Why do they do so? They avoid them because they are worried their children will wander off without fences around the playgrounds. They worry that they will wander onto roads, primarily, but there are other interesting aspects. There has been a lot of publicity in recent years about sexual abuse of children. This has led parents to be highly attuned to that issue. If you have playgrounds with fences, you know exactly who is inside the playground or the park. You can notice suspicious people who do not have children with them, for example. This is very important. I am the father of three children under four, and my wife and I have talked about this issue many times. The reality is that, if you have playgrounds with fences, you know who else is in the playground; you can keep your eye on people.

The other issue is that you can keep unleashed dogs away from your children. In Adelaide in recent years there have been some very high-profile cases where children have been attacked by unleashed dogs. So I have written to the mayors of Burnside, Norwood, Payneham and St Peters, and Campbelltown asking them to review the situations in my electorate to do with playgrounds and the protection of children. I hope that they will respond in a positive way for the benefit of the families of the eastern suburbs and north-eastern suburbs.

Water is vital for survival and growth, and in South Australia it is a scarce commodity. Rhetoric about ways to fix the numerous problems of the Murray-Darling Basin has been heard for years and finally we are starting to see some action. The Living Murray, a Murray-Darling Basin Commission initiative, is about a healthy working river and what is needed to achieve this. The Living Murray implementation program, worth $150 million, is already delivering results. The dredging program at the Murray mouth has replenished the water at the Coorong, work on new fish passages has commenced and watering of stressed river red gums is under way. These are early but vital steps to restoring the Murray-Darling Basin.

The Murray-Darling Basin Ministerial Council met in March 2004 and made a number of requests to the Murray-Darling Basin Commission. These included to investigate and further progress development of infrastructure projects at a cost to the commission of $1.2 million, initiate a cooperative approach with the Snowy joint government enterprise, actively develop alliances for the provision of information pertaining to the national water initiative and progress cross-border cooperation in relation to the significant ecological assets to enable the smooth implementation of the works and the refinement of the ecological objectives and outcomes for each site.

The council has requested a report to improve the understanding of impacts such as bushfires, overallocation of ground water, climate change, growth in farm dams and the expansion of plantation forestry and revegetation so that constructive discussions with state governments and industry bodies can occur. Preparation of a new three-year strategic plan to refine com-
mission priorities is also under way. The strategy should enable the commission to most effi-
ciently deliver on its objectives. The commission will concentrate its efforts in the next few 
years on implementing the Living Murray program, continuing with salt interception and sa-
linity management, and meeting core commitments in River Murray operations and the 
Murray-Darling Basin agreement.

How these programs and projects are carried out and delivered will determine whether the 
states should continue to have the right to manage the waters of our great nation. Many years 
ago I called for a referendum to have the Commonwealth replace the states in terms of having 
constitutional power over the waters of the Commonwealth. It received some attention at the 
time and, since that time, it must be said that the states have tried much harder to improve 
their performance. They have a long way to go, as we have seen with the recent spat between 
New South Wales and Queensland over Cubby Station, an issue which people who follow the 
Murray-Darling Basin developments have known about and have been talking about for years 
and years. It is hardly a new issue. It has suddenly impacted on New South Wales farmers, 
and so the New South Wales government is suddenly interested. But issues like Cubby Station 
and the taking of water from the Murray-Darling Basin have been affecting South Australians 
for decades.

It is great that the federal government is finally getting the states to recognise the impor-
tance of the problem and to deliver on the national water initiative, the Living Murray and so 
on. I hope and pray, for the good of South Australia and Victoria in particular, that these mat-
ters are successful. In the diverse areas of health care, aged care and the support of self-
funded retirees, education, employment, technology and the environment, the coalition gov-
ernment is delivering in this budget. I commend the bills to the House.

Ms GRIERSON (Newcastle) (5.17 p.m.)—In speaking today on Appropriation Bill (No. 
1) 2004-2005 and cognate bills, I would like to revisit the government’s 2004-05 budget and 
share my personal analysis of it. For me, it broke down into eight parts. Part A concerned the 
special, one-off ‘sorry’ payments. Firstly, there was the $3,500 ‘sorry we ripped capital ex-
penditure out of nursing homes’ payment, compensating the electorates of the Hunter— 
supposedly—for the 369-bed shortfall we experience. Secondly, there was the ‘sorry we’ve 
made life so hard for carers’ payment of $600 or $1,000 to compensate the 2,500 Newcastle 
carers who struggle to contribute to the $20 billion of annual economic savings for the gov-
ernment. Then there was the ‘sorry we bungled the family tax benefits and created so many 
family debts’ payment of $600. Closely following that was the ‘sorry we made it hard for you 
to go back to work’ payment, which actually increased marginal tax rates by another six per 
cent when a second-income earner moves from welfare to work.

I have labelled part B the ‘wow, we’ve discovered women work, have babies and vote’ pay-
off. In this section, John Howard managed to drag himself out from behind that 1950s white 
picket fence, screaming, ‘Vote for me,’ and kicking his kitchen cabinet into the 21st century at 
last to introduce the maternity payment. As one of those females who make up 52 per cent of 
the population, 43 per cent of the work force and 100 per cent of those who can give birth, I 
ask: what took so long? As for child care, it is still a case of too little too late.

Part C is the ‘do not go to the front of the queue unless you can pay’ dice roll, and this is 
the part where you need a safety net to gain access to Medicare and bulk-billing, and your 
child can gain entry to university if you can afford to pay for their place. Yet one-third of
Newcastle university students in my electorate are from the lowest income families and, thanks to this budget and this government, they will pay 25 per cent extra next year. Part D was the ‘end of financial year health fire sale’. It said, ‘We’d rather provide a bandaid and a pain-killer than prevent disease.’ But for kids who do have type 1 diabetes or who are waiting for a cochlear implant, any helping hand is very welcome. Since the budget we have had announcements on the pneumococcal immunisation, which I will come to later.

I have called part E the ‘hooray for our signs’ pitch. I do encourage people to look for the Brendan Nelson billboards in stereotype, coming soon to a school near you. However, do not look for the level playing field, because this government does not fund schools on need. But hopefully some long-awaited literacy funding will help. I call part F the ‘Newcastle special’. This is the Prime Minister’s ‘you don’t get anything from me until you and the states cough up first’ part. I am grateful that, after the New South Wales government committed $5 million and the public donated $1 million, our Hunter Medical Research Institute finally got a much deserved federal commitment of $5 million. But I have told my electorate of Newcastle: ‘Face facts. Unless we keep digging deep into our pockets to add to Bob Carr’s $32 million, we are not getting one cent for our stadium from little Johnny.’

Part G is the ‘I don’t need to buy your vote’ discount. Of course, many people are in this section. This special nonpayment goes to anyone on less than $52,000 per year, pensioners, carers who do not receive a benefit, sole parents, eligible students who missed out on TAFE or university places, those who cannot afford dental care or suffer mental illness, the unemployed and anyone who would like to save the environment before it is too late. Part H I have called the ‘it’s mine’ surplus. I heard Peter Costello say it was his surplus. John Howard has said it is his government’s surplus. And, on the night the budget was handed down, I heard Hugh Morgan say that corporate Australia created that surplus. Last time I looked, that surplus was created through the sacrifice and hard work of ordinary Australians, like those 41 per cent of Newcastle families in my electorate who earn less than $840 a week. In fact, almost 90 per cent of Newcastle people will miss out on the Howard government’s tax cut because in Newcastle 89.6 per cent of people actually earn less than the $52,000 threshold for a tax cut. But they do not need to buy voters in my electorate, apparently.

In my electorate, unless you receive the family tax benefit or intend to have a baby, you miss out. In Newcastle, though, 9,380 families do receive family tax benefit A and they should receive their one-off payment of $600 per child before 30 June, with another $600 after they file their tax return. But, for a third of those families, the one-off payment will only help to reduce their debt. It would be better to fix the family tax benefit system. However, we have learnt since then that families who lodge their tax returns early will receive their tax cheque separately from their debt notice and they will not be advised of their debt notice until after 5 September. We assume the election will be held before that date.

For families with young children, child-care costs are high and often one partner works full time. Places have been provided, but they are insufficient to match the shortfall. In my electorate there is a shortfall of over 120 places in OOSH—out of school hours—centres alone. But we will now have a baby care payment, which will be welcomed by Australian women. This policy was announced by Labor prior to the budget, and Labor’s policy responsibly offers this payment in fortnightly instalments. That is because our major interest is the newborn baby and its care, not sending a ‘vote for me’ cheque of $3,000 in the mail. Helping parents to
stay in the work force does help families stay afloat and it helps the economy. We know it is a far better option than the Treasurer’s ‘work till you drop’ plan that says he can increase productivity by making people work into old age.

But let us put these family policies into context. The Organisation for Economic Co-operation and Development, the OECD, says that Australia has some of the least family friendly policies for working mothers in the developed world. Only South Korea and Turkey provide less child-care support. Australia and the US are still the only countries that do not require employers to provide paid maternity and parental leave. The OECD also found that Australia’s tax policies actively discourage women from returning to work. Taking steps to improve female participation in the work force could, it said, help overcome the problems of an ageing population. It found that full-time participation of women aged 25 to 54 in the work force in Australia was 20 per cent below the OECD average, with only Japan and the Netherlands recording lower rates. I could go on.

Families with older children studying at TAFE and university also know that the budget had very little for them. It would seem self-evident that everyone benefits from a trained, highly skilled work force but, having cut $5 billion from universities over the period of this government, the Howard government sees education and training as a cost rather than as an investment in our future. Young people without a TAFE or university education are twice as likely to become unemployed as those with a qualification, yet the Howard government introduced new laws that shift costs to students and their families. In 2005, Newcastle university will increase its HECS by 25 per cent. It will also offer students who missed out on some courses the option of paying full fees to gain a place.

But, of course, it is a university which has had millions of dollars removed from its budget. I understand that the University of Newcastle is seeking 1,350 fully funded places overall and has put that submission to the government, prioritising some particular areas for growth. The University of Newcastle does have an explicit commitment to serving the needs of the Newcastle, Hunter, and Central Coast regions and assisting in their development. Around 70 per cent of the university students there are actually from these regions—Newcastle, the Hunter, the Central Coast and the mid-North Coast—with the university recently providing some services at a site in Port Macquarie.

These regions all have comparatively high rates of unemployment. They also have low year 12 retention rates, low rates of attendance at university compared to TAFEs, low levels of bachelor degree completions and low weekly household incomes. On all these measures, the people of the Newcastle, Hunter, Central Coast and mid-North Coast regions perform well below the state and national averages. Given the socioeconomic disadvantage of the regions from which the university draws the vast bulk of its students the University of Newcastle does need to maximise the number of Commonwealth supported places that it can make available and therefore increase the number of Commonwealth learning scholarships it can offer. I hope the government can see its way to be generous when it allocates those places.

On the issue of expenditure on our schools this budget did very little but patch up the long overdue correction of funding to Catholic schools. For the first time, this year, we should all note, more federal funding is being allocated to private schools—$7.6 billion—than to state schools, which have received $7.2 billion. It is a milestone, yes, but it is certainly not an achievement. Accepting, as we do, that private schools are entitled to some measure of public
provision is not the same as saying that public support for the schools attended by the great majority of Australian children should be allowed to wind down but, unfortunately, that is what we are seeing. The consequence is that more money is actually being given to the schools that need it least. The shrinking of support for public education is contributing to a perception that state schools are second rate. Perhaps that is what the government desires, but that would be an absolute travesty of generations of hard work by the people of Australia.

Education is not a form of welfare and should never become one. Access to a quality education is what makes equality of opportunity possible, which is why Australian governments should remain committed to the maintenance of a public school system that provides opportunities to all children regardless of their religion, ethnicity or family income. Once state and federal governments cease accepting that this is their primary obligation in education spending then the quality of our democracy is certainly under threat. The funding of other schools should flow from the acceptance of that primary obligation. If that primary obligation is fulfilled then independent schools ought to have access to public subsidy on the basis of need. Unfortunately, that is not what we have seen in this budget.

When it comes to health, in my electorate the issue that is raised daily by my constituents is the cost of health care. In fact, in a survey I did last year where people had to send in their responses, over 1,200 people and over 40 GPs responded. The budget does not do anything but set up a Medicare safety net for a few, and it is certainly taking health care down the path towards a welfare health system when what people really do want is a universal health care system that is accessible and affordable for everyone.

In my electorate, we have had a GP after-hours access service for 10 years. It was so successful—and the government did assist that pilot—that it has been extended to four different public hospitals in the region, but we recently saw our health minister, Tony Abbott, say that our model—even though it has worked so well for 10 years—is a luxury model and that the government cannot fund it to that level anymore. Basically, he muscled up to one state and got them to cave in to a lower price, so apparently everyone has to do that. The reality is that the after-hours GP access model that we use provides assurances and security for doctors and a triage system that certainly works for patients. It also gets the support of doctors that work in it. Even Professor Marley at the faculty of health at the University of Newcastle commits to this service. That is the sort of support it gets from our GPs, which is why it has been working for 10 years—that is, because our local GPs sign up to it. It is not a luxury model; it is one that works. We also saw in this budget nothing for mental health, which is an appalling continuation of the underfunding of mental health—probably the one issue that everyone in Australia is touched by and that can make one feel totally helpless and powerless in addressing.

Our concerns about aged care continue. One-off payments of $3,500 do not match capital grants and they certainly do not match no-interest loans that should be made available. In my electorate we have had no new beds allocated since I became a member of parliament—and we are not talking about phantom beds; we are just talking new beds. The reason for that is that, really, no-one can make those beds pay. Inner city land costs are becoming higher so aged care is being pushed out to more affordable areas. Of course, for you, your family and your loved ones, that may mean a great separation of partners and much hardship to families. So we were very disappointed in my electorate at the lack of money for aged care.
Post the budget, we do see a catch-up policy by Tony Abbott trying to beat that election
deadline by putting all those little plugs in the dyke before the election comes. Finally, we did
see some funding for pneumococcal vaccine, which is long overdue. It was recommended in a
report back in September 2002. That was a long time ago and too many families have suffered
through that delay. Now we do call on the government to also fund polio and chicken pox
vaccines. In my electorate, it was very good to see the Hunter Medical Research Institute re-
ceive its commitment of $5 million. It has waited a long time and is the only regional health
and medical research institute in Australia. It coordinates the work of 350 researchers working
in six programs at six sites with wonderful links between the university and Hunter Health. I
do congratulate them and thank the government on their behalf.

Let us have look then at the government’s overall record. I guess this government has the
philosophy that, if the economy is strong, everyone will be looked after and that, if the rich
are doing well, it will eventually filter down to the poor. It does not work. Let us look at the
record at this stage. With regard to the cost of living, we have just had that wonderful report
that says that the cost of living grew faster in Australia in 2004, in the 12 months to March,
than anywhere else in the world. We just cannot get away with blaming it all on the rising dol-
lar during that period. We have to acknowledge that the lack of services provided by the gov-
ernment at the cost of the electorate has certainly cut into our quality of living.

When we look at the current account deficit we find that Australia’s current account deficit
climbed to $12 billion in the first three months of this year. The current account obviously
shows we spent $52.4 billion on imports but earnings from all exports reached only $44 bil-
lion, so we certainly have to do some economy strengthening and some building in our export
industry.

In terms of economic growth, we have seen the economy actually slow to a crawl in the
opening months of the year amid a cooling housing market and lacklustre exports. The na-
tional accounts show the economy expanded by just 0.2 per cent in the March quarter, down
from 1.3 per cent in the previous quarter. It is actually the lowest in more than a year and well
below everyone’s expectations. However, our economic growth in the past year or so has still
been dependent domestically on an inflated housing market and our exports have still been
dependent on our farm and quarry ability. It is time we moved past that. We do need to con-
sider the future and make sure there is some real investment in diversifying our economy and
improving our infrastructure so that we really can keep competing in a globalised economy.
In terms of youth unemployment, the government would say, ‘Gee, employment is looking really
good.’ Let us have a look at that claim. As I said before, in my electorate 28.9 per cent of
youth are unemployed. In that last quarterly employment announcement, we saw that part-
time jobs were actually reduced by 42,000, with half of those job losses hitting young Austra-
lians. It is certainly not good enough.

Let us get to that private debt—with bank fees of $8.7 billion in 2003. What a waste. What
a waste of potential for this country. We have a credit card debt that we have never seen be-
fore. I think we have perhaps finally reached that economist’s nightmare: welcome to John
Kenneth Galbraith’s nightmare of private opulence and public squalor. That is indeed the path
we are heading down. We also have seen our hard-earned surplus reduce dramatically. There
has been lots of expenditure on votes, but hard infrastructure capital has been sold off or al-
lowed to deteriorate. Soft capital—in the form of public education, health, science and envi-

MAIN COMMITTEE
ronmental spending—has certainly failed to keep up with community needs, yet taxes and charges have increased. We have seen public debt reduced—yes, the government has reduced its debt. But, as I said, private debt has increased, rising from 80 per cent of household disposable income in 1996 to 140 per cent of household disposable income now. There is not much left, really, is there? This year, fortunately, the Australian public do have a choice. They get to choose between a government that squanders our future opportunities for short-term election gains and a Labor government that has a plan not for the election but for our nation’s future.

**Mr ROSS CAMERON** (Parramatta—Parliamentary Secretary to the Treasurer) (5.37 p.m.)—I am pleased to speak on the Appropriation Bill (No. 1) 2004-2005, if only as a signal that the speech of the member for Newcastle has drawn to a conclusion. The member for Newcastle, who no doubt has gone into public life for all the right reasons, is, nonetheless, wedded to such an image of gloom and darkness that one feels ready to bang one’s head against the wall in the hope that it will all come to an end. I am, however, looking forward to the remarks of the member for Ballarat who has a certain brightness and optimism. Frankly, it will be a refreshing change from that last liturgy of despair, that litany of negativity, that unvaried diet of gloom and doom. The member for Newcastle seems to have the view that political leadership involves presenting the world as being on its absolute last legs and that the nation is facing imminent self-destruction as a consequence of the incredible profligacy and irresponsibility of this greedy, uncaring and wasteful government.

Madam Deputy Speaker Corcoran, I am pleased to provide you with some relief from that litany of despair. In fact, there are many things that Australians can be thankful for, some of them derived from the leadership of this government. This is an imperfect government. This is a government which has made mistakes. This is a government which could do better in some areas. I will give you the analysis of the OECD, the Organisation for Economic Cooperation and Development, of the developed economies of the world. I will give you the OECD’s analysis of Australia’s performance under the leadership of the Howard government:

Dogged pursuit of structural reforms across a very broad front, and prudent macroeconomic policies firmly set in a medium-term framework, have combined to make the Australian economy one of the best performers in the OECD, and also one notably resilient to shocks, both internal and external. Incomes growth has remained brisk, employment is expanding, inflation is under control, and public finances are healthy.

It also said:

The Government’s commitment to reform, its willingness to commission expert advice and to heed it, to try new solutions, and to patiently build constituencies that support further reforms, is also something that other countries could learn from.

That is not a bad report card from an objective, impartial, expert third party, looking at the Australian situation. The OECD is saying that our great gains in productivity, our ability to lower marginal income tax thresholds and our capacity to massively increase support for Australian families have happened not as a consequence of good luck but as a result of ‘dogged pursuit of structural reforms across a very broad front’. You would have to say that, in relation to an opposition that has fought us tooth and nail, all of that would be at risk if the Australian people were to take that huge leap of faith. No doubt Sir Humphrey would whisper in a voter’s ear as he walked into the polling booth, contemplating a vote for Mark Latham’s La-
bor, ‘A very brave move, indeed, sir.’ It would be a very courageous move to place the destiny of the nation in the hands of the former mayor of Liverpool. I did not intend to make a really partisan speech on the appropriation bills. In fact, I intended to steer completely free of remarks directed towards the imminent poll, but I was provoked by the excesses of the member for Newcastle, who just tested my credulity to such an extent that I felt under duty to respond.

I want to talk about some of the things that this budget does not do. I would like to talk about some of the things that I wish we could have done. I want to start from the principle of economic strength and economic strength creating options. During the Second World War, if you look for that moment at which the hinge of battle turned, what was the great decision which really determined whether the Axis or allies would win? I suspect it would be Hitler’s decision to bomb Pearl Harbor. He would look back upon it with his generals in council and say, ‘It was a grave error to wake the sleeping dog.’ In fact, what we then saw was the President of the United States commission the CEO of Chrysler Corp. to build the Liberty ships. He said, ‘We’ve got to build the Liberty ships faster than the German U-boats can sink them in the battle to control the Atlantic.’ The shipping passages of the Atlantic supplied munitions and men in both directions. The whole might of the American economy was mobilised and put on a war footing. In the end, it was the industrial power of the United States which repulsed the Nazis, the Japanese and their allies.

We have just witnessed the passing of former President Reagan. He was a leader of mixed reviews, but he is certainly one of the most loved recent presidents of the United States and many commentators believe the most influential since the Second World War. Reagan tore up the historical doctrine of détente—much to the shock and alarm of observers, particularly those of the left who regarded this as a most retrograde step—and committed the United States to a pretty active arms race with the former Soviet Union. He said, ‘I’m prepared to back the strength of the American economy to outlast the Soviets.’ In fact, that is exactly what happened. The Soviets simply could not match the strength of the American economy in the arms race that ensued.

Ronald Reagan, of course, like Prime Minister John Howard and his Treasurer Peter Costello, also presided over massive marginal tax rate cuts, but he did so against the background of the strength of the economy. We have options like significantly reducing the rates of income at which high levels of tax cut in—we had the option to return something like $15 billion of taxes to the Australian people in this last budget—because we have a strong economy. We have that option because company profits have massively increased even over the past 12 months, flowing through, we suspect, from the reductions in company tax rates that began with the introduction of the new tax system. We have seen our capacity to give $19.2 billion in family payments and $14.7 billion in marginal tax rate reductions, while still having a $2.4 billion cash surplus. That is a consequence of this economic strength that the OECD referred to. The OECD referred to this capacity to resist external shocks. It says the Australian economy is one of the best performers in the OECD, and also one of the most notably resilient to shocks, internal and external. These are the things about our future that we cannot really predict.

The war on terror, in a sense, came out of left field. It was not a contingency that perhaps we would have really made preparations for—that a government of either political persuasion, ten years ago, could have understood would have the place that it is currently occupying in
the life of the nation. But we are in a position to very significantly enhance our defence, intelligence and national security capability because we are running a strong economy. Can you imagine what it would be like if we had to make the kinds of expenditures we are making today on defence and national security in the environment of persistent national deficit and growing debt?

I well recall what it was like, when I was elected in 1996, to find the Commonwealth debt at $90 billion—the inherited debt from Labor of $90 billion—which was growing at a deficit of $10 billion a year. Can you imagine the options you have when you have simply lost control of spending because you are philosophically locked into a view that says the solution to every human problem is the creation of another bureaucracy and another spending program, where no minister in the cabinet is capable of any kind of restraint or discipline, where it is in effect a competition to aggrandise oneself by ever greater spending programs and ever louder press releases proclaiming one’s humanity and commitment to social justice, while at the same time the economy goes down the toilet?

We are now saving $5 billion a year in interest payments because we have been able to reduce Labor’s debt from $90 billion to $29.7 billion. We have cut it by two-thirds, plus we have taken out the $10 billion a year overspend. This is a stunning achievement, and this is the kind of achievement that creates options for a country. It creates choices. So when we are sitting around now trying to work out whether to try and alleviate the burden on middle-income earners paying high rates of marginal tax, we can turn around and put $15 billion on the table without going into deficit. When we say, ‘What are we going to do to encourage Australians who are bearing the cost of children, so vital to our future?’ we are in a position to look the Australian people in the eye and put $20 billion on the table without going into deficit. I cannot remember the last time a Labor government was in that position.

So what are the options that I would like us to be able to have in future? What are the things we have not done that would be good to do? I would like to see us fundamentally reform Commonwealth-state relations. I think after 100 years of federalism we are seeing dysfunctionality in a number of areas of government policy, which could be resolved if they could be lubricated with perhaps a higher level of funding commitment from the Commonwealth—if the money was there to do it. We do not have that magic bullet solution at the moment. I would like us to try and find one. I think Australia would be more productive and more competitive if we could create a compact between the Commonwealth and the states for the next century that reflects the fact that we no longer function as separate colonies thrown together by our Constitution but as one nation facing the world. I would like us to be able to make a difference in Commonwealth-state financial relations.

Looking at disabilities, every year this government has increased its commitment through the Commonwealth-state disabilities agreement and directly through the payment of the disability support pension to some 600,000 Australians. But I would like us to be able to do more. When I look at the ageing of the carers of Australians with profound physical and intellectual disabilities and I see those carers—the parents in most or many cases—getting old and frail themselves, in part because of our stunning success in the medical sciences and our ability to keep alive and provide some quality of life to Australians with significant disabilities, the question is: who is going to care for them when their parents are no longer able to? As we look to the future, we probably need to find a way to build some several thousand group
homes that would be staffed for 24 hours a day. I have a handful in my electorate—maybe half a dozen—but the competition for places is very, very great.

This is fundamentally an area of state government responsibility, but the states are patently saying, ‘We are either unwilling or unable to solve this problem.’ I do not want the next generation to sit around pointing the finger at one another. I want us to find a way to solve this problem. I want those ageing carers to know that the future of their children, whatever disabilities they may be living with, is secure, and at the moment I do not feel that that is the case. I would like to see us building up capital reserves that might be available to fund this roll-out of social infrastructure over the next generation. We can only do that if interest rates remain low, if taxes continue to come down, if governments continue to exercise restraint, if we continue to repay debt and if we continue to shed the interest burden that we inherited. Then we have the option to do these things which we are not yet doing.

We turn to the economic sphere. The earth is now being circled by a plethora of satellites. If you get out into western New South Wales—Dubbo and the surrounding properties—you are able to look up and occasionally see a falling star, but more often you will see a satellite. This is a great thing for mankind. The evolution of global positioning systems that can tell a ship’s captain exactly which square metre of ocean they are passing is a great thing for our efficiency and is delivering many benefits to the world. But if I asked you how many of those satellites have been launched from Australian soil, you would have to confess that the answer is zero. And while we have looked, for example, at Christmas Island as a possible base for the launch of satellites, the truth is Australia does not really have a developed aerospace industry. I wish we did. When a young Australian grows up with a passion to be an astronaut or an aerospace engineer, he or she inevitably has to leave Australia and go somewhere else because we have not had the capital strength to produce a domestic aerospace industry.

When I look at the environment, for example, I reckon there has to be a solution out there to the problem of European carp in our river systems. I do not know how to fix that problem, but I bet if you spent enough money on it you could find a way. I would like to see the restoration of Australia’s native fish throughout our river systems. In the same way, if you look at things like the foxes, the rabbits et cetera—the feral cats that are destroying our native birds in the Cumberland forest in my electorate of Parramatta—these are problems which are capable of being solved if the resources are available. If you look at what the crown-of-thorns starfish is doing to the Great Barrier Reef, I want to be able to look my kids in the eye and say, ‘We did what we could to preserve and strengthen the Great Barrier Reef.’

These are massive spending needs. The only way that we can create those kinds of options for ourselves is if we continue to run a strong economy. Apparently, according to a report I saw today—and I have no reason to doubt it—Sydney has risen in the world rankings of cost of living from the 20th most expensive city in the world to something like the sixth most expensive city. This, I understand, is a consequence of the massive increase in property prices which we have seen over the last three to five years. That is fundamentally a good problem to have because it means that we are attracting people and economic activity to Sydney. People want to come here. There is intense pressure for residential places and people are willing to pay more and more in keeping with the usual law of supply and demand. But it does mean that we have to be vigilant about creating the sort of environment where we are able to attract
to Australia the best talent in the world—the best managerial, scientific, commercial and academic talent. So we have to keep pushing down marginal rates of income tax.

I look at the fact that we have now mapped the human genome—there are 40,000 genes and we know what every single one of them does. That is a stunning achievement when, just 100 years ago, the Wright brothers were for the first time at Kitty Hawk solving the problem of heavier-than-air flight. As I rise today we have the satisfaction of having solved the riddle of the human genome. That is going to produce a body of data which will drive even greater breakthroughs and achievements in the areas of health, quality of life and life expectancy. The question is: how much of that work is going to take place in Australia? Are we going to be a part of the action and in the middle of it or are we merely going to be a subsidiary secondary get-the-leftovers user of that technological development?

In order to make sure that we are at the centre of it, we have to continue the job which this government has been doing over the last eight years. We have to continue to get that kind of report card from the OECD. We have to continue to generate surpluses instead of deficits. We have to keep the pressure off the capital markets and off higher interest rates. We have to attract the world’s best talent to this country and keep reducing marginal rates of income tax. We have to maintain fundamentally a set of values which is creating options for this country in terms of both our ability to exploit opportunities and our capacity to resist unexpected shocks.

Mr JENKINS (Scullin) (5.57 p.m.)—Whilst I might not agree with a lot that the parliamentary secretary to the Treasurer contributed to the debate on Appropriation Bill (No. 1) 2004-2005 and cognate bills, I think he was right that this should be a discussion and contest of ideas. In the run-up to the election I think that is something that we should see. We should endeavour to look at the problems that confront Australia and try to explore the solutions and the way in which we can achieve positive outcomes.

In his reply to the budget, I was greatly heartened that the Leader of the Opposition announced a commitment for federal Labor towards a Youth Guarantee. When I heard those words on that Thursday night, I could think of a local project in the city of Whittlesea that is a model for the type of success that we could see under a national Youth Guarantee program. Therefore, I was heartened when, on the following day—Friday 14 May—at a local ACT high school, the Leader of the Opposition along with the members for Grayndler and Jagajaga announced the Youth Guarantee policy in detail. Mark Latham made comments about the work of the Dusseldorp Skills Forum. In particular, he noted, ‘I was first exposed to their work when I visited Whittlesea—which is in the northern suburbs of Melbourne—and they explained to me the basis of the Youth Guarantee: the learning or earning strategy—no third option. Let us provide the opportunities for young people to do productive work and training. The youth program at Whittlesea has been a success and I know that the Dusseldorp Skills Forum have tried to establish in my own region, Macarthur and south-west Sydney.’

When the honourable member for Werriwa was doing a sabbatical on the back bench of the federal opposition, he visited the city of Whittlesea and saw how the Whittlesea Youth Commitment worked. I have had the opportunity over the years since that visit to discuss the success of that program with the Leader of the Opposition. He acknowledged that he was impressed with those who had worked in the program, with the way in which they had set up the program and with the outcomes the program had achieved. So I think it is worth while look-
ing at the Whittlesea Youth Commitment and the way in which a local community, with some assistance from an organisation such as the Dusseldorp Skills Forum, has been able to put in place a program that is doing a lot of good work for the young people of the community.

In 1998, the Northern Area Consultative Committee commissioned NIECAP and RMIT to undertake a research project to investigate the impact on young people of the Youth Allowance. The project identified a lack of connection between agencies working with young people and also indicated that, once young people leave school, no agency is responsible for ensuring that they receive assistance in accessing further education, employment or training.

Later in 1998, a number of key stakeholders in the city of Whittlesea met. The Dusseldorp Skills Forum talked about new research commissioned by them that showed that, across Australia, significant numbers of young people were not in work or education or were in part-time work with no training. They showed that 70 per cent of those at risk of long-term unemployment were early school leavers. The work undertaken by this original Youth Allowance project showed that 35 per cent of students leaving school without completing year 12 in the city of Whittlesea had no known destination. They left school and then disappeared off people’s radar screens without people knowing what their futures would hold. These original stakeholders included the City of Whittlesea—which has been a very great supporter of the Whittlesea Youth Commitment—secondary schools, one of the Job Network providers, the local TAFE and a number of major employers. They have worked together to develop a local community response to these issues.

In 1999, the stakeholders together with Dusseldorp Skills Forum endorsed the Whittlesea Youth Commitment Spirit of Cooperation Agreement. So all the stakeholders signed up to work together. The objectives of the Whittlesea Youth Commitment were to provide an opportunity for young people to complete year 12 or equivalent; to develop new learning, training, employment and further education options; to explore new work placement options—work opportunities, skill development, community support; to establish a school community based mediating structure; to develop and customise the curriculum provision by schools and TAFE; and to develop innovative and collaborative arrangements between the key stakeholders. So this was a pretty big undertaking. A number of things were tried. Some of them did not work, but a number of them were very, very positive and did a lot to make sure that the young people of the local community were again being engaged with things that were happening.

In 2001, a review undertaken by the Asquith Group indicated that the Whittlesea Youth Commitment had demonstrated that the value of developing these collaborative approaches can bring a form of shared responsibility for creating change. Therefore, the Whittlesea Youth Commitment illustrates that this is not just somebody’s problem; it is everybody’s problem and therefore we have to seek a partnership between everybody who has a responsibility. At the end of the day, one of the things that interests me in the way in which we are developing national approaches is that we recognise that the best way to deliver these national approaches is to empower people in the local area and at the local level to actually go out and do it and achieve. This is a great illustration of that. The opposition are making the commitment of a youth guarantee because we say that the federal government has a very important role.

The Asquith report in 2001 indicated that the achievements of the Whittlesea Youth Commitment were already significant, and that was really only a couple of years down the track.
The benefits for young people in Whittlesea are real and can be demonstrated. The Manager of Family Services at the City of Whittlesea is quoted in this report as saying:

The Dusseldorp Skills Forum’s research made sense of our local situation, and was the catalyst to bring it all together.

We cannot underplay the importance of a whole host of partners coming together, of people having that research background and an understanding of what is happening internationally. If we are going to have a contest of ideas, let us not retreat, as we so often have over the last few weeks and months, to saying, ‘Somebody’s pinching ideas.’ It is not a matter of pinching ideas; it is a matter of analysing the work that is being undertaken, deciding on what approaches actually work and adopting them as policies that we can implement at a national level.

In a critique in the Age on 27 May, under the headline ‘At last, a good idea to help kids stay at school’, Kenneth Davidson made some interesting comments. He analysed a proposal being put to the Treasurer in the run-up to this year’s budget by a group which included the Business Council of Australia, the Australian Industry Group, the Dusseldorp Skills Forum, ACOSS, the ACTU, the Australian Council of State School Organisations, the Australian Secondary Principals Association, the Smith Family and Jobs Australia. This group of nine took the view that the background problem is that in Australia less than 80 per cent of Australian young people achieve year 12 or equivalent qualification through either school or post-school VET, vocational education and training. Compare this to 88 per cent in Canada and the US, 91 per cent in Germany and 94 per cent in Japan. They are the outcomes that we really need to achieve.

Referring to a model prepared for the Dusseldorp Skills Program which the group put to the Treasurer, Davidson said:

... the present-day capital cost (over the working lives of these students) of both the individual income loss and the social cost of this failure to complete schooling to year 12 is $74,000 in 1999 dollars. This means the cost to Australia of one year’s early school leavers is an estimated $3 billion.

For those nameless bean counters in the backrooms who always want to put a dollar value on it, at least this group attempted to do that, to indicate that there was every reason for making an investment in programs that will make some return. The real issue is that, because of health problems, social consequences—the way in which people can end up being part of the criminal element—and other disadvantages that can occur, we need to make the investment in our youth and ensure that they get the greatest opportunity.

There has been some criticism that by adopting the phrase ‘learn or earn’ in some way we are punishing disadvantaged young people, as if it is their fault. Certainly not. I think this is actually an attempt to get back to a better definition of mutual obligation. The government and, through the government, the community have an obligation to ensure that opportunities exist. Then we can have a mutual exchange where we can ask that people who are being provided with opportunities do the right thing. But until we have a commitment at a government level, why should they?

The experience of the Whittlesea Youth Commitment was that not only was there not a dialogue going on but, because nobody accepted responsibility for the way in which young people found their way through the existing structures, young people disappeared. This is not a criticism of schools, but when the school leaver leaves, that is the cut-off of responsibility.
That is okay for those who go on to university, further TAFE or straight into employment, but the point of the original discussion of youth allowance in the local area was to help those who are lost to the system. It was proved that people were not even picked up through the Centrelink system. One of the great things about the Whittlesea Youth Commitment is that they have been trying to ensure that young people understand that they can be engaged. There is no longer a real need for them to think that, because they have not achieved or because there is no recognition of the problems that prevent them from getting real outcomes, in fact nobody cares for them.

One of the exciting things that the Whittlesea Youth Commitment has gone on to do is the youth voice project. That was simply sitting down with the young people, the early school leavers, as a group of stakeholders and trying to understand why it was that they found themselves in that situation and what their relationship was to the way in which the community was providing opportunities—or, more importantly, not providing opportunities. If you look at the reports about Whittlesea Youth Commitment, this task is not an easy one. This is very much the work of the transition brokers that were employed and the way in which they had to tackle issues and work hard to engage with the young people to make them understand the list and range of opportunities these young people had.

Some of the outcomes and the routes that young people have taken have been very interesting. Some have been encouraged to try forms of part-time employment with a training element, to get them exposed to the world of working. After that experience, they have seen the value in returning to more formal education, because they understand the range of options that are open to them in employment is made much greater if they continue down that path. I think the most important thing here is that we need to understand that there is great value in our young people and we need to give them a raft of opportunities to enable them to go forward. In the report in 2001, one of the workers with Whittlesea Youth Commitment is quoted as saying:

Many young people rely on our major community institutions to provide a supportive framework for them to achieve, and to make mistakes, and to start again as they establish themselves as active, independent citizens. This, in fact, is our key goal in the Youth Commitment. The rest, the passport, the Agreement, the working groups, the brokers, are means to that end and when they are redundant, they should go. We have to focus on that goal. Developing the capacity of young people to be active, independent citizens acting on their own behalf and wanting to contribute to their community.

My emphasis on this local group is because, when we put in place the youth guarantee—and I am sure federal Labor will get that opportunity towards the end of the year—we have to recognise that the best way of doing that is to engage in local communities about solutions that they think best fit the people that they are dealing with. Whittlesea Youth Commitment is a great example of that. Many of the things that spin off not only internally in Whittlesea Youth Commitment are on the basis of the lessons that have been learnt over the six years. Many of those lessons have been shared with groups that have started in other places. We should acknowledge the extent to which this has attracted federal funding. But I think we have to understand that this is a platform where we really have to ensure that young people can understand that they are valued and that the way in which, in the past, they have believed that they have fallen through the gaps in these community and governmental institutions need not be the case, by ensuring through cooperative efforts of not only schools but other local agencies that that is improved.
The comments that are made in the opposition’s second reading amendment to Appropriation Bill (No. 1) 2004-2005 illustrate something when we look at the area of education and training. It emphasises that, under the youth guarantee, we would be funding TAFE places for those young people in secondary schools to do the sort of transition work that is available. We say in the second reading amendment that we condemn the government for failure to deliver crucial services, including funding of VET in schools, so that young Australians can either learn or earn. Our second reading amendment goes on to talk about ensuring access to higher education without excessive fees or increasing student debt levels. This is another problem we see locally. One of the last universities in Victoria to decide its view on whether it would be increasing its fees was RMIT. RMIT has a campus in Bundoora. It is actually the only university to have a campus in the city of Whittlesea. They decided last month that, from 2005, they would jack up their fees by the 25 per cent allowed. So the story in Victoria is that nearly every major Victorian university has declared that it will increase fees by the 25 per cent—except Swinburne, which I think is increasing them by 15 per cent.

The real problem there—as I have alerted the House to in other contributions—is what happens when people in areas like some of those in the electorate of Scullin come to make decisions. I know the HECS system is that people pay off their HECS debt when they get to a certain salary or income. But we have to understand that there is a mindset that looks at HECS as being a debt that people carry into their working life. The background of families in some areas of Scullin would indicate to those people that this is a decision that they have to take before actually embarking on tertiary education. And it is an impediment. People in government may not think it is, but it is. This is taken into account in decisions about the future of young people in the areas that I represent. That is my greatest concern about the way in which we have evolved HECS well beyond the way it was first envisaged.

Yet again I go on record about this. I had some qualms when the party that I am a member of, while in government, embarked upon HECS. Minister Dawkins at the time used the electorate of Scullin as being illustrative of areas that would be helped by HECS because, at the time, the electorate of Scullin had the lowest percentage of university graduates in it. Of course there have been increased opportunities made available for tertiary education, but the test of whether HECS has achieved what it set out to do is whether those places have become available for students from disadvantaged areas or continue to be disproportionately available for those from advantaged areas. An analysis by postcode of those sorts of figures indicates that we still have a long way to go to level the playing field and to get away from that tyranny that Barry Jones described, whereby people’s opportunities are dictated by their postcode.

But, in the contest of ideas, things like the youth guarantee are out there on offer in the marketplace in the name of the Australian Labor Party. I am quite proud to say that that is the situation. We have identified an area of concern and put in place and costed a program that will achieve an outcome that will be of great benefit not only to local communities but to Australia as a whole. (Time expired)

Mr LEO McLEAY (Watson) (6.18 p.m.)—The Appropriation Bill (No. 1) 2004-2005 and cognate bills are the government’s last desperate attempt to get the electors onside before the next election is called. It is very obvious what the government is trying to do. It is offering inducements to voters to stick with the good old coalition, which will give you back little

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handfuls of cash—that is if you are lucky and you meet the eligibility criteria, of course—in exchange for your electoral support.

Well, it seems to have backfired a little on the government. Not everyone has taken the budget goodies as eagerly as the government had hoped. There is some healthy scepticism around. Perhaps the general public is starting to question the rhetoric of this government’s spokespeople a bit more critically than it has in the past. Perhaps people have got sick and tired of this government saying one thing and doing another—John Howard’s famous ‘core promises’. Perhaps people have woken up to the fact that so often this government has promised some wonderful benefit for all which has proven down the track to be of benefit for the few rather than for the many.

I for one am glad that the general public is not as gullible as the government would like it to be. After eight years of this Liberal-National coalition, voters are realising just how hollow their promises are. Take the much-acclaimed tax cuts, for example. What we have here are tax cuts for the more well-off, not the needy. I agree with the commentator who said, just after the budget measures were announced, that the cuts would make no difference to the rich who got them in this budget, but that they would have made some significant difference to the less well-off had they got them. These are pointless tax cuts. They are directed towards those who do not need them.

Despite what the government and its supporters might claim, a large group of the population have been totally left out of any support from these government measures, and this is what the general population has realised. The much acclaimed tax cuts that we all heard so much about in the days leading up to the election turned out to be tax cuts for the wealthier, privileged members of society. How typical of this government: look after the silvertails, look after themselves, and let the poor and the less well off be content with being told that they should strive to better themselves so that one day they might be in a position to earn enough to be eligible for a tax cut reward.

There will be more support for young families who meet the eligibility criteria and there will be tax breaks for the well off. There will be some more investment in aged care and some other welcome health care measures that I want to say more about later. What about those in between? What about those whose taxable income is less than $52,000 a year—that is, people who earn less than $1,000 a week, which is quite a large sum of money for people in my electorate—and who do not qualify for family assistance or are not yet in the aged care bracket? These are the forgotten people. I have heard various government spokesmen say that people should be encouraged to better themselves—work harder, get promoted to higher earning positions et cetera. That is all very admirable if you are in a position to be able to do this, but, as we all know, not everyone is able to gain promotion and earn more money. Not everyone can be at the top of the tree. Life is just not like that.

A lot of self-funded retirees, for instance, would not have higher incomes. They have completed their paid working lives and many go on to do important and much appreciated voluntary work, and they are now supposed to rejoin the work force and compete with younger people for those well-paying jobs that we are all supposed to strive for. Many have worked for a very long time. Surely they should have some consideration in their retirement years. As I have mentioned, many perform valuable unpaid work in the voluntary sphere. The dismissive and sometimes flippant way that these people are often treated by the government quite
frankly disgusts me. These people are insulted by the callous remarks of those who should know better.

I do not buy the argument that it is okay because they got something in the budget last year. Every budget is different. And we are not talking about previous years’ budgets; we are talking about the current budget and the government’s blatant attempt to get certain groups of voters on side while it could not care less about others. I just hope that the architects of this budget get what they deserve. I hope the government loses the next election and that those who think it is fair and reasonable to give tax breaks to those who do not need it will one day know what it feels like not to be given a fair go, at least in their own minds.

There are a couple of good measures in the budget which I am particularly glad to see. I have long been a supporter of the cochlear ear implant program. I last spoke about the cochlear ear implants in June 2002, when my attention had been drawn to the plight of a family with a profoundly deaf son. The cost of accessing implants and the regular upgrades were considerable. I am pleased to see that at least some groups of people who are not well off are going to be provided with some funding to help eliminate the waiting list for children who need upgrades. It is a start, I suppose, but scope remains for a lot more to be done in this area.

It has always seemed ironic to me that the cochlear ear implant—or bionic ear, as it is generally known—is an Australian invention that, for once, was developed here, but it is still not utilised as fully as it could be, because there are problems with its affordability for those who actually need it. A couple of weeks ago I was interested to note a television program on which the inventor of the cochlear ear implant was a guest. Professor Graeme Clark is an amazing person; he has spent his working life on this invention. The cochlear ear implant is one of the innovations that he has come up with and he is still working on refinements to it. His inspiration in large part came from his parents. His father, a pharmacist, was deaf and his mother apparently gave him great encouragement to invent and be a high achiever.

While he has spent many years on his research as well as working as a specialist in his field of expertise, he retains a youthful enthusiasm for his work. He is still working on inventions, still looking for challenges and still achieving remarkable results. He is one of Australia’s genuine living treasures. I have known only too well what it is like to have a hearing problem because I too have one, so I commend the government for alleviating some of the difficulties that children have in accessing upgraded speech processors, and I urge the government and future governments to do more in this area.

Another budget measure that I welcome is the funding to be provided to assist users of insulin infusion pumps. Diabetes is a condition that afflicts many people. Last year I, in the company of other members, had the privilege of meeting children with diabetes here in Parliament House. We had lunch with them, and they were delightful companions. Their plight could not have been more appreciated by those of us who were at the lunch. Our hearts went out to them; they were very brave young people facing a difficult future, knowing that they were diabetic. So I am pleased that I was able to find some positive things in the budget—measures that will help children and their families—because most of the budget was unimpressive.

This government is the highest taxing government in the history of Australia. The government can wriggle and squirm and make accusations about Labor’s spending when it was in government, but, when it comes to the truth, this government—the Howard government—is
the highest taxing government that Australia has ever had. It can try to disguise itself as a
generous government by giving a minority of taxpayers a tax cut, but this remains the highest
taxing government in our history. Rather than respond to the real needs of Australians, the
government has given a few crumbs to certain groups within the community. There is no big
picture stuff here; there are just a few little bits and pieces without any coherency.

What we need—that is, what the people of Australia need—is an overall strategy with par-
ticular policies that will help advance Australia and be of real benefit to its people. Housing
costs are high; mortgage payments take increasingly large chunks from the family income;
telephone charges are increasing; medical costs are increasing; education costs are increas-
ing—in fact, everything is costing more and more. Household debt is enormous for most peo-
ple, and we have massive credit card debt in this country. This government puts forward a
budget that does nothing to reflect that it is even aware of these problems, and the government
has the effrontery to pretend that it has done a good job.

This is a tired government. It has run out of puff. There needs to be a fresh look at the
economy and the government does not have the will or the ability, it seems, to do this. The
government just thinks it can coast along, give a few little goodies to some but not all the
electors, and all will be well when the election comes around. It is not good enough, and I
trust the Australian people will see through the government’s miserable attempts to buy off
some of the voters and will show their contempt for the government at the next election. This
is a government that has run out of ideas and enthusiasm. Indeed, when you look at this
budget and the previous few, the government has obviously been content to do very little
since it was re-elected in 2001. This small picture budget is a fitting epitaph for a dying gov-
ernment.

In the few minutes remaining to me, I will just look at some of the money that was appro-
priated for the Department of Foreign Affairs and Trade and make a couple of comments
about that department’s maniac minister. The Minister for Foreign Affairs is the person who
excels only after the Prime Minister himself in trying to develop his own little variations of
wedge politics. A week or so ago, we saw on the Channel 9 news a great example of that. The
foreign affairs minister and other people in the government leaked to Laurie Oakes a story
that, just prior to the 2001 election, I visited Lebanon and—shock, horror—met with a terror-
ist, they said. They had a photograph of me on the news meeting with Sheikh Nasrallah, who
is the secretary-general of Hezbollah. You had Minister Downer, who had obviously trawled
through the department’s files on my visit, saying how shocking this was for a senior member
of the opposition—and you only ever get to be a senior member when they have something
bad to say about you, otherwise you are a little-known backbencher. Shock, horror, I had—in
their words—allegedly met with this terrorist.

Of course, what the Minister for Foreign Affairs did not tell Channel 9 news that he had
found when he went trawling through the department’s files was that, when I went to the
Middle East in 2001—and I am thinking that maybe there is going to be another shock, horror
story coming out of this as well—I visited Lebanon, Cyprus and Iran. I am expecting sooner
or later to have another shock, horror story about me, saying that I must have met some bad
person in Iran as well. The minister never mentioned that the Department of Foreign Affairs
and Trade organised the meetings that I had. When I went to Lebanon, I met the President, the
Prime Minister, the foreign minister, the Speaker of the parliament, the Maronite patriarch, the
Sunni mufti and a number of opposition politicians, including Danny Chamoun, whose father had been the President of Lebanon at one stage. I met people from the Right, the Centre and the Left. Of course, in the Lebanese parliament, Hezbollah is a major political party. You do not get a full picture of what is going on in Lebanon if you do not talk to all the players in the game. Meeting the secretary-general of Hezbollah was an important part of finding out the views of a whole range of political leaders in that country. But, as far as Minister Downer is concerned, I met with Hezbollah; therefore I visited Lebanon to meet with terrorists.

The amazing thing is that, when the government were looking at another piece of wedge politics that we had here recently, they decided that they wanted to proscribe Hezbollah. But how do you proscribe a political party that has a large following in the parliament of a country that we have diplomatic relations with? That would be like proscribing the old Communist Party of the Soviet Union or the Communist Party of China. They could not do that, so who did they proscribe? They proscribed a fictitious organisation—the Hezbollah external terrorist organisation. You cannot find them in the phone book. Nobody seems to know who they are, but the government said, ‘We’re going to ban someone, so let’s ban this organisation that no-one knows exists.’ While you have the foreign minister bouncing around like a child and saying on television, ‘Shock, horror: McLeay met terrorist,’ of course I did not. The person I met was the secretary-general of the Hezbollah political party. In 2001 Hezbollah was not a banned organisation, and at present Hezbollah is not a banned organisation. This fictitious organisation called the Hezbollah external terrorist organisation is a banned body, but Hezbollah itself is not. So you had this bizarre piece of wedge politics.

I have no doubt that I am going to see, probably in the next few weeks, some other shock, horror story from the foreign minister, because when I went to Iran I also met politicians there, and that is part of the axis of evil, if you listen to the foreign minister’s interlocutors in the US. In Iran I met the Deputy Foreign Minister, a number of clerics and a very interesting group of people. I say to Australian politicians that, when you go to the Middle East, you should visit Iran, because Iran is a country that has a group of people in parliament who have far more courage than anyone in this place has. I talked to a number of young people who were elected at the previous election. When you looked at their CVs, you saw that for political reasons they had been in and out of jail. For example, they disagreed with the mullah, so they were shunted off to jail, and when they came out of jail they went back to parliament and stood for election again. A number of these people had gone to university here in Australia. Some of them had gone to Sydney university and some had gone to the ANU. These are people who enjoyed their time here in this country, had been educated at university in this country, and said that what they wanted was to have a genuine Islamic democracy—something that does not exist in the world at present. Interestingly, it is something that the Americans seem to think that they want to create in Iraq. All we get is tirades against the Iranians, and no doubt some bad things have happened in Iran.

The thing about the Middle East is that no one individual or group has the answer to what is going on in the Middle East. No-one does. It is only by talking to everyone, or to as many groups and individuals as you can, that you can get a fuller picture. I am reminded of a time in the past when I visited the Middle East and was talking to a politician who at one stage had been hunted by the British as a terrorist because he was involved in a bombing atrocity. Bombs seem to have been the weapon of choice in the Middle East going back for years. If he
was convicted the British were going to jail him and probably hang him. Time had passed; when I met him he was a respected Likud member of the Israeli Knesset. I think in that there is a very interesting tale about what we should not be doing about the Middle East.

We should not see the Middle East through the prism of people who see the resolution to all the conflicts in the Middle East as being a crusade. When I was listening to an interview with Richard Armitage, an American foreign policy person whose views I have had a lot of respect for in the past, I was astounded to hear him talk about a crusade in the Middle East. That just shows the narrow view that he has. Someone who lived in the Middle East would remember the crusaders. The crusaders were the people who, in the Middle Ages, were going to take back Jerusalem for Christendom. They slaughtered hundreds of thousands of Muslims in doing that. For a Western country to talk about a crusade in the Middle East shows an incredible cultural insensitivity. This is coming from the fellow who is No. 2 in the US foreign policy hierarchy. He is the Deputy Secretary of State.

Instead of listening to the puerile outpourings of our Minister for Foreign Affairs and the wedge politics that people try to develop about the Middle East, and the sort of insanity that comes out of the Australian Jewish News and papers like that, we all ought to listen to all sides. Australian members of parliament should visit the Middle East. They should go and see all the political leaders there. People should not just go and visit Israel. They should go to Lebanon. They should go to Iran. They should go to the other countries in the region so that they can get a proper perspective, or at least a wider perspective, on what is going on in that part of the world. As far as Hezbollah is concerned, I think I will stick with the words of President Emile Lahoud of Lebanon, who is a Maronite Christian and a former commander of the Lebanese army. He said:

Hezbollah is a respected and legitimate part of the Lebanese people and government and is not a terrorist group.

Dr Lawrence (Fremantle) (6.38 p.m.)—The first speech that I gave as a member of the Western Australian parliament was on the treatment of those with mental illness. I had previously worked in the field of mental health research and I trained as a research psychologist—I hasten to add, not a clinical psychologist. As a former health minister during the time when the first national mental health plan was being implemented, I had—and retain—a strong interest in this area of health policy. I have often had cause since I made that first speech to reflect that the treatment of mental illness is still very much the poor relation in the health system. I said it then—18 years ago, God save me—and it is still true today. Those with mental illness are often still treated as pariahs. Many people are still nervous about seeking help because of the stigma attached to admitting that they have a mental illness. We even had the minister for immigration, now the Attorney-General, claiming that depression is not a mental illness. He fosters that sort of denial that we see in some parts of the community.

Mental illness, as I am sure we are all aware, is a source of great distress for those who suffer from it and often for their families and friends as well. It imposes a huge burden on the community as a whole. There is a mountain of research documenting the high prevalence and increasing levels of psychological disturbance in our community: depression, anxiety, substance and alcohol abuse, relationship and family problems, as well the more severe psychiatric disorders—sometimes described—such as schizophrenia, bipolar disorder and an increasing number of suicidal patients.
I believe it is vital that we as a parliament act to improve the management and treatment of mental illness by decent policy and by setting examples for state governments to follow. I think we should be aware of the fact that suicide is the fourth greatest source of years of life lost in Australia after heart diseases, stroke and cancer. It is also the 10th leading cause of death overall, increasing in importance as a contributor to our morbidity burden over recent years, particularly amongst young men.

When we examine the years lost due to disability—the so-called non-fatal disease burden—we see that mental disorders are actually the leading cause of that disability, accounting for more than 30 per cent of the burden of illness in our community. Depression heads the list of the disease burden for both males and females, accounting for around eight per cent of the total. That is extraordinary for one illness categorisation. Mental illness ranks only after cardiovascular disease in the total disease burden—that is, when you take account of both morbidity and mortality. Again, depression figures near the top of the list, being the fourth leading cause of overall disease burden in our community.

Despite the evidence on such prevalence and the personal and social costs of mental illness, treatment, early intervention and prevention measures are still not given anything like the weight that they deserve in public policy and are still being seriously underfunded. I do not blame any particular level of government for this or any particular party—indeed, some people say there is bipartisan ignorance on this issue—but I think we do need to address it and address it with conviction.

The 2003 Mental Health Council report on the performance of state and federal government policies under the national mental health plan, entitled Out of hospital, out of mind!, documented a very disappointing performance. Professor McGorry, of the University of Melbourne’s Department of Psychiatry, who specialises in working with adolescents, noted in his preface to the report:

Australia is still trying to deliver mental health services on the cheap. That is a strategy that is now, as he put it, ‘having serious consequences for our community as a whole’. The blunt assessment in the Out of hospital, out of mind! report was that current community based services which were supposed to replace hospital services—and which they recommend was a desirable goal, by the way—are characterised by restricted access. It is very difficult for people to find appropriate services. They are of highly variable quality. There is an uneven performance in the mental health services around. There is poor continuity. People are often not followed up, in and out of hospital and in and out of various programs of care. There is a lack of support for recovery from illness. Indeed, there is very little in the way of support in the community.

Any of you who have seen people with severe psychiatric illness will know that very often they end up either completely homeless or in jail. There is an increasing number of people with mental illness and substance abuse problems in jail, or they are left to their own devices in inadequate hostel accommodation. I think it is a disgrace in a wealthy community such as ours that this should be the case, but it is. In those circumstances there is very poor protection indeed against human rights abuses. When we are putting so many people with psychiatric problems in prison and failing to take account of their background and the circumstances which often lead them into crime, then we are condemning them, by definition, to abuse of lack of decent treatment and abuse of their human rights. According to the professionals, the
carers and the consumers who were interviewed in compiling the report on the National Mental Health Strategy, this does not represent a failure of policy. The words are all there and the structures are outlined—the pious intentions all written down very carefully. So it is not a failure of policy but a failure of implementation and a failure to devote sufficient resources to meet the demand. As has been pointed out, it is trying to do it on the cheap.

In 1992, the Commonwealth first became involved seriously in mental health through the national mental health plan, and Australian health ministers collectively agreed to work together to reform the mental health system because it was recognised that it was in serious trouble. They proposed do this through the National Mental Health Strategy, which was, as I well recall, supposed to deliver increased resources and a more effective and accessible system of mental health care. Following the work of Brian Burdekin, a human rights commissioner at the time, it was also supposed to provide better care and support for the human rights of people with mental illness.

Instead, as the Out of hospital, out of mind! report outlines, there is a perception of a general apathy, a lack of accountability and a lack of commitment to real change. As I said, the words are there but the actions are missing. After 10 years of the plan, they found a grossly unmet need for basic mental health services and an inadequate financial response to the existing demand, let alone that unmet demand—and let alone projections into the future. Right now, we know that over 62 per cent of people with mental disorders do not use services at all. That is partly because of the stigma that attaches to seeking such care and partly because of their fearfulness about medical treatments, particularly pharmaceutical ones. But it is also because of the very poor distribution and the cost of specialist services. This, I must say, is sadly excessively so in Indigenous communities in Australia.

The 62 per cent of people not getting help for mental disorders who are recognised as requiring medical care are often forced to depend on family and informal support, which then creates considerable stress for all those who are trying to provide care in those circumstances. Although the remainder—the 38 per cent of people with mental illness who do seek care—are getting some form of assistance, most of that is provided by GPs, who are operating under pressure and who do not have the necessary preparation professionally. Of course, the decline in bulk-billing is increasingly limiting those most basic services: as the price goes up, it is precisely those people with mental illness who are most likely to stay away and not to be afforded the care they need.

The report into the National Mental Health Strategy also exposed what I think is a considerable lack of community understanding of the current treatments available. Even if people can identify themselves as needing help, they do not know where to go. Even the officially sanctioned analysis of the strategy, which is a bit more benign in its assessment of the 10-year mental health strategy, concluded:

... more remains to be done to translate the structural changes in mental health care to real improvements in service quality and outcomes.

They added, showing a mastery of understatement:

... access to services remains uneven. Consumers and their families report ongoing problems in service quality and access to assistance during psychiatric emergencies.

I am sure many members are familiar with this, because I am sure that, like those of many members of parliament, my office is often a last resort for people with psychiatric illness...
when they are not able to find accommodation, services or treatment. That is partly because my office is reasonably close to a major psychiatric facility, but I think it is also an experience that many members of parliament have when they encounter the homeless and the people who have, in a sense, been extruded from society and not supported.

The combined effect of these deficiencies is that the majority of people with mental disorders at any time receive either no treatment at all or treatment that falls well below accepted international standards. Too often, it has to be said, that medication is then the treatment of preference, doing little more than masking the problems people confront. A busy GP is not in a position to do very much about it—and often, sadly, GPs do not refer on. In the ABS National Health Survey of 2002, it was found that nearly one in five Australian adults reported that, in the two weeks prior to the survey, they had used medication to improve their mental wellbeing—in other words, they were on some form of psychoactive medication. One in five Australian adults is an extraordinarily high figure. We know that 60 per cent of those who see their GPs for depression are prescribed antidepressants. And, as I said, sadly general practitioners do not often refer people on for further care. So qualified professional services from a psychologist or a psychiatrist are often beyond the reach of many—in the case of psychologists because there are very few funds available beyond those provided in the state systems for salaried services, and in the case of psychiatrists because the reference is not made, it is not considered sufficiently serious or the service is simply not available in a timely fashion. Access for most people to primary care, emergency care, specialist care and rehabilitation—it does not matter which category you look at—is severely limited and often unsatisfactory.

The Productivity Commission, which has been doing some interesting work in the health area, has estimated that the total Commonwealth funding for mental health for 2001-02 was $1.1 billion out of a total expenditure on health of $30.7 billion. Sounds like a lot on the face of it, but when you realise that most of that goes into psychoactive medication, it is not really so impressive. If you do the figuring, it actually represents about 3.6 per cent of the total. Other estimates put the total national expenditure—that includes the states as well—at about seven per cent of their combined health budgets.

I think it is worth reminding ourselves of the figures I quoted earlier. Mental illnesses account for 13 per cent of the disease burden. The biggest single item in the expenditure of $1.1 billion identified by the Productivity Commission was psychiatric medication under the PBS—that is 43½ per cent—followed by Medicare benefits to psychiatrists at 17.2 per cent, then mental health care by GPs at 14.6 per cent. There are some additional expenditures on psychologist services, but mainly through private health insurance rebates. Despite increased expenditure over the last decade—and it has increased—the proportion of total health expenditure directed to mental health has not shifted, as it was supposed to do under the plan. Everyone recognised that there was an inadequate proportion being spent. Most of the increases in Commonwealth funding have gone to pharmaceutical costs rather than to planned and appropriate expansions of service systems. Of course there is a commensurate failure to broaden the mix of services provided, as was envisaged in the strategy.

Similar patterns to the one I have just outlined were evident in the most recent budget, although it is extremely difficult, as members would know, to extract total expenditure on mental health or any other category of expenditure from the budget papers. The absence of any apparent interest in mental health in the government budget papers provoked SANE, one of
the organisations representing people with mental illness in Australia, to lament that there was ‘not one word, not one cent’. It is not true that there was not one cent, but there was certainly no interest in the issue. There was $112 million identified in the current budget for the National Mental Health Strategy, the National Suicide Prevention Strategy and the GP based ‘mental health: more options better outcomes’ program, compared with $106 million for the same programs in the previous budget. Here, you are really just talking about health indexation, the CPI.

It is the last of these programs—mental health: more options better outcomes—to which I want to devote the remainder of my remarks. I am indebted to one of my constituents, Dr Jillian Horton-Hausknecht, for drawing my attention to the shortcomings of this program as well as outlining some of the key arguments to me. The federal government introduced the Better Outcomes in Mental Health Care initiative in the 2001 budget with an initial allocation of $120 million over four years—sounds generous. There are three main components to the initiative: firstly, providing short courses for GPs to encourage them to conduct psychological therapies; secondly, linking mental health care professionals to GP services so they can develop shared care; and thirdly, linking psychiatrists in an advisory and supportive role to GPs, especially to assist them in dealing with patients in crisis. The last two of those I think are admirable, and I look with interest to see how they are operating.

It is the first of these components about which I have serious reservations—that is, providing short courses for GPs to encourage them to conduct psychological therapies. It is constructed so that GPs register with the Health Insurance Commission and receive six hours instruction—six hours underlined—in the conduct of mental health assessments, mental health planning and psychological therapy review. For this GPs receive a payment for attending the course and registering of $150. The second level of 20 hours provides instruction in psychological therapy techniques called focused psychological strategies. GPs are then encouraged by incentive payments and new Medicare items to undertake psychological therapy with their patients who present with psychological problems. They are to be paid $150 per patient review, up to a cap of $10,000 per year, and an MBS rebate from Medicare for each patient treated. It varies with the length of time and can be as high as $87 for those longer than 40 minutes.

Apart from diverting scarce GP resources from general health care, this program almost certainly means reduced standards of care for people treated by GPs compared with the high standards of care and competency necessary for any specialist when treating the general public. The techniques which GPs are ostensibly learning to master in just 26 hours are precisely those that clinical psychologists are required to undertake to be registered to practice: a four-year university degree, two years postgraduate study in clinical psychology and two years of weekly clinical supervision. So, six years plus two years compared to 26 hours. No disrespect to GPs, but I do not think they are that clever; I used to teach them. If 20 hours of training is all that is required to treat psychological problems, why do we require psychologists to train for six years and undergo supervision for a further two? It is like asking a GP to double as a specialist neurologist or as a paediatrician. He would not dare do it, nor would she.

Why should the high standards of professional training and clinical supervision be demanded within the medical profession for physical illnesses and set aside so lightly for mental illnesses? That is what is happening here. It is not considered important or difficult enough to
require professional skills and training. It is another example of trying to deliver mental health care on the cheap. It is of great concern to me—because I know the literature—that the government thinks that 20 hours of training in psychological therapy techniques is an adequate professional standard to master just about the full range of techniques of psychotherapy and psychological intervention. They are allowed to treat all patients with a mental health disorder, including those with comorbidity who present in a general practice setting.

A mental health disorder has been defined as a significant impairment of an individual’s cognitive, affective and/or relational abilities which may require intervention and may be recognised medically. That includes alcohol use disorders, chronic psychotic disorders, bipolar disorders, phobic disorders, generalised anxiety and adjustment disorders. I could go on—the list is very extensive. As I said, it takes professionals more than six years to master this sort of content. If you think of the training of psychiatrist, it is a similarly lengthy period. They do their undergraduate degree in medicine—admittedly, GPs do that too—and then, on top of that, they do anything up to five years of further training so that they are in a position to treat some of these very serious disorders and know what they are doing.

What is perhaps more worrying, indeed, than the 26 hours—although that is bizarre enough—is that there is actually no assessment of whether GPs have mastered these techniques or understood what was put to them in these 26 hours of instruction and retained it. There are no objective independent examinations of their skills and no requirement, as far as I can see, that they should update or improve them from time to time. There is simply a requirement that they should attend the course. In addition, whereas ethical or quality failures by psychologists and, for that matter, psychiatrists can be the subject of complaint by consumers to registration boards which know the field, it is unclear what will happen if GPs fail to assist or do this therapy badly. The person seeking help may in some cases simply conclude that the treatment is not effective and abandon what would be in skilled hands a useful intervention which could alleviate suffering. They may walk away from treatment that would assist them.

There is a further problem with this program and it is one which I have some sympathy with psychologists about—that is, the lack of equity for psychologists themselves. The profession which is the more highly qualified and skilled does not have direct access to Medicare rebates, so some patients will have little choice but to use the cheaper but less well-trained practitioner. I would have to say that applying the same funds to treatment provided by clinical psychologists would not cost any more and would immediately replace what must be substandard care with the highest quality professional health care.

It is sometimes argued that GPs are better able to provide non-stigmatising care which does not cause people to become alarmed—they may be worried that they might seem crazy if they seek help from a psychologist. But this is not a reason for denying skilled care. If it is a problem, GPs can help by defusing anxieties and making appropriate referrals. I think it is time that we stopped treating mental illness on the cheap and that we recognised that these serious problems cause so much personal distress and cost to the community that they should receive the highest standard of professional attention, not just second-best.

Ms HOARE (Charlton) (6.58 p.m.)—I rise to speak on the Appropriation Bill (No. 1) 2004-2005. No Australian will be kidded by this budget. A record $52 billion is to be spent over the next five years, with $6 billion of that to be spent before the federal election later this
year. I would like to refer to two immediate reactions in my electorate. The first was a call from a man with a young family. He has one child. He earns $250 above the $52,000 for the income tax cuts, so his benefit from the income tax cuts is 50c per week in tax relief. However, he is worse off because he studies. The GST exemption on textbooks has been lifted, so now he has to pay more for textbooks as well as increased university fees. His family does not qualify for any part of the family tax benefit. Another reaction came to me via a letter written to the Treasurer. My constituent writes:

Dear Mr Costello,

I looked forward with great anticipation to your Budget Speech. Unfortunately words cannot describe the disappointment I now feel. There is absolutely nothing to recommend it to anyone in my position. I am retired, on a disability pension and am single, living alone.

She highlights a few of the problems and asks the Treasurer to solve the current dilemma that he has not addressed. She says her income is $230 per week, ‘... it is way below the poverty line. I worked for 40 years and paid my taxes regularly yet here I am!’ She says that every time she steps out of the door she pays 10 per cent tax. She does not have a carer so she has to pay full fare every time she needs something done. She still has to pay all utilities, even though some give a discount. She says it still costs the same for one person as for four to sit in the lounge room and watch television. My constituent takes a minimum of 12 tablets per day to keep her alive, and not all of these are on the PBS. Any additional health or independence support is also not covered—for example, pressure stockings, toilet rail and mattress support. Not even pain killers are covered. She says to contemplate starting a family at aged 60 to benefit from the package does not bear thinking about. She has gained 30 kilograms in weight from medication, so has had to replace her total wardrobe. She has companion animals as this is supposed to assist her in maintaining her health. Last week, she writes, they cost $200 for the annual check and medication. The outline of her major costs this year—2004—are as follows: insurance, rates, electricity, water, car and medication, $2,847.00, and her income has been $4,655. This leaves a grand total of $1,808.00 for any daily living expenses such as food and any other incidentals such as car wash. She writes:

I have not eaten at a restaurant in years, I do not eat take-away, I do not go to the movies ... so my weekly funding amounts to $90.00. I have not worked out how I will pay for the sewerage problem I am currently having.

She writes to the Treasurer:

As you can see, I need some expert advice, and as you are the expert, I would greatly appreciate your budget for me by return post given that all the utilities are now due again. The alternative of course, is to stop all medication and painfully drop off my perch, as I must admit it is becoming too difficult to keep going with the situation I have just described.

I initially will go to the family tax benefit issue in this budget. Since the introduction of the family tax benefit system, I have received many inquiries from constituents who have received letters from the Family Assistance Office advising them of family tax benefit and child-care benefit debts. Debts have occurred due to the change requiring families to estimate their income a year in advance. When families lodge their tax returns, a reconciliation occurs and this compares the benefits paid throughout the year to the actual family income. Debts occur when there is an increase in earned income, an increase in maintenance income, a non-custodial parent claiming shared care or a dependent child earning more than the permissible
child earnings. Families may have accrued debts even if they advise Centrelink or the Family Assistance Office of all changes in earnings. Due to the nature of the income test—which averages income over the entire year—the reconciliation may calculate overpayments, or debts, for parts of the year when income was below the average and family payments were higher.

As a result of the difficulties associated with the payment system, certain families have been at particular risk of incurring debts, including: low- to middle-income families who may have fluctuating income—for example, overtime or irregular part-time or casual work; families where a parent has returned to the work force after caring for children; families where parents may swap parenting roles during the course of a year; families where one parent has received a termination payment; families where a dependent child may have worked part time or entered the work force after leaving school and earned more than the permissible child earnings; single parents who may receive irregular maintenance payments or who have the non-custodial parent claim FTB A for shared care as a lump sum; and families who may receive income support payments in addition to FTB B—for example, the partnered parenting payment.

Families have a number of options to reduce the likelihood of debt, none of which are very satisfactory as most families cannot afford to forgo fortnightly payments. These options are: electing to receive FTB through the tax system as a lump sum at the end of the year when the actual income is known, or deliberately overestimating income at the start of the year and also when advising of changed income estimates. Those who do not overestimate their income and receive an underpayment during the course of the year may get an adjustment through the tax system at the conclusion of the financial year.

This government, with this budget, does nothing to fix a system which is inherently broken. The one-off payment of $600 to families admits that the system is flawed and admits that families who incurred debts were dealt a rough deal by this government and should be compensated. The average debt, incurred by 600,000 families, was $900. This $600, while welcomed, is really too little too late. The increase in the family tax benefit part A is also welcome but, again, the government still has not made any changes to a system which burdens families with debts when they experience changes in circumstances.

I have here a few examples from constituents in my electorate of Charlton. I will not read out their names but I will quote their letters:

As you are my Federal MP, I am writing to raise my concerns regarding issues which have arisen as a result of the legislation regulating Family Assistance Office payments to low income families. I am caught up, along with many others I’m told (by Centrelink), in overpayment, related to the way annual income estimates are used to calculate payments. Yes, it is widely advertised that these can be changed at any time, according to changing needs, but what the problem is relates to the averaging of payment over the entire financial year, which immediately penalizes anyone with unstable/unpredictable incomes ... This can be a very inaccurate reflection of a family’s financial status, & is damaging a lot of families, who are then accused of underestimating estimates on purpose, in order to receive more money to live on ... when in fact, they were following all the requirements, in a very imperfect system!

Another one says:

I would appreciate it if you would voice my dissatisfaction of the existing family payment system as I feel it is impossible to estimate our income in advance as we don’t know the future of whether my husband will be receiving any overtime or not, his working hours fluctuate each day each month each year.
What has happened to me has created hardship and emotional turmoil in my life. Surely a fairer more workable system could be established.

Also when I rang Centrelink to talk to them I was told that payments I was entitled to 3 years ago I am not entitled to now and have to repay money. I am just curious as to how you are entitled to something only to be told 3 years later you are not.

Another one writes:

I would like to bring your attention to a matter regarding the Family Assistance Payment ... Due to my Husband losing his job ... he received a Termination Payment from his employer. This one off payment inadvertently put our income over the limit for the fortnightly payment. We did not know this until we received a letter from the department on 25th September 2002 stating that we had been over paid, and will have to pay back $3,087.90.

We are very concerned that this has happened in the first place as we have always completed our estimates as accurately as possible. When we completed the estimate for the 2001/2002 financial year we did not know that my Husband would be retrenched during the year.

I have many more of these examples. I will not read them all out. This is another one I received by email:

We too are victims of the flawed family payment system and $282.00 was deducted from my tax refund before I knew anything about it. I am sure that I have rang Centrelink on a couple of occasions this year to change my estimate.

However, the main reason I am contacting you is to complain about the unfair system and tactics that staff at Centrelink use.

The last one I will quote from is a letter addressed to the Family Assistance Office:

I received your reply to my overpayment matter for the Tax Year 2000/2001, and advise that I will be forwarding this letter on to both State & Federal MPs, not on your decision but on the unfairness of the legislation.

In May 2003 my husband was advised that an amount of $2685.00 was not declared on his 2000/2001 return, the accountant had attached all paperwork but had omitted the amount of $2 685 from his income.

After receiving notice from the taxation office that we owed $845.00, we then received notice from your department that we owed you $805.52 ... Considering that we are on the bottom taxation scale not a bad result for the government.

Labor is very concerned that families who follow the Howard government’s advice to avoid being slugged by end-of-year debts may lose access to essential concessions like health care cards and will also face increased child-care gap payments. This shows that the government has failed to think through the full implications of its advice to families. Families who currently receive the maximum rate of family tax benefit A are eligible for the health card, saving parents nearly $20 on prescriptions and savings on public transport, water rates and energy bills. By following the government’s preventative advice to avoid an end-of-year debt by opting for a lower fortnightly FTB A payment throughout the year, they will lose access to these benefits. It is bad enough that families have to forego fortnightly payments to which they are entitled, but the real benefit of the health care card cannot be granted retrospectively.

Similarly, families who followed the government’s preventative advice to opt for lower payments will also discover that their gap payments for child care will increase. The rate of
the child-care benefit is tied to the level of the family tax benefit A. By following the advice to receive a lower fortnightly family tax benefit A payment, their child-care benefit will also fall, resulting in greater gap fees. For some families, these higher gap fees may make child care unaffordable and force a parent to withdraw from the work force. While families may get a catch-up of their child-care benefit at the end of the year, it may prove too late for those who cannot afford their regular child-care centre gap fees.

For two years now, the government has peddled advice to families to overestimate their income to get lower fortnightly benefits and reduce the risk of an end-of-year debt. In the absence of legislative change, the mechanisms announced by the government will not change this practice. It is a flawed approach and shows how desperately out of touch the coalition is with families in the system that delivers benefits to them. The explanatory memorandum to the family tax benefit legislation, which has already passed through this chamber, explains that the amendments in relation to the FTB part A supplement provide for an ongoing increase in the maximum and base rates for FTB part A of $600 annually for each family tax benefit child. In contrast, Labor believe that the increased costs of raising children do not occur just at the end the year. The costs of children are ongoing in child care; sporting activities; schooling; books; clothes; shoes; music, drama or singing lessons; specialist tutoring; and the ongoing and increasing cost of fuel to ferry around our children to their chosen activities.

We believe the family tax benefit system needs to be fixed and that parents deserve ongoing support in raising their children and in moving in and out of the work force while trying to balance their work and family responsibilities. This work and family balance priority has finally been acknowledged by this government with its adoption of Labor’s baby care payment. Howard and Costello have been dragged kicking and screaming finally into the 21st century. It is widely known that most working women cannot access paid maternity leave from their employers. Over 57 per cent of employers do not provide paid maternity leave for their employees and around 20 per cent of working mothers are casually employed. For these women, there is no paid leave even when their child becomes ill.

Unpaid parental leave has been available to permanent employees since 1991. A recent study by Dr Marian Baird from the University of Sydney considered the low take-up rate of unpaid parental leave. The study found that three out of four parents were either unaware of this entitlement or did not access it after the birth of a child. Dr Baird’s study also looked at the nature of parental leave and who takes it. Her results show that women are predominantly the primary carers of children and they are the ones who will take leave from work to bring the child into the world. Australia has not embraced the idea of fathers sharing the responsibility of bringing babies up during the first year of their life. This interesting study also showed that women on incomes over $70,000 a year were far more likely to take leave without pay to bring up their newborns whereas low-paid women, particularly those employed in small businesses, are much less likely to have access to any paid leave for their parental responsibilities.

Australia and the US remain the only two OECD countries without a paid national maternity leave scheme. Mark Latham and Labor’s plan for a nationally funded 14-week scheme will address this failing. Only Labor can be relied upon in the long term through sustainable measures to look after families. Over the past decade our society has changed dramatically in ways that have put enormous pressures on families. Job security has declined, housing prices have gone up, people are working longer and harder and more children are being brought up
in single-parent homes or homes where both parents are working. The historical decline of the extended family has not been matched by an increase in services to help families cope. There is a growing number of low- and middle-income Australian families who, on any given day, are just one bill or illness away from financial distress.

Mark Latham and Labor have a plan to save bulk-billing, invest more in needy public and non-government schools and help parents cope with the pressures of modern life. Labor’s baby care payment will deliver a commitment to Australian families to introduce paid maternity leave as well as providing for non-working mothers. When it is fully implemented, the baby care payment will give parents an additional $5,380 to assist them over the first 14 weeks or 12 months following the birth of a child. This payment is targeted squarely at Australia’s sinking middle class. It will give a huge boost to families on the lowest income following the birth of a baby. Labor wants to give families options so that they can choose the best way to achieve a healthy balance between the demands of work and the care of their children.

The day following the release of the budget, amongst other reports in the Newcastle Herald there was a report of the Fenwick family of Kilaben Bay. While it was reported that the Fenwick family were not disappointed with the budget, Greg Fenwick was quoted as saying:

The lump sum will help wipe a lot of debts that people owe the Government after miscalculating their earnings.

The article continued:

Mr Fenwick said he would rather see more money spent on services like roads than receive a small tax cut.

And that has been the general feeling throughout the letters pages in the major newspapers following the budget announcements. Also in the Newcastle Herald on 12 May was Bill Mitchell, who is the Director of the Centre of Full Employment and Equity at the University of Newcastle. Mr Mitchell said:

I like the budget’s spending increases but I deplore its dishonesty and cynicism.

For the last two years, this government has ripped $17 billion off our disposable incomes via budget surpluses. This forced seizure of purchasing power or “fiscal drag” has kept the brake on the economy.

He went on to say:

The spending increases are targeted to ring the right (voting) bells with its core constituency: middle-income families and the rich.

My summary of the budget:

• It induces the poor to have more kids without improving relevant services;
• It pushes the middle class to work even harder and dangles more money on the stick as a reward;
• and it gives the rich tax handouts for nothing.

He finished by saying:

I judge a government by how it assists the poorest in our land rather than the richest. On that basis this budget demonstrates a failed government.

As expected, Mr Howard and Mr Costello have targeted their budget towards buying votes. They think that people have short memories and will forget the vicious cuts the previous budgets have made to essential services for families in Lake Macquarie and Newcastle. Areas in crisis in our region such as bulk-billing, schools funding, Indigenous services and unem-
ployment programs did not rate a mention in the Treasurer’s budget address. I welcome the return of funding to aged care and child care services, which are sorely needed in our region. Following heavy pressure from Labor and the community, the government has addressed some of the greatest needs in our community. I also welcome the much needed assistance to carers in our community who remain unsung heroes. Carers, however, deserve more long-term recognition of their invaluable contributions and not one-off election payments. *(Time expired)*

Mr HATTON (Blaxland) *(7.18 p.m.)*—Year after year we come to these appropriation bills. Usually there are appropriation bills 1, 2, 3 and 4, and then the parliamentary bills. This year we have a motser. There are an extra two supplementary bills. We have appropriation bills 5 and 6—this is a record. After 8¼ years in government—it just so happens that this is an election year—the government have found a little more money to ratchet out into supplementary appropriations. Appropriation bill No. 6 has in the order of $125 million extra for health and ageing. It just so happens that they looked around under a few rocks in this election year and turned up an extra $471,000,759 for an appropriation in the Transport and Regional Services portfolio for ‘a better transport system for Australia’. Isn’t it wonderful that they can find just on half a billion dollars largely to be put into an upgrade of Australia’s rail system when they have been in government since 1996!

Today marks eight years since I was elected. I was elected on 15 June 1996, so I have been in this parliament for eight years. This government are a little bit older than that, because they got in about three months before. They have put together all those budgets, but just now, coming up to the election, an extra half a billion dollars or so has been put into rail. They are fairly proud of this. The Deputy Prime Minister was speaking about this today. The Prime Minister has been talking about the government’s plans in the energy area. It has been 8¼ years, and they have finally woken up to the fact. It is 2004 now.

The member for Bennelong entered the Parliament of Australia, in Old Parliament House, in 1974—three full decades ago. I sat in question time today and thought, ‘Maybe the penny has finally dropped. Maybe the member for Bennelong has finally woken up to the fact that Australia faces a number of grave issues—as indeed the world at large does—in terms of energy use.’ There are problems with carbon based technologies and the fact that we are adding to that. We have a major greenhouse effect that is in evidence earlier than the scientists predicted, and it is seemingly creating graver problems. After 30 years, after a series of failed years as Treasurer under Prime Minister Fraser—who, he maintained, never actually let him do anything—after watching Labor implement all the things that he wanted to tick off as great achievements in his treasurership, and after 8¼ years of this government, we come to the position where he can finally say, ‘Here’s half a billion dollars to help fix the rail system.’ I commend the government for finally getting around to this. I was in the electorate of Hinkler, in the city of Bundaberg, last week with a couple of my ALP colleagues and we spoke to a number of people in that National Party electorate.

Ms Hoare—With the future member?

Mr HATTON—We went around the place with our candidate in Hinkler. A number of the people there know that Australia’s problems in communications and transport are well known. Indeed, the member for Hinkler chaired a government committee which came down with recommendations six years or so ago that said, ‘Look at Australia’s rail problems from one end
of the eastern seaboard to the other, from Melbourne right through to Brisbane and beyond. If you really want to address Australia’s fundamental rail problems, you need to spend about $600 million—in, I think, 1998 dollars—to try to fix the major rail linkages. You need to do things like take into account the fact that the major freight routes are single gauge lines on the eastern seaboard. We have finally got a standard gauge, because when Paul Keating was Treasurer one of the things he did in the great One Nation statement was ensure—

Ms Hoare—Bob Brown was the minister.

Mr HATTON—with Bob Brown, the former member for Charlton, as the Minister for Land Transport—that from one end of Australia to the other, from Perth to Brisbane, a single national gauge would be in operation so that rail transport could operate in a modern and effective way. That was one of the major achievements of Labor in government. What was needed to go further than that—and the member for Hinkler understood this because of the evidence that came before his committee more than six years ago—was to say, ‘If you’re going to fix the problem, what you need to do is take account of the fact that there’s only one freight line and the fact that the bridges and the culverts need to be fixed on that line. Also, because of the increasing size of trains—in particular the length and the amount of tonnage carried by those trains—you need to ensure that there are longer lay-bys than we have so far, in order to ensure that trains can pull off and other trains can pass by. And if the other great problem for freight running along the eastern seaboard could be addressed, the great choke point in Sydney, that would go an enormous way towards solving Australia’s fundamental problems of moving freight quickly from Perth through to Brisbane and back and ensuring that we got the best possible value for our dollar in freight.’

It has taken all this time, more than six years, for this government to finally let the penny drop in this area—though not the 30 years it has taken for the penny to drop for the member for Bennelong in relation to energy and the environment—and for this money to be finally spent, including on improvements and rail realignments on parts of the New South Wales North Coast line to Brisbane. Of course, we know that you need a hell of a lot more than the $600 million in 1998 terms now. This is only about half the money you need to deal with the problem now, because that is $1 billion plus. But at least it is a down payment on getting this infrastructure into place.

What have the government been doing, one might ask, in the past eight years that has meant that they have been tied up doing something else of major significance in terms of Australia’s land transport? We know that, firstly, they have been trying to work out what to do with a second airport for Sydney. They have spent, conservatively, an extra $14 million on an environmental impact study and related studies, trying to work out whether or not the second airport should be at Holsworthy. That was money simply poured down the drain in pursuit of an adventurist approach to Commonwealth infrastructure policy. They finally decided they would not do anything at all; they would just wait upon events in an ad hoc sort of way to see whether or not they might get some kind of change. With the collapse of Ansett—which they did not do much to stop—maybe eventually, because people were not taking aircraft around the place, one would not need to do all that much to Kingsford Smith. Maybe it would run itself. Max Moore-Wilton could be moved from the Prime Minister’s office to run the Sydney Airport Corporation. You could leave the cows and the rest of the stuff out at Badgerys Creek and things would just run along.
But in fact the government did more. Not only did they pour $14 million down the drain, worthless, when John Sharpe was the minister, in relation to the prospect of using Holsworthy—which never was a goer in terms of being our major airport—they also decided they would get the Canberra to Sydney fast train project up and running. The previous government had dealt with this. They had decided it simply was not a goer. The former member for Charleton, Bob Brown MP, and Peter Morris, the then member for Shortland—his brother Allan was the member for Newcastle—realised that you actually have to take account of what people want to do with transportation. There is the fact that people gang up together and come by car to Canberra and that the most sensible thing you could do was improve the road infrastructure to Canberra. There is the fact that most of the short-haul stuff from Sydney to Canberra can be accommodated by Dash 8s. They made sure that appropriate aircraft infrastructure in Canberra was in place. You needed to take into account that people use different modalities, different ways of getting about, not just trains.

But we had a government that said, ‘Okay, we’ll provide the seed money to try to work out whether or not we will be able to do a fast train between Sydney and Canberra.’ I think it was Leighton Holdings at the time, one of the major groups, which was pouring their money into that. I think I said something similar to this at the time: you may as well have told them to go and pour their money into the sand for all the good it was going to do them. Anyone with their head screwed on would have realised that (1) you have different ways of getting to Canberra, (2) the aircraft and the cars do it pretty well, and (3) in a cost-competitive way, unless you had major government intervention and major government subsidy, you would not be able to get that kind of service up and running. Instead of that, the government pushed out money in front and the group went ahead.

When they finally found, after mucking around with it for a couple of years, that this was not a goer and the government would not actually put the money into it, the next step was: ‘Given that this won’t work, why don’t we look at having a Melbourne-Brisbane fast train line? That will take an extra few years and a bit more money to work out.’ Mr Deputy Speaker, you would not be surprised at all to find that the private investors realised that, if Sydney to Canberra was not a goer, this Melbourne to Brisbane stuff was purely a pipedream. It was pointless. They were not going to put any more money into it. They were not going to have more appropriations come from the government to support more and longer studies. The whole thing completely fell apart.

Instead of the government concentrating on the main game—how to spend $600 million improving Australia’s rail infrastructure and making sure freight got up and down the east coast appropriately—they decided that Melbourne to Sydney and then Brisbane might be a goer in terms of passenger transport. They also decided that the great inland proposal, which excited people in country areas of Australia from one end of the country to the other—at no cost to the government, of course, according to its proponents—should get a big run and that there should be some government money behind that. So people’s expectations could be whipped up but no real, fundamental money should be placed on the table.

There was a key problem with that proposal. The proponents said, ‘We don’t want anything from you—but we do need one thing from state and federal governments. We’d like you to build the connections from the inland rail through to the major ports. Please could we have a connection through to Gladstone in the electorate of Hinkler, and the state and federal gov-
ernments will pay for that, and we might need some other connections as well. We’d like those to be paid for; we just want to do the main line. But we also want just one, single thing: a total Commonwealth commitment to underwrite this project.’ No Commonwealth government in its right mind—not even this coalition government—would commit Australia to give a golden guarantee to any such infrastructure proposal.

This government have got a great deal of political mileage in regional, rural and remote Australia from pushing this kind of project. That political mileage and the propaganda they have got out of it have done well for them electorally. But the time is coming when there will be a reckoning, as the election rapidly approaches. We have seen it today in question time: the rapidity with which members—the Deputy Prime Minister, the Prime Minister and minister after minister—tried to rack up what the government have been doing over the past couple of years and tried to underline a commitment to the future on energy. Here, in Appropriation Bill (No. 5) 2003-2004—a final commitment to do something about rail—you can realise that it is a case of their having been asleep at the wheel a bit too long in these areas. It is all catching up with them, so they have to throw out their vision of what they might do if they get elected next time.

After 8¼ years, it is a bit too far down the track to say that a better transport system for Australia can be bought for some $471 million. It takes a hell of a lot more than that. The government’s concentration on the Pacific Highway to the exclusion of national priorities is an important indicator that they will put federal money where they think there is a political impact rather than put federal money (1) where there is a federal responsibility and (2) where it will have the maximum impact in terms of economic performance and return for the country as a whole. Six hundred million dollars should have been spent in 1998 to get Australia’s eastern coast rail freight system fixed. What we have seen is a government that simply toyed with this throughout this period of time.

More broadly, this is the government’s big go. It is their one day of the year when the Treasurer, getting up to present the budget, says, ‘Here’s where we’re going to spend the big dollars. Here’s the 25 or 30 per cent of total government outlays, separate from pensions’—whether they are to social security recipients, people on disability allowance or people who are getting veterans pensions. Separate from all those normal government outlays, which are 75 per cent of outlays, the big items that the government are going to spend on are laid out.

In these appropriations we have a design to win an election, not a design to serve the country better. We know that some $32 billion to $37 billion has been pledged by this government, largely through the family payments encompassed in these bills, to families in the outer areas of Western Sydney, Melbourne and Brisbane. Those people, I am sure, will be very happy to pick the money up. If they have two children prior to 30 June, these bills will allow for them to be paid $600 in the hand, tax free, for each of those children. So they will get $1,200 before 30 June. Come 1 July—the tick-over point and the start of the run-up to the next election—they will get another $1,200 in the hand for the two children. If the wife happens to be pregnant, there is a $3,000 payment on the birth of the baby, rising over time to a $5,000 payment. I do not gainsay any of that. The importance and the fundamental centrality of supporting families has long been recognised, throughout the entire history of the Commonwealth. No government made the current emphasis more strongly than the Labor government in the election of 1987 when it put directly into the hands of the mothers of Australia a family payment.
that they could be sure to get and that they could best direct towards the welfare of their children and their families. So I do not gainsay that.

What I do gainsay is the fact that this government is attempting to electorally bribe one portion of the population—those people with families in the outer western part of Sydney, the northern parts of Melbourne and the suburbs of Brisbane. It is also seeking to tip a bit into the buckets of those people with an income of more than $52,000, from income tax measures that are meant to make it easier on them. The broad commonality of the Australian people—those people in my electorate of Blaxland—will never go near an income of $52,000 a year. People on pensions, beneficiaries, whether they are disability service pensions or social security benefits, know how hard this government has made it over 8¼ years.

Whether they understood at the time or not, they know now that a government that did away with a $6 billion wholesale sales tax and put in its place a $32 billion GST has its hand in their pockets every day of the year. They know that they are not the recipients of the kind of money that is rolled out from this government—the $32 billion plus that this government has attempted to bribe the electorate with. They know that because they are locked up in relatively safe Labor seats, such as my electorate of Blaxland, or relatively safe Liberal seats. But where people are in marginal seats, these appropriations are heavily targeted to buy their vote. The first indications in the polling were that people were willing to take the money but were saying, ‘No, we won’t be bribed.’ Secretly the government is hoping that people will take the bribe, thank you very much, and that the vote will come after it.

In these appropriation bills we should have seen more real nation-building projects, such as the expenditure of some $471 million on fixing Australia’s fundamental rail freight problems. They should have started on it 8¼ years ago. The member for Hinkler chaired the committee that, six years ago, said, ‘Put in $600 million and it can be done.’ They have done electoral business instead. This will go through, with the election upon us, but they should be condemned for not doing it properly. (Time expired)

Mrs CROSIO (Prospect) (7.38 p.m.)—I too rise to speak on Appropriation Bill (No. 1) 2004-2005 and cognate bills before the chamber tonight. I do so with a lot of preparation. From reading the budget and the budget papers, and from listening to the Treasurer give his rendition on the night the budget was brought down, I believe it is one of the most mean budgets we have had the opportunity to encounter—and I have spoken to and read a number of budgets over the years that I have been in political life. What this budget actually does is to make it hard for families to make ends meet. Those most in need of the tax cuts—the hard-working suburban families with a mortgage, credit card debt and an income of less than $1,000 a week—get absolutely nothing from this budget. That description would fit more than 88,000, or more than 91 per cent, of the working people in my electorate of Prospect. I am sure that these figures would apply in many other similar electorates throughout Australia.

Not only do they get nothing from the government’s much-vaunted tax cuts but also they are paying increasingly more for their mortgages, their household debt is at an all-time high and their medical and educational costs have now gone through the roof. In recent weeks, petrol prices have risen dramatically and one forecast states that they are likely to go up another 15 per cent from what they were last year. This will increase the cost of filling the petrol tank of the average family car by over $5 a week. Treasurer Costello admitted when questioned
recently that uncertainty in the Middle East—and for that, of course, read ‘involvement in Iraq’—will keep the prices higher.

Now is the time to increase competition in the Australian petrol industry and perhaps try to provide some relief for our consumers. We on the Labor side of politics are committed to private sector competition and, in this case, ensuring that lower petrol prices are there for all consumers. One would think that, in these times, when families are doing it tough, the government would show some compassion for the average working Australian, yet they bring down a budget which provides tax cuts only for the top end of town and does absolutely nothing for those at the lower end of the income scale.

The Prime Minister likes to refer to ‘Howard’s battlers’. They are battlers, all right, but only because the Howard government have made them so. Families are under record financial stress. They need help and they need it now. The Treasurer has talked a lot about recent improvements to Medicare, but in the budget he has provided not an extra penny for health services. All of these so-called improvements that we read about are, I personally believe, their secret plan for the destruction of Medicare. As the Leader of the Opposition has pointed out, you do not need a safety net unless people are in danger of falling off the high wire act that Medicare has become under this government. Labor do not believe in a safety net; we believe in Medicare and we will fight to have the rate of bulk-billing increased to at least 80 per cent. That is the only sort of safety net that the Australian people need and want.

In another example of the government’s callous disregard for aged pensioners and health care card holders, they have chosen to ignore that more than half a million people nationwide are in urgent need of dental treatment. When this government scrapped the Commonwealth dental health scheme in 1996, I said in a media statement then that the mark of a civilised society is that it cares for its underprivileged. Cutting the Commonwealth dental health scheme was not only uncivilised but also barbaric. I repeat those words eight years later and they are still, I believe, appropriate to today’s comments. I still hold that view very sincerely.

It is the federal government’s moral responsibility to provide dental care for ordinary Australians—although, in this government’s view, morality plays no part when there is a dollar to be saved. It is still one of the biggest issues of concern raised by constituents at my office on an almost daily basis. Labor’s $300 million investment in a national dental program will provide an additional 1.3 million dental procedures for our aged pensioners and health care card holders. It will clear away the existing backlog and give our senior citizens what they deserve—that is, the care and help needed to fix their dental problems.

While I am talking about the morality—or, rather, the lack of it—of this Howard government, when are they going to take some moral responsibility for the appalling treatment of the Iraqi prisoners and, for that matter, the two Australians held in detention? The government were all too eager to become part of the coalition of the willing, even without the support of the United Nations. But with this participation, however flawed that might be, comes equal responsibility in the care of prisoners under the terms of the Geneva convention to which this country is a signatory. Surely the least we could do as a nation is put pressure on our American allies to curb the excesses shown by their troops in the appalling pictures of Muslim men being humiliated and degraded.

Also during my participation in the budget debate I would like to touch on the matter of funding for our schools. Recently, the Minister for Education, Science and Training, Mr Nel-
son, issued a highly inaccurate fact sheet which depicted Fairvale High School in my electorate, which services a disadvantaged community, as being better off than the wealthy King’s School in Parramatta. In fact, as it was shown very clearly, the King’s School will receive $3.4 million in funding from the government in 2004 plus a further $1 million from the state government. But what was omitted of course was that it has $20.3 million in fees. Over the same period, the government increased funding to Fairvale High School by a mere $200,000—an increase in the cost of schooling of some 20 per cent.

This is exactly the type of inequitable funding that Labor will seek to redress. We intend to fund all Australian schools on the basis of need. Labor guarantees that the overall funding level for the non-government sector will be maintained. Needy government and non-government schools will get the extra funding they deserve. On average, HECS fees for university students have risen by more than $2,200 a year. Under the government’s proposed new increases, our students will face an additional cost of $1,500 per year. That is an increase of $24 per week for students and their families. We intend, following the election when we sit on the government benches, to reverse the Howard government’s iniquitous 25 per cent hike in HECS fees.

In my electorate of Prospect there was a youth unemployment rate of 23.3 per cent in the 12-month period to March 2004. Labor’s Youth Guarantee: Learn or Earn will do, I am pleased to say, much to address this problem. Because of the financial constraints faced by many of these young people, they are unable to access further education at either TAFE or at our universities. Young people are our most important asset, but each year more than 45,000 kids leave school early and do not go on to either a full-time job or full-time study. Under the Howard government’s policies, we are indeed in danger of creating a lost generation of young Australians. We need to take urgent steps to stop young people taking the wrong course in life. We must work to ensure that they either stay in school or move into training or a job. I mentioned a few moments ago that Labor’s Youth Guarantee: Learn or Earn—which is, I might add, fully costed and funded at $692.7 million—is an investment in the young people of Australia. Mark Latham’s ladder of opportunity has many different rungs for the youth of Australia and dropping out is not one of them.

In what my colleague the shadow minister for family and community services, Wayne Swan, described recently as some of the most obnoxious, deceptive propaganda ever published by a political official in this country, the Treasurer has promised two payments of $600 per child in family benefit payments. Let us examine this proposal a little bit more closely. On face value, it would seem to be a boon for Australian families to receive this. But when you consider that the second payment probably will not be paid until after the election and will be offset against family debt, most families will end up owing money to the government.

The government has already admitted it will recoup the money from the family benefit payment. I do not wish to appear unduly cynical, but there is one payment of $600 before the election and a second payment of $600 at some future date after the election—a payment which will be largely eaten up by existing debt. Surely I and everybody else who reads those budget papers has a right to be cynical. For three years, more than two million families have followed the Howard government’s rules, which forced them to estimate their expected income for each 12-month period. Struggling families, as we know, need the maximum amount each week, but they know that if they wrongly estimate their income they will have a debt at
the end of the year. More than 600,000 families have family benefit debts now averaging $900. They are highly unlikely to ever see the lump sum payment.

So far we have seen that in all these cases the devil is in the detail: tax cuts which give no relief to lower income families, no answers on Medicare or dental funding, no schools funding on a needs basis, higher HECS fees, no help for young Australians to move from school to work, and family benefits that will once again become family debt. And while we are on the subject of families, where are the plans to help families get flexibility in the workplace—the flexibility they need to balance work and family? Where is the plan to help mothers return to part-time work if that is what they wish? It would seem that the government are determined to get you coming and going, from the cradle to the grave. You would think that by now they would have targeted everyone in the Australian community but, as they say, ‘Wait: there’s more!’

What about our retirees? There are no government plans to lift the retirement incomes of all working Australians. There are no plans to cut taxes on superannuation contributions for all workers, no plans to reduce high fees and charges on superannuation accounts, and no plans to make superannuation both safer and simpler. While it is yet another blatant attempt to play catch-up politics, Labor welcomes the recent announcement by our education minister, Minister Nelson, at least on children’s literacy. However, I believe his announcement came far too late. Even though our leader earlier this year announced an $80 million program to encourage people to read to their children from birth, we welcome the fact that the government is trying to catch up on Labor’s policies. Minister Nelson’s statement then said that New South Wales, Queensland, Tasmania and South Australia do not support reporting, as the government demands. Of course, we now know that that statement was incorrect. All of the states have agreed with the reporting conditions, as laid down by the government, and the minister would have been well aware of that fact when he made his announcement. He was using children’s literacy as a political football, when he should have been focusing on ongoing solutions that work. I have no problem with the government adopting Labor’s policies, but I say to it: ‘Get it right!’

Another thing that I would like to touch on in this budget is the announcements—or, should I say, lack of announcements—on veterans affairs. In all of the announcements, there is only one substantial new item which directly affects our veterans—that is, the announcement of $22.7 million to provide extra fees for medical specialists who have been refusing to accept our veterans’ gold cards. There is no guarantee that this measure will fix the problem, but what is certain is that a lot of harm will be done in the meantime because of government policies.

The budget leaves Australia with a new class of forgotten people—the six million Australian families and singles who do not receive a single cent in either tax cuts or increased family benefits. This includes many women who do not fit the Prime Minister’s ideal of a secondary income earner or a stay-at-home mum. Women without children and single mothers are completely ignored. Women throughout Australia are demanding that the federal government do more to protect them from the fear and reality of domestic or sexual violence. So far nothing of any concrete value has really been done to alleviate the fears of these women.

I believe this budget highlights the government’s topsy-turvy priorities. It allows for more expenditure on advertising the government’s opposition to the Kyoto protocol, and why they
will not sign it, than they have ever planned to spend on their antiviolence campaign. Current levels of violence against women are a national disgrace, particularly in our rural and remote communities and especially within our Indigenous communities. This violence against women has been ignored by this government. Labor believes that, unless the federal government take a leadership role and meet their responsibilities to prevent violence, the problem will continue to worsen and more women’s lives will be ruined or tragically lost.

Perhaps the real tragedy of this budget is the obscene amount of money—taxpayers’ money—that the government is spending to sell its election bribes. Since it came to power over eight years ago, the Howard government has spent in excess of $650 million of taxpayers’ money to advertise coalition policies. Already before this election the Howard government has committed more than $100 million for a huge advertising campaign. I am sure everyone here has seen the television and newspaper advertisements in the past weeks or so. In its desperation to get re-elected, there is firm evidence that this government is squandering the fruits of our national prosperity. There are also figures for 21 campaigns currently in the media or in the pipeline. It was recently revealed that $109 million has been allocated for this advertising blitz. But then I found that that allocation of funding does not cover the extra costs, such as the printing of those brochures, the cost of the mail-outs and the public relations campaigns and research. One wonders: do we really need to receive booklets and signed letters from the Prime Minister dealing with Medicare?

Security services have become a growth industry under this government and they are now, in this election year, being joined by advertising agencies. In the time left to me, I would like to also say thanks to the Australian Strategic Policy Institute for their recent publication where they have detailed Defence spending for 2004-05, which is something like $16.3 billion. The front cover of their budget brief says it all: $44,665,322.40 per day on defence. Included in this, of course, is that extra $755 million to counter the threat of terrorism. The budget also includes in this area of protection an extra $270 million for intelligence agencies, as well as a further $350 million for border protection, air marshals, visa protections et cetera.

The men and women of Australia have registered their disapproval of this government’s ninth budget, because they reject its program, which is about widening the gap between the big end of town and everyone else. As one of my colleagues put it so succinctly recently, people are suspicious of the selective hand-outs because they know in their hearts that you cannot have a fair prosperity without a fair society. It is a lesson the government, particularly under Prime Minister Howard, would do well to learn.

Mr RIPOLL (Oxley) (7.58 p.m.)—Today I want to talk about the release of the government’s national land transport white paper or AusLink, as it is commonly referred to. The funding for AusLink is $11.8 billion over a five-year period. It was announced by the Treasurer during his speech on budget night. The details of this policy and how the money was to be spent, however, were not revealed to the Australian public until last week. I want to put on the record tonight my thoughts about AusLink and the importance of this policy for the Australian people, specifically the impact that this policy has for the people of south-east Queensland and, in particular, for my electorate of Oxley.

When the Deputy Prime Minister revealed the policy details of AusLink last week, he described it as the single greatest adventure in nation building since the Snowy Mountains Hydro-Electric Scheme of the 1950s. You will have to excuse me if I burst out into laughter, be-
cause that is what that statement really deserves. Before the Deputy Prime Minister gets too
carried away with himself, I would like to provide a little bit of historical perspective to give
that statement he made in that announcement some sort of sensible examination.

The Snowy Mountains Hydro-Electric Scheme began in 1949. It was 25 years in construc-
tion. It remains one of the world’s great engineering and social achievements. The scheme
took 25 years to build and was completed in 1974. More than 100,000 people from over 30
different countries came to work in the mountains to make a true vision of diverting water to
farms to feed a growing nation and to build power stations to generate electricity for homes
and industries. Sixteen major dams, seven power stations with two of them being under-
ground, a pumping station, 145 kilometres of interconnected transmountain tunnels and 80
kilometres of aqueducts were constructed. Even before the scheme was completed, it was
named as one of the civil engineering wonders of the modern world and rightly stands as an
immensely significant achievement for this nation.

I do not want to take away from what AusLink means but, when you compare it to the
Snowy Mountains Scheme, AusLink is quite simply just about integrating our nation’s land
transport network. That is a great thing to do—there is no question about that—but it does not
quite stack up to a Snowy Mountains Scheme. Really, all that AusLink does is release some
funds. So if we talk about the government’s huge nation building role here, it is really just
signing off a few cheques. The Deputy Prime Minister is trying to put himself in that category
of being the great engineer of a scheme equivalent to the Snowy Mountains Scheme, but all
he has to do is pick up a pen and write a few cheques. That is the extent of the work from this
government in this matter.

We need to look beyond the $11.8 billion, because AusLink is over five years and we have
to take that into consideration. It was 25 years for the Snowy Mountains Scheme, and now it
is five years for AusLink funding, and that money should have been made available long be-
fore now anyway. It is not money that magically the government has decided it wants to spend
out of the goodness of its heart because it wants to deliver some great social change in infra-
structure development. It is money it has to spend. People need to understand that. This is not
some sort of gift from the heavens from the federal government. This is money that the fed-
eral government must spend; it has a responsibility and duty to spend it.

Much of that $11.8 billion will go towards funding upgrades of the nation’s national high-
way network and rail system, which in the main already exist. So there will be some im-
provements here, some upgrades there. They are all very worthy and all very important, but
let us at least get it into context: this is not some great Snowy Mountains Scheme. In a sense I
wish it was. I wish it was something we could really applaud as a nation and say that it was
something that significant, but it is not. It is something well and truly overdue and something
that just by coincidence happens to occur just short of an election. I wonder if people have
noticed that. I think they have.

Before the Deputy Prime Minister gets too carried away and too excited about AusLink, I
suggest he has a cold hard look at what it is about and what his own responsibilities and duties
are as the Deputy Prime Minister of this country. History will judge AusLink and its impor-
tance for this nation, but somehow I do not foresee reams of books being written about Aus-
Link or too many TV documentaries being made about the great AusLink being comparable to
the Snowy Mountains Scheme.
The basic premise, though, of AusLink is sound, and I am pleased enough to say that. To build an integrated national land transport system for this country is good public policy, and that is okay. There is nothing wrong with that. The good people of Australia expect this from the federal government. Anything less is not acceptable. However, I believe that AusLink is pork-barrelling to some extent, but it is pork-barrelling dressed up as nation building, and that is offensive. We know successive governments of all colours have pork-barrelled from time to time. At the end of the day, when you really strip away the basic parts of AusLink, it is nothing more than that.

You only have to look at Queensland to see that pork-barrelling commitment first hand. Queensland will only receive a paltry $1.46 billion over the next five years out of AusLink. It is a significant amount of expenditure, but it is certainly not enough for the fastest growing state in Australia and it is certainly not enough to compensate for nearly 8½ years of neglect from the Howard government. While $1.46 billion sounds like a lot of money, if you start carving it up per year and per project, you start seeing the shortfalls. It is not the great infrastructure building program that it could have been.

While there was a great opportunity for the government to embark on a nation building endeavour—to take the high road, so to speak—they chose easy street, the low road, or more precisely roads in key and marginal coalition seats. Take, for instance, the $429 million allocated for the Bruce Highway, which mostly affects key coalition seats north of Brisbane, while the people of Oxley have been overlooked literally altogether. I am not saying that the Bruce Highway does not need upgrading; it certainly does. It certainly deserves to have that money spent on it. But do not dress it up as some sort of great nation building infrastructure project when all it is doing is just meeting the government’s responsibilities to the people of Queensland and Australia and doing it not in time but way, way short of when it should have been delivered.

The Ipswich Motorway is part of the national highway system—or at least it was until last week. This is where I find true disappointment in AusLink and the federal government’s approach to the national highway system. It has been overlooked for a long time—probably around 10 years; we are looking at a decade—and it is one of the most dangerous roads in Queensland, if not one of the most dangerous roads in Australia. It is one of those roads that economically starves a city. That city is Ipswich. It is a great city—a city that is on the move, a city that is modern, a city that is growing faster than any other place in Australia—and yet the roads, federal roads, in and out of that city are completely choked. They are choked because of geography and because planning more than 100 years ago really was not designed to cater for the kind of growth we would have today—nobody could have even guessed at it—in that part of the world.

But it is the federal government’s responsibility. At the end of the day, they cannot walk away from their own responsibility. They need to fund the Ipswich Motorway; they need to make it a priority, as Labor have done. We have not done it because it suits me in what is considered a reasonably safe seat for Labor in Queensland; we have made that commitment because I have convinced my party that it is essential not just for my electorate but also for the Liberal seat of Blair, the Liberal seat of Moreton, the Liberal seat of Ryan, the Labor seat of Rankin and for all those people who live in south-east Queensland who use that road. It is essential for all of them, not just those in one electorate. It just happens that it runs through
my electorate, but it is not my road. It is my responsibility, but it is not my road in the sense that it will affect only my people. It will affect everybody. It will affect people from New South Wales. The Liberal electorate of Groom will be affected. I know the minister must travel down the Ipswich Motorway, past my electorate office, every single time he comes to Canberra. I wonder what goes through his head when he drives past my office and sees the traffic jams, the delays, the poor condition of the road and the constant accidents. This road does not belong to a party or even a government. It is the responsibility of the federal government and they should be the ones that fund it.

There is a plan to fix that road. It has been sitting on the table for over two years now. Over $4 million was spent by the federal government and the state government, working together—jointly—to come up with a solution. We did find a solution. But the federal government did not like the umpire’s decision. They did not like the cost attached. It was a lot of money to spend in a Labor electorate, at the end of the day. Sure, it is going to be beneficial to a whole heap of other people—this is their thought process—but that money could be better spent somewhere else. I think they are wrong. As part of the AusLink announcement, the Howard government confirmed that they would dump the Ipswich Motorway—and that, as I said earlier, really disappoints me—as part of the national highway network and fund a so-called northern link. I say ‘so-called’ because it is nothing. It is somebody’s—a single person’s—line on a map that they photocopied. They got out a pen and drew a line.

In fact, if you have a look closely it is option F. The member for Blair started with option A, then he moved to option B, then C, then D, then E— and they were all rejected. They were all non-viable. He just kept going. Now he has option F. I do not believe it is viable, but we are yet to see. I will wait for the study and the report. I am not an engineer and I am not a road expert. I am a politician, though, as is the member for Blair. He is not an engineer either, or a road expert. The rest of us make our judgments and calls on what we believe to be the best solutions for our area, the state or the country. But the reality is that they have shelved a report, a master plan and a study that is absolutely sensible. But it costs a lot of money.

There is some proposed ‘maybe’ option—option F. As I said, we are up to F. I am sure there will be an option G but, because of the power of government to dictate where funds will go at the expense of other sensible projects, one or two people here have decided what they would do instead. What they have done is to wait. It is a waiting game. How long do we have to wait? I will tell you exactly how long they will wait. If anyone is listening to this broadcast, this is how long they will wait: until the next election. That is right. The study cannot be delivered before the next election. The government has said, ‘We want to fast-track it.’ They will fast-track it to the other side of the federal election, so it does not really matter what the outcome of that study is.

I already have a view as to what I think that outcome will be, based on my own local knowledge of the land, the river and the area this road is going to go through and the opposition from the state Liberal party, who have simply said—I will put it in these words—‘over our dead bodies’. The Queensland Liberal Party has said that that road will only ever go in over their dead bodies. Anyone with half a brain will soon work it out. In option F you connect Dinmore to Goodna and loop it over the river in two places—it was going to be five but then the member for Blair realised that five was just too many bridges so he went for four, then he realised that was too many and he just kept whittling it down until he got the right
number of bridges to make it sound palatable on paper. We are down to two bridges now, from five.

The state Liberal Party has said ‘Not on your Nellie—you are never getting those bridges over that river.’ That is because they know what will happen. No-one is going to build a road across the river that is going to loop back without there being an extension and a flyover. All they need to do is just turn the road off a bit and it will go right through Priors Pocket and Moggill—right into the leafy, blue ribbon state Liberal seats. The member for Moggill, Bruce Flegg the Liberal MP, knows all too well just what will happen to his electorate when that road is put through. It was the Liberal Party’s suggestion—the federal Liberal Party wants to put a road through their own leafy suburbs. I have to tell you that I do not really care. I have to be honest—I do not care that it is going to go through the member for Moggill’s electorate. What I do care about is the time wasting and the money that is going to be wasted on coming up with this half-baked, half-bypass, half-going-nowhere solution if that solution does not include a little road that is going to offshoot directly into the Moggill suburbs.

A division having been called in the House of Representatives—

Sitting suspended from 8.11 p.m. to 8.25 p.m.

Mr RIPOLL—As part of the AusLink announcement, the Howard government have now confirmed absolutely that they will dump the Ipswich Motorway as part of the national highway network and fund a so-called northern link between Dinmore and Goodna. This is, as I have said, nothing more than an idea—a line on a map, a drawing. It is being fast-tracked by the state government, who say that by Christmas we will have a report and a study. Of course that will not include an environmental impact study, which could take another three years. Really, what it does for the federal government is take it beyond the federal election. That is their aim and that is the key. The people of Ipswich and Brisbane have every right to feel angry about this, because they have paid with their taxes to have that Ipswich Motorway upgraded to service everybody in that region.

I have always been concerned—and I have been concerned about it for a number of years if people want to check the record of what I have said publicly—about any alternative to the Ipswich Motorway, and for only one reason. I have been concerned because I have always believed that the federal government, by doing this, would dump the Ipswich Motorway as their responsibility, and my worst fears were confirmed by the release of the AusLink paper and funding. The public was led to believe that AusLink would reveal all and would address the traffic problems that have plagued south-east Queensland and especially the Ipswich Motorway. They have been misled and led down the garden path. AusLink is not nation building. It is nothing more than a plan to get past the coming federal election.

Of the $1.46 billion that was committed to Queensland, only $567 million has actually been committed over the next five years. So there is already a shortfall of quite a substantial amount of money over the next five years. If you look at the government’s own calculations, they have said that it will cost $2½ billion to carry out the projects in AusLink that they want to do. If you also carefully study the budget and the forward estimates in the budget, you will find that there is a shortfall of $1.9 billion. That is right: $2½ billion suggested or promised by the government but an actual money-on-the-table shortfall of $1.9 billion. I have pored over the budget papers, the AusLink papers and all the forward estimates, and I just cannot find the money anywhere at all.
The Brisbane urban connectors consist of five projects: the duplication of the Gateway Bridge; the Brisbane urban corridor through Mt Gravatt; the Ipswich Motorway capacity upgrade; the Ipswich Motorway-Logan Motorway interchange; and traffic management programs through the Brisbane urban corridor. That is what that money is for, but of course we have only got a measly half a billion dollars which, as we all know, will not even pay for one project, let alone all five over five years. The federal government has said that it will finally commit at least to the Logan interchange, which will cost around $160 million. In my view, that is, if anything, stage 1—that is the first step of getting the motorway fixed. So I suppose the people of Oxley have something to be pretty happy about in that sense: at least, with years and years of campaigning and lobbying, we have actually been able to get some, albeit little, money to be spent in our area.

In the few minutes I have left I would like to say that Labor does have a plan. I am not just here complaining about not getting enough money. I appreciate any money that comes into my electorate and I appreciate the fact that we have a proposal—which is a long time in the coming—which actually deals with a transport infrastructure type plan. But let’s face it: if the northern alternative, the Dinmore to Goodna link road, were to be built, it is basically just a loop. If you really look at it closely, it is picking up traffic at point A, dumping it back on at point B, and too bad everyone is actually travelling to point C. That road will absolutely need to contain a further road which connects through to Moggill. There is no way that the federal government would spend the sort of money they are looking at spending—$500 million or $600 million—without connecting it through to other traffic.

If you got serious about it, you would have to incorporate, as part of that northern alternative, a bridge—finally, after 20 years of campaigning—over the Moggill Ferry. It is ridiculous in this day and age that we are still using an antiquated ferry to get across to that part of the world, from Ipswich to Brisbane across the river. So I think that would also be part of the federal government’s plans at the end of the day if a northern alternative was to go through. Labor has made it amply clear over some period of time—and last year a major announcement was made in Oxley by the Labor Party’s shadow transport minister, Martin Ferguson—that Labor would commit to the full six-lane upgrade of the Ipswich Motorway as per the master plan; as per the money that was spent by the federal government and the state government to come up with a long-term plan and strategy to deal with the road.

Opponents of the road will quickly tell you that eight years—which is just a nominal figure of how long it would take to fully upgrade the road—is too long; there would be traffic chaos and it could not be achieved. Let me say quite plainly: if we could build the M1 to the Gold Coast with traffic still flowing, why can’t we do it with the Ipswich Motorway? What is so different about Ipswich that it cannot be done? If it can be done on the Gold Coast it can be done at Ipswich. The myth, the great lie, that is being perpetrated is that somehow you pull out the bulldozers on a Monday morning, you dig up the road and you tell everyone to just wait for a while, for eight years, until we are finished. That is the image that some people in this debate want portrayed. That is really wrong. It is not like that at all. It is staged through. You build service roads, other roads, inner suburb connectors, junctions in the right places and intersections to cater for all the traffic before you send in one bulldozer, before you tear up one inch of road. That is how you do it properly.
Labor has a plan. There are three good reasons why we need to upgrade the Ipswich Motorway. One is simply a safety reason. No matter what else we build, no matter what other road comes into existence some time in the future, safety is the key issue on the Ipswich Motorway. It needs to be upgraded for that reason if none other. There is the issue of capacity. The road, with six lanes, currently cannot handle its capacity. Let me explain. This is not a simple case of just tacking on two extra lanes. It is much more extensive, much more comprehensive. In parts it will be eight lanes wide. In other parts, where there will be fly-overs, proper intersections and proper interconnecting roads, there might be 10 lanes. Taking the bottlenecks out is what the plan is about. The third reason why this road must be upgraded is a social and economic one. Lives are lost on this road. We need it for the social infrastructure and growth in Ipswich, the region and all of south-east Queensland. The federal government would do itself and everybody in Queensland a favour by fully upgrading the Ipswich Motorway. If it wants to build other roads, I am happy for that to happen. I am happy for every road to be built, but let us get on with the priority, and that is the Ipswich Motorway. (Time expired)

Ms LIVERMORE (Capricornia) (8.32 p.m.)—If ever we needed more proof in this country that this government is more interested in winning elections than coming up with solutions to the real problems facing families as they go about their everyday lives and work towards a positive future then this latest budget is exhibit A. This budget sets out the government’s plans to spend $52 billion of taxpayers’ money, and yet it offers no hope of tax relief to those average income earners bringing home less than $52,000 per year—the vast majority of Australians and certainly most of the people in my electorate of Capricornia. It still offers no hope to those families caught in the family payment debt trap that the system will be fixed to work for them rather than against them. And, while the people in my electorate largely miss out on tax relief, we are also bearing the burden of this government’s failure to invest in essential services and social infrastructure.

People in my electorate are paying more tax than ever before under this government; yet, due to the continued decline of public investment in health and education, they are also spending more of their income just to get through the week—more to see a doctor and more to get their kids educated. Not surprisingly, they are asking themselves why the highest taxing government in Australia’s history cannot deliver on the services that make a difference to people’s everyday lives and their dreams for their family’s future. They might ask that question but they will not get any answers, because quite clearly the Prime Minister and his government stopped listening to the community a long time ago. That much was obvious in the budget. The budget did not have any real answers or solutions, just quick fixes and bribes.

Speaking of quick fixes and bribes, one of the areas that I would like to concentrate on in this debate is the issue of the family tax benefit scheme. This has been hailed by the government as one of the features of its budget, and I am sure we will hear even more about its merits as the government’s pre-election taxpayer funded advertising splurge shifts into top gear in the coming weeks. The Treasurer’s announcement of increased payments to families through the family tax benefit scheme is purportedly about making good on the Prime Minister’s long-awaited family package—the famous barbecue stopper of balancing work and family commitments. In reality, though, it is nothing but a cheap political trick designed to buy the gov—
ernment’s way out of trouble, and it is a trick with strings attached that will see the promised benefits clawed back after the election.

Back in May there we were, along with those millions of Australian families who live with the daily juggling act of work and family responsibilities, waiting on budget night to see what the government would offer to relieve the pressure on those families. After years of build-up by the Prime Minister and knowing how crucial this policy area is in addressing the day-to-day concerns of families, we on the Labor side of the House were really expecting a comprehensive package that would demonstrate that the government is finally in touch with the lives of working families. However, instead of a meaningful package of work and family initiatives, the government is simply throwing money into a failed system, ignoring yet again the debt trap that it has created for millions of families over the past four years.

Of course, on budget night we heard only the good bits. The Treasurer proudly announced an extra $600 for each child in those families receiving family tax benefit to be paid immediately, and a further $600 to be paid later in the year. But what is the true picture for families coming out of that announcement? You certainly did not find out from the government. The government’s figures, published all over the country the day after the budget, were shown by Labor to be totally false and misleading. The government’s tables counted in money that was not going to eventuate for many families and made it look like it would arrive in their pockets each fortnight when, in fact, it is a once-a-year payment and only for those families lucky enough to escape a Centrelink debt. That is the big catch and something that the Treasurer left out of his budget speech. The second $600 payment referred to in the budget will be paid to families only following a reconciliation of family payments made up to 30 June 2004. In other words, for a large proportion of families who are counting on that second $600, the government will get its chop first to pay off family payment debts and the families who need it will not see a cent of that money.

The government clearly hopes that, by paying off families with that extra $600, it can slip through yet another election without getting in and doing the real work of fixing the family payment debt shambles. Once again, the government has resorted to its tired and cynical trick of spending its way out of trouble rather than fixing problems that it has created. After all, as long as John Howard gets another stint in the Lodge, why should he care about the stress that families are under as they try to live with the constant threat of overpayments and debts owed to Centrelink, thanks to a failed system that is completely out of touch with the way families live today?

The government certainly cannot pretend that it does not know about these problems. This mess has gone on since the government introduced its family tax benefit system as part of the GST arrangements. In fact, in the lead-up to the last election in 2001, the government came up with another scheme to save its political hide when it forgave family payment debts up to a level of $1,000 per family. The election came and went and three years later families are still being hit with debts because of the government’s stubborn refusal to fix the system so that it is more realistic and responsive to the situations in which families find themselves in today’s flexible labour market.

The current system of family payments is not working for thousands of families and the government knows it. How could it not know when one-third of all families in receipt of family payments find themselves in debt to Centrelink at the end of the year when their payments
are reconciled against their earnings? One-third of families receive a debt notice and for those families the average debt is around $900. Those figures prove that this is a mean and tricky budget from a mean and tricky government. This government hopes that people will pocket the first $600 in June, bank on the second $600 and, in the meantime, cast their vote for the coalition before reality sets in and the money gets swallowed up in Centrelink debts.

The opposition discovered in Senate estimates that the government certainly is not taking any chances and has everything perfectly choreographed for its family payment budget bribe. It was revealed in estimates that at least 150,000 families will not know their situation with regard to their potential debt to Centrelink until after September—in other words, until after the election. So up to 150,000 Australian families who take up the government’s suggestion and lodge early tax returns will not be advised of family benefit debts or be asked to repay them until after September. Those people will go to the ballot box at the election having been strung along by this government’s promise of an extra $600 per child when, in fact, unknownst to them, the government could very well be preparing to claw that money right back again.

When the government is not busy dreaming up ways to hide the true extent of its family payments shambles, it is out there trying to demonise and blame the recipients of the family tax benefits for the mess it has created and repeatedly failed to fix. The government would have us believe that the people being hit with debt notices as a result of overpayments by Centrelink are deliberately ripping off the government and it is somehow their fault that the family tax benefits system has generated 1.639 million overpayments, totalling $1.417 billion, since it was introduced three years ago.

According to figures provided to Labor’s shadow minister for family and community services, around 57 per cent of all payments made to families in that time have been incorrect. Given those shameful figures, how plausible is it for the government to continue to blame the overwhelming majority of mothers and fathers in Australia who are simply doing their best to cooperate with a flawed system? I would like to take this opportunity to tell the chamber about a couple of families in my electorate who have found themselves in just that situation of trying to do the right thing but getting trapped by the family payments system and caught with a debt that sends their carefully balanced family budget into chaos. The situation of the first family is a serious indictment of this government on two counts: the family payment debt trap and the Howard government’s disgraceful neglect of dental health programs in this country since it took the axe to the Commonwealth dental health scheme in 1996. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Main Committee adjourned at 8.43 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Taxation: Income Tax**

(Question No. 1356)

Mr Murphy asked the Treasurer, upon notice, on 5 February 2003:


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

Refer to Commissioner of Taxation’s Annual Report 2002-03.

**Employment: Apprenticeships and Traineeships**

(Question No. 2737)

Mr Albanese asked the Minister for Education, Science and Training, upon notice, on 6 November 2003:

For 2002-2003, by (a) industry, (b) state, and (c) region what proportion of trainees (i) were employed full-time, (ii) were employed part-time, (iii) were employed on a casual or temporary basis, and (iv) had their employment terminated at the conclusion of their traineeships.

Dr Nelson—The answer to the honourable member’s question is as follows:

The National Centre for Vocational Education Research (NCVER) is the authoritative source of New Apprenticeships information. Only part of the information requested by Mr Albanese is available from NCVER. NCVER data do not record information on whether New Apprentices have had their employment terminated at the conclusion of their traineeship, nor information by region.

Information on casual or temporary basis employees is not available. Employers of casual employees on appropriate industrial arrangements, that is, a registered Australian Workplace Agreement, a Certified Agreement, or a State or Territory approved contract of employment, and with a Training Contract formally approved by a State Training Authority are eligible to attract incentives.

The following information provides the number of New Apprentice (traineeships and apprenticeships) commencements by industry, state and employment status for the financial year 2002-2003.

Commenced Jul 2002 - Jun 2003

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<th>Full time</th>
<th>Part time</th>
<th>School Based</th>
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Communications: Regional Services  
(Question No. 2773)

Mr Gibbons asked the Minister for Communications, Information Technology and the Arts, upon notice, on 24 November 2003:
Now that funding for Networking the Nation programs has ceased, what measures are in place to provide continuing support for those programs which have been unable to achieve a self-sufficient status.

Mr Williams—The answer to the honourable member’s question is as follows:
The NTN program was established to improve telecommunications infrastructure and access to telecommunications services in rural areas through a specific allocation of monies within a specified time frame. It is important to note that it was never intended that project activities be funded on an on-going basis.

Accordingly, one of the selection criteria of NTN programs was the sustainability of the project once Australian Government funding is exhausted. Applicants were aware of this feature of the programs and the onus was on them to achieve sustainability of their projects.

There is no current sustainability issue in relation to the large number of infrastructure projects funded by NTN. If there were to be a sustainability issue, it would be limited to services projects.

In the particular case of services projects with the objective of providing public access to the Internet (eg establishment of on-line access centres or telecentres), further work is under way under the auspices of the Online Council of Ministers. The issue was raised at Officials level in July 2003 and consideration has been actively under way since Council discussed the matter at its meeting in September 2003.

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Potential for new co-ordination arrangements across all tiers of government and community organisations, as well as joint activities with commercial services are being canvassed.

In addition, further funding of $181m for a broad range of telecommunications services in regional Australia was announced by the Government on 24 June 2003 in response to the Regional Telecommunications Inquiry.

**Investment Law**

*(Question No. 2810)*

Mr Murphy asked the Treasurer, upon notice, on 1 December 2003:


2. Is he able to explain the term ‘Natural Capitalism’.

3. Is there a prescribed definition of the term ‘speculative investment’ used by the Australian Securities and Investments Commission (ASIC); if so, (a) what is that definition, and (b) is it the same as the definition on the ASIC website at www.asic.gov.au/fido: “The speculative deal involves taking a big risk, but deliberately so, in the hope of making an extraordinary gain”; if so does it apply to speculative property deals and, if it does not, why not.

4. Does Australian investment law permit speculative investment in property; if so, where is this permission found.

5. Is he able to say whether ‘off the plan’ property investment falls within the definition of ‘speculative investment’.

6. Following the collapse of the Henry Kaye companies, National Investment Institute and the property company, Empower Group (Vic), will he direct ASIC to review its policies; if so, when; if not, why not.

7. Will he introduce legislation to amend Australian investment law to better reflect the principles of natural capitalism by removing the incidence of usury as it exists within speculative investments, including (a) speculative land dealings, (b) futures trading, and (c) speculative share dealings (e.g. options trading), if so, when; if not, why not.

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

1. I am aware of the media coverage relating to Mr Kaye.


3. (a) There is no statutory definition of the term ‘speculative investment’. (b) ASIC does not define the term ‘speculative investment.’ Any investment involving uncertain result or outcome can be regarded as speculative.

The constitutional responsibility for the direct regulation of real estate property investment lies with the States and Territories.

4. and (5) There is no statutory definition of the term ‘speculative investment.’ Investment in property for ‘speculative’ purposes is not expressly prohibited in Australia by any law.

6. No. ASIC is an independent regulatory agency and is responsible for the exercise of its statutory powers.

7. (a) No. (b) No. (c) No.
Investment in financial and other assets is an essential element of Australia’s market economy. I am unaware of any Labor Party policy embracing the principles of natural capitalism.

Environment: Barmah-Millewa Forest
(Question No. 2894)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) In respect of the announcement Historic First Step Taken on River Murray (14 November 2003) and the Barmah-Millewa Forest, why has the Government decided that up to 45% (or 30,000 hectares) of this forest may be degraded and its ecological values prejudiced.

(2) What percentage of the forest is dominated by (a) Giant Rush, (b) Moira Grass, (c) River Red Gum forest, (d) River Red Gum woodland, and (e) Black Box woodland communities.

(3) How is ‘healthy vegetation’ defined and have reference sites for healthy vegetation been identified; if so, what are the coordinates of the sites.

(4) Does “healthy vegetation in at least 55% of the area” mean that 55% of each vegetation community will be healthy; if not, (a) what proportion of each community type is intended to be in healthy condition, and (b) how much will remain in healthy condition as a result of the First Step.

(5) How, and to what extent, will the First Step contribute to the replacement of rush communities with mudgrass communities.

(6) How is a ‘successful breeding event’ defined.

(7) What is the frequency over the last 20 years of successful breeding events for Egrets and Nankeen Night Heron in the Barmah-Millewa Forest.

(8) What was the population of Egrets and Nankeen Night Heron at the time of these breeding events.

(9) What is the trend in colonial waterbird species population(s) during this period.

(10) What measures specifically applied to Region C is the Government taking to (a) exclude stock from these wetland areas and (b) reduce recreational fishing pressure.

(11) Can primary producers legally stock these waterways.

(12) Is this a priority in project funding under the Regional delivery component of the Natural Heritage Trust (NHT); if so, what are the project titles and NHT funding contributions for the identified projects.

(13) Which species of colonial waterbirds are included in the interim ecological objectives and expected outcomes which refer to “successful breeding of thousands of colonial waterbirds in at least three years in ten”.

(14) How many is ‘thousands’ for each identified species.

(15) Do all species require a successful breeding event three years in ten.

(16) Are the requirements of this outcome achieved if the three years are consecutive years followed by seven non-breeding years and is this the case for all identified species.

(17) Would there be a significant decline in any of the species of colonial nest waterbirds if there were no successful breeding events for 4-7 years.

(18) What period between successful breeding events would represent a significant risk to the population of these waterbirds.

(19) What is the relationship between successful breeding events in the Barmah-Millewa Forest and those events in other icon wetlands (eg. Hattah Lakes).
(20) If a successful breeding event does not occur during the five year period of the First Step, on what basis would the success of the First Step and this ecological objective and associated management measures be reviewed.

(21) What are ‘fish values’ and how do the interim ecological objectives/outcomes enhance fish values.

(22) Which native fish species are important for this purpose, what parameters will be measured and what will be the monitoring/measurement regime for determining whether fish values have been enhanced.

(23) How does the monitoring program account for climatic variability.

(24) What environmental monitoring activities will be implemented to monitor achievement and maintenance of the interim ecological outcomes for the Barmah-Millewa Forest.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) The Government has not decided that up to 45% of the Barmah-Millewa forest may be degraded and its ecological values prejudiced. The objectives that have been agreed for the Barmah-Millewa forests represent significant and achievable improvements in the ecological character of the wetlands within the timeframe and resources available for implementation of the ‘First Step’.

(2) to (9) and (13) to (24) In reaching the Living Murray’s ‘first step decision’ a substantial amount of scientific knowledge was available to the Murray-Darling Basin Ministerial Council and Commission. The Interim Scientific Reference Panel Report (October 2003) contains much of this knowledge and has been the subject of extensive peer review from the international scientific community. Council’s decision was supported by the Community Advisory Council, the Community Reference Panel and many scientists including those on the Council’s Scientific Reference Panel.

It is important to note that Council’s decision was based on the substantial knowledge base that currently exists for the Murray River. It is also important to recognise that it is unlikely that we will ever be in the position of being able to make policy and management decisions on the basis of perfect knowledge. In recognition of this, a key element of The Living Murray First Step is adaptive management. To this end the Council has directed the Commission to develop a robust monitoring, reporting and accountability framework for implementing the decision. The framework will identify and define benchmarks for ecological condition. The ecological objectives agreed by Council will be refined as the knowledge and understanding of the River Murray system improves.

A document consolidating current knowledge around The Living Murray ecological assets will soon be released by the Murray Darling Basin Commission. This document will contain further information on the implementation of the First Step decision.


(10) (a) Through its membership of the Barmah-Millewa Forum and ongoing participation in Forum meetings, the Australian Government seeks to ensure that land use, including stocking, is being managed in accordance with Australia’s obligations under the Ramsar Convention.

(b) The Murray-Darling Basin Commission’s Native Fish Strategy seeks to ensure aquatic habitats in the Murray-Darling Basin can sustain native fish communities in perpetuity while providing for community use and maintenance of genetic health and diversity. One of the main objectives of the strategy is to decrease the mortality of native fish from over fishing.

(11) Yes.

(12) No.
Environment: Koondrook-Perricoota Forest

(Question No. 2895)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) In respect of the announcement Historic First Step Taken on River Murray (14 November 2003) and the Gunbower and Koondrook-Perricoota Forests, (a) which vegetation communities are represented in this area of forest (eg Moira Grass, River Red Gum woodland), (b) what proportion of that area do these vegetation communities cover, and (c) what is the areal extent of (i) permanent wetlands and (ii) semi-permanent wetlands.

(2) On what basis has the Government decided to sacrifice 20% of the permanent and semi-permanent wetlands.

(3) What is the distribution of the sacrificed wetlands between the permanent and semi-permanent wetlands.

(4) What does ‘healthy condition’ mean for the purpose of wetland conservation.

(5) What parameters are monitored for the purpose of determining whether a wetland is healthy.

(6) Have reference sites for a healthy permanent or semi-permanent wetland been identified; if so, what are the coordinates of the reference sites.

(7) How is a ‘successful breeding event’ defined.

(8) What has been the frequency over the last 20 years of successful breeding events for the Intermediate Egret and Nankeen Night Heron in the Gunbower and Koondrook-Perricoota Forest.

(9) What has been the estimated population of the Intermediate Egret and Nankeen Night Heron at the time of these breeding events.

(10) What is the trend in the population(s) during this period of these waterbird species.

(11) What is the trend in population of the White-bellied Sea Eagle.

(12) Which species of colonial waterbirds are included in the interim ecological objectives and expected outcomes which refer to “successful breeding of thousands of colonial waterbirds in at least three years in ten”.

(13) How many is ‘thousands’ for each identified species.

(14) Do all species require a successful breeding event three years in ten.

(15) Are the requirements of this outcome achieved if the three years are consecutive years followed by seven non-breeding years and is this the case for all identified species.

(16) Would there be a significant decline in any of the species of colonial nest waterbirds if, for example, there were no successful breeding events for 4-7 years.

(17) What period between successful breeding events would represent a significant risk to the population of these waterbirds.

(18) What is the relationship between successful breeding events in the Gunbower and Koondrook-Perricoota Forests and those events in other icon wetlands.

(19) If a successful breeding event does not occur during the five year period of the First Step, on what basis would the success of the First Step and this ecological objective and associated management measures be reviewed.

(20) In respect of interim ecological objectives and outcomes for resident native fish in wetlands, what is the definition of ‘healthy population’.

(21) Which resident native fish species are relevant to this ecological objective/outcome.
(22) Does this include fish populations in permanent and semi-permanent wetlands.

(23) On what basis has the Government decided to sacrifice the health of 70% of the extant River red gum forest.

(24) What area of the River Red Gum forest is currently in a ‘healthy condition’ and what proportion of the estimated River Red Gum forest along the length of the River Murray before European settlement does it represent.

(25) What environmental monitoring activities will be implemented to monitor achievement and maintenance of the interim ecological outcomes for the Gunbower and Koondrook-Perricoota Forest.

(26) How does the monitoring program account for climatic variability.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) (4) to (22) (24 to (26) In reaching the Living Murray’s ‘first step decision’ a substantial amount of scientific knowledge was available to the Murray-Darling Basin Ministerial Council and Commission. The Interim Scientific Reference Panel Report (October 2003) contains much of this knowledge and has been the subject of extensive peer review from the international scientific community. Council’s decision was supported by the Community Advisory Council, the Community Reference Panel and many scientists including those on the Council’s Scientific Reference Panel.

It is important to note that Council’s decision was based on the substantial knowledge base that currently exists for the Murray River. It is also important to recognise that it is unlikely that we will ever be in the position of being able to make policy and management decisions on the basis of perfect knowledge. In recognition of this, a key element of The Living Murray First Step is adaptive management. To this end the Council has directed the Commission to develop a robust monitoring, reporting and accountability framework for implementing the decision. The framework will identify and define benchmarks for ecological condition. The ecological objectives agreed by Council will be refined as the knowledge and understanding of the River Murray system improves.

A document consolidating current knowledge around The Living Murray ecological assets will soon be released by the Murray Darling Basin Commission. This document will contain further information on the implementation of the First step decision.

Detailed information on natural features of the Gunbower and Perricoota Koondrook forests can be found in Ramsar Information Sheets at http://www.deh.gov.au/cgi-bin/wetlands/search.pl?smode=RAMSAR

(2) (3) and (23) The Government has not decided to sacrifice 20% of the permanent and semi permanent wetlands and 70% of the River red gum forest of the Gunbower and Koondrook-Perricoota complexes. The objectives that have been agreed for the forests represent significant and achievable improvements in the ecological character of the wetlands system within the timeframe and resources available for implementation of the ‘First Step’.

Environment: Hattah Lakes

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) In respect of the announcement Historic First Step Taken on River Murray (14 November 2003) and the Hattah Lakes, (a) what are the original wetland and floodplain communities, and (b) are there currently healthy examples of original wetland and floodplain communities; if so, (i) for which wetland and floodplain communities are there healthy examples, and (ii) what proportion of the total area of these communities do the healthy example(s) represent.
(2) What proportion of the original wetland and floodplain communities will be restored to a healthy condition, and what parameters will be measured to determine the condition of these areas.

(3) How does the monitoring program account for climatic variability.

(4) What range of river discharges will be implemented through the First Step to protect this wetland complex.

(5) How many of the 17 freshwater lakes in the wetland complex will not be inundated as a result of measures taken in the First Step.

(6) What river discharges would be required to inundate the aquatic vegetation zone in and around at least 50% of the lakes to increase fish and bird breeding and survival.

(7) What proportion of the total area of the 17 wetlands would be represented by the 8.5 wetlands.

(8) In respect of (a) Spoonbills, (b) Little Egrets, (c) Intermediate Egrets, (d) Great Egrets, (e) Night Herons, and (f) Bitterns (i) how is a ‘successful breeding event’ defined, (ii) is a successful breeding event required to be achieved in two years in ten, (iii) are the requirements achieved if the two years are consecutive years, (iv) would there be a significant decline were there no successful breeding events for up to 8 years, (v) what period between successful breeding events represents a significant risk to the population, (vi) what was the frequency over the last 20 years of successful breeding events, (vii) what is the estimated population at the time of the successful breeding events, and (viii) what is the trend in the population during this period.

(9) What is the relationship between successful breeding events in the Hattah Lakes and such events in other icon wetlands.

(10) If a successful breeding event does not occur during the five year period of the First Step, on what basis would success of the First Step, and this ecological objective and associated management measures, be reviewed.

(11) What is the population of the (a) Murray Hardyhead, (b) Australian smelt, (c) Gudgeons and (d) other wetland fish (specifying species) in the Hattah Lakes or in specific lakes and wetlands.

(12) What are the optimal conditions in terms of season, flood frequency, duration and intensity for measuring fish populations.

(13) How does the fish population monitoring program account for climatic variability in statistically demonstrating an increase in fish population.

(14) How will the monitoring program be designed to ensure that upon review of this ecological objective/outcome that fish populations have increased, or not increased.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) to (14) In reaching the Living Murray’s ‘first step decision’ a substantial amount of scientific knowledge was available to the Murray-Darling Basin Ministerial Council and Commission. The Interim Scientific Reference Panel Report (October 2003) contains much of this knowledge and has been the subject of extensive peer review from the international scientific community. Council’s decision was supported by the Community Advisory Council, the Community Reference Panel and many scientists including those on the Council’s Scientific Reference Panel.

It is important to note that Council’s decision was based on the substantial knowledge base that currently exists for the Murray River. It is also important to recognise that it is unlikely that we will ever be in the position of being able to make policy and management decisions on the basis of perfect knowledge. In recognition of this, a key element of The Living Murray First Step is adaptive management. To this end the Council has directed the Commission to develop a robust monitoring, reporting and accountability framework for implementing the decision. The framework will identify and define benchmarks for ecological condition. The ecological objectives agreed by Council will be refined as the knowledge and understanding of the River Murray system improves.
A document consolidating current knowledge around The Living Murray ecological assets will soon be released by the Murray Darling Basin Commission. This document will contain further information on the implementation of the First Step decision.

Detailed information on natural features of the Hattah Lakes can be found in Ramsar Information Sheets at http://www.deh.gov.au/cgi-bin/wetlands/search.pl?smode=RAMSAR

**Environment: Chowilla Floodplain**

(Question No. 2897)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

1. In respect of the announcement *Historic First Step Taken on River Murray* (14 November 2003) and the Chowilla Floodplain (including the Lindsay-Wallpolla system), what are the ‘high biodiversity values’ of the Chowilla Floodplain and how are they measured.

2. How will the Government know by the end of the First Step whether or not those values have been maintained.

3. Have the ‘high value wetlands’ of the Chowilla Floodplain been identified and what area of the Chowilla Floodplain do they cover.

4. What parameters are used to measure the ‘health’ of these wetlands.

5. How does the parameter monitoring program account for climatic variability.

6. What is the current area of River Red Gum vegetation in the Chowilla Floodplain.

7. What was the original area of River Red Gum vegetation in the Chowilla Floodplain.

8. What other vegetation communities exist on the Chowilla Floodplain and what is the estimated original and current area.

9. Why has the Government not provided objectives/outcomes for the Lindsay-Wallpolla system.

10. What are the interim ecological objectives, and expected outcomes, for the Lindsay-Wallpolla system.

11. How much of the original Black Box vegetation community still exists on the Chowilla Floodplain and why is the Government prepared to sacrifice 80% of the Black box vegetation community.

12. Why are objectives/outcomes for water bird breeding events not included.

Dr Kemp—The answer to the honourable member’s question is as follows:

1. to (10) and (12) In reaching the Living Murray’s ‘first step decision’ a substantial amount of scientific knowledge was available to the Murray-Darling Basin Ministerial Council and Commission. The Interim Scientific Reference Panel Report (October 2003) contains much of this knowledge and has been the subject of extensive peer review from the international scientific community. Council’s decision was supported by the Community Advisory Council, the Community Reference Panel and many scientists including those on the Council’s Scientific Reference Panel.

It is important to note that Council’s decision was based on the substantial knowledge base that currently exists for the Murray River. It is also important to recognise that it is unlikely that we will ever be in the position of being able to make policy and management decisions on the basis of perfect knowledge. In recognition of this, a key element of The Living Murray First Step is adaptive management. To this end the Council has directed the Commission to develop a robust monitoring, reporting and accountability framework for implementing the decision. The framework will identify and define benchmarks for ecological condition. The ecological objectives agreed by Council will be refined as the knowledge and understanding of the River Murray system improves.

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A document consolidating current knowledge around The Living Murray ecological assets will soon be released by the Murray Darling Basin Commission. This document will contain further information on the implementation of the First Step decision.

Detailed information on natural features of the Chowilla wetlands can be found in Ramsar Information Sheets at http://www.deh.gov.au/cgi-bin/wetlands/search.pl?mode=RAMSAR

(11) The Government has not decided to sacrifice 80% of the Blackbox vegetation community. The objectives that have been agreed for the community represent significant and achievable improvements in the ecological character of the wetlands system within the timeframe and resources available for implementation of the ‘First Step’. Council will be presented with further actions to restore the River’s health beyond this Decision at its meeting in October 2004.

Environment: Murray Mouth, Coorong and Lower Lakes

(Question No. 2898)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) In respect of the announcement Historic First Step Taken on River Murray (14 November 2003) and the Murray Mouth, Coorong and Lower Lakes, what indicators or parameters will be used to assess a ‘healthier lower lakes and Coorong estuarine environment’ and how are they measured.

(2) How will the Government know by the end of the First Step whether or not these objectives/outcomes have been achieved.

(3) How is the ecological outcome of an ‘open Murray mouth’ defined in terms of duration, frequency and intensity and how will the First Step ensure this objective.

(4) After the First Step is implemented, (a) how much less likely is the Murray Mouth to close than under natural conditions and (b) how much more likely is the Murray Mouth to be open than under current conditions.

(5) What parameters are measured or monitored to determine whether the ecological objective of ‘more frequent estuarine fish spawning’ is attained.

(6) How does the monitoring program account for climatic variability.

(7) How will the monitoring program be designed to statistically demonstrate whether or not this objective has been achieved.

(8) What parameters are employed to determine whether migratory water bird habitat in the Lower Lakes has been enhanced and how will these parameters be measured.

(9) How will the Government know by the end of the First Step whether or not this objective/outcome has been achieved.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) to (9) In reaching the Living Murray’s ‘first step decision’ a substantial amount of scientific knowledge was available to the Murray-Darling Basin Ministerial Council and Commission. The Interim Scientific Reference Panel Report (October 2003) contains much of this knowledge and has been the subject of extensive peer review from the international scientific community. Council’s decision was supported by the Community Advisory Council, the Community Reference Panel and many scientists including those on the Council’s Scientific Reference Panel.

It is important to note that Council’s decision was based on the substantial knowledge base that currently exists for the Murray River. It is also important to recognise that it is unlikely that we will ever be in the position of being able to make policy and management decisions on the basis of
perfect knowledge. In recognition of this, a key element of The Living Murray First Step is adaptive management. To this end the Council has directed the Commission to develop a robust monitoring, reporting and accountability framework for implementing the decision. The framework will identify and define benchmarks for ecological condition. The ecological objectives agreed by Council will be refined as the knowledge and understanding of the River Murray system improves.

A document consolidating current knowledge around The Living Murray ecological assets will soon be released by the Murray Darling Basin Commission. This document will contain further information on the implementation of the First Step decision.

Detailed information on natural features of the Coorong, Lower Lakes and Murray Mouth can be found in Ramsar Information Sheets at http://www.deh.gov.au/cgi-bin/wetlands/search.pl?smode=RAMSAR

Environment: River Murray Channel

(Question No. 2899)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 10 February 2004:

(1) In respect of the announcement Historic First Step Taken on River Murray (14 November 2003) and the River Murray Channel, what is an ecologically significant spring flow, in terms of timing, duration, frequency, intensity, and ecological effect.

(2) Over what length of the River Murray must a flow have a positive ecological effect to be significant for the purpose of enhancing the ecological condition of the River Murray channel.

(3) How will an increase in the frequency of ecologically significant higher flows in spring be measured.

(4) What statistical treatments will be employed to determine whether during the life of the First Step this ecological objective has been achieved.

(5) What measures will be taken during the First Step to overcome barriers to migration of native fish species between the sea and the Hume Weir and what are the timing, roles and responsibilities, costs and relative effectiveness of proposed measures.

(6) What are the current levels of channel erosion.

(7) In respect of channel erosion along the Murray River Channel, (a) do levels of erosion vary; if so, (i) how are these areas zoned according to comparable erosion rates, and (ii) what are the erosion rates for these zones, (b) what is the trend for channel erosion, (c) what are the key measures for limiting channel erosion to current levels, (d) are current erosion rates ecologically sustainable, and (e) how do they compare with estimates of channel erosion before European settlement.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) (2) (3) (4) (6) and (7) In reaching the Living Murray’s ‘first step decision’ a substantial amount of scientific knowledge was available to the Murray-Darling Basin Ministerial Council and Commission. The Interim Scientific Reference Panel Report (October 2003) contains much of this knowledge and has been the subject of extensive peer review from the international scientific community. Council’s decision was supported by the Community Advisory Council, the Community Reference Panel and many scientists including those on the Council’s Scientific Reference Panel.

It is important to note that Council’s decision was based on the substantial knowledge base that currently exists for the Murray River. It is also important to recognise that it is unlikely that we will ever be in the position of being able to make policy and management decisions on the basis of perfect knowledge. In recognition of this, a key element of The Living Murray First Step is adaptive management – “learning by doing”. To this end the Council has directed the Commission

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to develop a robust monitoring, reporting and accountability framework for implementing the
decision. The framework will identify and define benchmarks for ecological condition. The
ecological objectives agreed by Council will be refined as the knowledge and understanding of the
River Murray system improves.

A document consolidating current knowledge around The Living Murray ecological assets will
soon be released by the Murray Darling Basin Commission. This document will contain further
information on the implementation of the First Step decision.

(5) The “sea to Hume” program aims to deliver effective fishways at each of thirteen sites, from the
Barrages near the Murray Mouth to Weir and Lock 15 at Euston. This is a five year program esti-
mated to cost a total of $25 million.

Commencing two years ago, the Murray-Darling Basin Commission established a Fish Passage
Reference Group, comprising fish scientists and engineers from across the Basin, to establish
criteria, assess designs, provide the most contemporary knowledge, and give recommendations
relating to the program. A program of design and construction, to occur at each of these sites,
concurrently with upgrade works on each of the navigable passes, has been underway since July
2001. Designs for “vertical slot” fishways at Weirs and Locks 7 and 8 have been completed by
NSW Department of Public Works and Services (DPWS). Construction commenced in March 2003
and is scheduled for completion in October 2003.

Concurrently, a Basin-wide program for fish passage is being progressed under the umbrella
of the MDBC’s Native Fish Strategy and will include the construction of priority barriers for
passage in Qld, NSW and Victoria, automation of the barrages in SA, and the examination of
peripheral structures at regions such as Lake Victoria and the Chowilla anabranch.

Education: Commonwealth Funding
(Question No. 2981)

Ms O’Byrne asked the Minister for Education, Science and Training, upon notice, 10 Feb-
ruary 2004:

(1) For each of the last three years what was the average sum of Commonwealth funding to (a) Cate-
gory 1 secondary schools, (b) private secondary schools, and (c) public secondary schools

(2) For each of the last three years what was the average sum of Commonwealth funding to (a) Cate-
gory 1 primary schools, (b) private primary schools, and (c) public primary schools

Dr Nelson—The answer to the honourable member’s question is as follows:

Australian Government General Recurrent Grant (GRG) funding is the major funding programme pro-
vided to schools in Australia. This funding is provided to both State and Territory Governments and
non-government schools and systems on a per student basis. GRG funding to non-government schools
is provided according to the socio-economic status (SES) of the communities which the school serves.
It should be noted that the term ‘Category 1’ refers to the previous funding arrangements in place prior
to 2001 and is not relevant under the SES model. Recurrent funding in respect of government schools is
provided as a block grant to the State and Territory Governments which disburse funding to schools
within their jurisdictions.

There are 59 non-government schools which were categorised at Funding Level 1 under the funding
arrangements in place prior to 2001. Of these, 56 schools offer the primary level of education and 50
offer the secondary level of education (one school ceased offering the secondary level of education in
2003 bringing the number down to 49). The following table outlines the average sum of GRG funding
paid to the 59 schools in respect of their primary and/or secondary levels of education. The non-
government school figures include all Catholic systemic schools.
Average per school Australian Government General Recurrent Grants funding provided to primary and secondary schools in Australia and average per school enrolments

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<th>Enrols</th>
<th>Primary</th>
<th>Secondary</th>
<th>Enrols</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cat 1</td>
<td>Schools</td>
<td>281,714.00</td>
<td>906,529.88</td>
<td>330.4</td>
<td>731.2</td>
<td>365,713.95</td>
<td>1,125,498.26</td>
<td>333.5</td>
<td>743.4</td>
<td>464,792.67</td>
<td>1,404,942.03</td>
<td>339.3</td>
</tr>
<tr>
<td></td>
<td>Private</td>
<td>663,587.16</td>
<td>1,498,923.41</td>
<td>79.8</td>
<td>221.5</td>
<td>711,211.49</td>
<td>1,620,813.14</td>
<td>83.2</td>
<td>228.6</td>
<td>778,105.88</td>
<td>1,800,954.76</td>
<td>86.5</td>
</tr>
<tr>
<td></td>
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<td>346,432.08</td>
<td>242.5</td>
<td>487.2</td>
<td>121,105.19</td>
<td>353,261.45</td>
<td>240.3</td>
<td>472.9</td>
<td>130,056.78</td>
<td>382,939.46</td>
<td>241.3</td>
</tr>
</tbody>
</table>

Footnote:
1. Private Schools include Catholic schools.
2. Total school numbers used to determine average includes all schools offering that level of education.

Taxation: New South Wales Bar Association
(Question No. 3016)

Mr Murphy asked the Treasurer, upon notice, on 16 February 2004:

(1) Further to the answer to part (4) of question No. 1896 (Hansard, 10 February 2004, page 24165), why does the Commissioner of Taxation’s Report for 2002-2003 not explain how the Australian Taxation Office did not identify the serious policy failure in the Tax Office over many decades which led to the question contained in part (2) (a) of question No. 1896 and put by the President of the New South Wales Bar Association in his letter to the Commissioner of Taxation dated 16 December 2002 titled ‘Tax-delinquent Barristers and Statutory Secrecy’ (Reference 01/120).

(2) Is he aware of the President of the New South Wales Bar Association’s concerns about the high media profile of the cases of former QC Mr John Cummins in not lodging an income taxation return for some forty years and former QC Mr Clarrie Stevens not paying any income tax for fifteen years and at the same time being paid by the Commonwealth for work done as counsel for the Australian Taxation Office over a period of eight years and that income not being the subject of any income tax return filed by Mr Stevens as required by legislation.

(3) Will he explain how the Australian Taxation Office (a) failed to become acquainted with Mr Cummins’ failure to lodge an income taxation return for some forty years, and (b) failed to become acquainted with Mr Stevens’ failure to pay any income tax for fifteen years, particularly when a significant amount of his income during this period was derived from work he did for the Australian Taxation Office.

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

(1) The Commissioner of Taxation’s Report for 2002-2003 focused on the current activities in relation to barristers and solicitors.

(2) The Australian Taxation Office (ATO) is maintaining a relationship with the Bar Association on matters relating to the regulation of barristers and solicitors.

(3) The ATO has improved its processes for identifying people who may be operating outside the tax system. In relation to barristers and solicitors, this has involved the matching of membership records held by legal practitioner associations against ATO records to identify any legal professionals who are either not registered in the tax system or have outstanding taxation obligations. This will ensure that legal professionals, including those engaged to do work on behalf of the ATO, are monitored and appropriate compliance follow up taken. The ATO is also pursuing this strategy in relation to other professional occupational groups.
The Government has recently released an exposure draft of amendments to bankruptcy legislation to close loopholes that allowed people to use bankruptcy to avoid their obligations to their creditors.

**Telstra: Outsourcing**

(Question No. 3042)

Mr Murphy asked the Minister for Communications, Information Technology and the Arts, upon notice, on 17 February 2004:


2. Can he confirm that Telstra is planning to send several hundred more jobs offshore in a move that may result in a large part of its accounting, payroll and purchasing systems being managed in India.

3. What is the impact on Australia’s Information Technology sector and the opportunities for Australians to develop skills in an area crucial to Australia’s future.

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

1. Yes.

2. The Telstra Board and senior management are responsible for the day to day running of the organisation, including decisions concerning the organisation’s strategic direction and the outsourcing of work to consultants, and how it manages the provision of its services. However, Telstra has advised that it is not proposing to outsource its accounting, payroll and purchasing functions to India. Telstra has advised that its human resource, payroll and accounting functions are performed and managed by Telstra's own specialist teams and that these arrangements will continue.

3. The relocation of Information and Communications Technology (ICT) services overseas or ‘off-shoring’ is a modern global phenomenon that needs to be kept in perspective. Research has shown that currently only some one to two per cent of total expenditure on IT and business process-related outsourcing by Australian organisations in Australia goes offshore.

Globalisation of the ICT services market represents an opportunity for Australia’s IT industry. This is shown by a recent KPMG 2004 Competitive Alternatives Study which has ranked Australia as the best place in the developed world to base software development operations. Between July and November 2003, $330 million in new investment flowed into Australia’s ICT industry in investments and contracts from offshore companies such as UBS Warburg, IBM and Convergys, creating hundreds of jobs for Australian IT workers. Last year, for example, UBS Warburg set up its global IT technical support centre in Sydney and relocated hundreds of jobs from London and New York to Australian IT workers who are now servicing 16,000 staff across 30 countries.

The Australian ICT services sector is ranked highly as a destination for investment in high value-added IT operations because it has highly skilled multilingual workers and offers world class IT infrastructure, and an attractive low risk business environment. The Government is selling this message to the world through its ‘Technology Australia’ brand.

The Australian Government’s broad policy environment encourages innovation, the development of ICT skills, stimulates the development of new firms and fosters the widespread use of ICT to achieve productivity benefits.

The Government’s five-year Innovation Action Plan, Backing Australia’s Ability, assists the ICT sector through a range of measures designed to support R&D in the public and private sectors to increase the availability of skills and the ability of Australian business to commercialise research achievements.

This Government also encourages free trade and Australian companies to engage with the global economy.
Transport and Regional Services: Trade Unions
(Question No. 3138)
Mr Bevis asked the Minister for Transport and Regional Services, upon notice, on 1 March 2004:
(1) For the year (a) 2000, (b) 2001, (c) 2002, and (d) 2003, what payments were made by the Minister’s department to (i) registered unions of employees, (ii) registered unions of employers, (iii) unions of employees peak body, and (iv) unions of employers peak body.
(2) In respect of each payment, (a) how much money was provided, and (b) what was its purpose.

Mr Anderson—The answer to the honourable member’s question is as follows:
A search of the Departments accounting records indicates the Department has made no payments to the categories of vendors specified in the question. It should be noted that the Department does not identify vendors by category and therefore there is a small chance that a payment that rightfully falls within one of the categories may have been overlooked.

Environment and Heritage: Trade Unions
(Question No. 3145)
Mr Bevis asked the Minister for the Environment and Heritage, upon notice, on 1 March 2004:
(1) For the year (a) 2000, (b) 2001, (c) 2002, and (d) 2003, what payments were made by the Minister’s department to (i) registered unions of employees, (ii) registered unions of employers, (iii) unions of employees peak bodies, and (iv) unions of employers peak bodies.
(2) In respect of each payment, (a) how much money was provided, and (b) what was its purpose.

Dr Kemp—The answer to the honourable member’s questions is as follows:
(1) and (2)
(i) Registered unions of employees:
Unions Tasmania:
2000-01: $605
2001-02: $605.
These payments were for Occupational Health and Safety training in the Australian Antarctic Division.
(ii) Registered unions of employers:
Australian Industry Group:
2001-02: $138,998
2002-03: $72,666.
Victorian Employers’ Chamber of Commerce and Industry
2002-03: $104,500.
This funding was provided via co-funding Eco-Efficiency Agreements. These agreements are voluntary partnerships between Australian industry associations and the Australian Government. Through Eco-Efficiency Agreements, industry associations work with the Department of the Environment and Heritage to help improve business efficiency while reducing impact on the environment. Agreements are co-funded, with the Industry Association providing a funding contribution at least equal to that of the Commonwealth.
The core elements of an Eco-Efficiency Agreement are:
- promotion of eco-efficiency through workshops, seminars, conferences, etc.;
- surveying members on their environmental performance;
- producing an annual public environment report on the performance of the industry association’s members; and
- undertaking sector-specific projects e.g. case studies, environmental audits.

(iii) Unions of employee’s peak bodies: Nil.
(iv) Unions of employer’s peak bodies: Nil.

**Freedom of Information**

(Question No. 3169)

**Ms Roxon** asked the Minister for Communications, Information Technology and the Arts, upon notice, on 1 March 2004:

(1) Can the Minister indicate (a) whether the Minister’s department has a dedicated Freedom of Information (FOI) Officer, and (b) how many officers are employed to deal with FOI requests, and (c) at what levels they are employed.

(2) How many applications did the department have under the FOI Act in the 2002-2003 financial year and how did this figure compare to previous years.

(3) How many internal reviews of applications occurred in the last financial year and how many internal reviews affirmed the original decision.

(4) Can the information in (2) and (3) be broken down into applications requesting individual information and applications requesting information for other reasons (ie. media, opposition MPs etc).

(5) What proportion of cases go to external review and what proportion of these are upheld.

(6) In respect of fees for FOI applications, (a) how much was charged, (b) how much was actually collected, and (c) what proportion of fees were waived.

(7) How much did the Minister’s department spend in defending FOI appeals.

(8) In respect of refusals to grant requests, can the Minister provide details on (a) which exemption categories are used when information is refused, and (b) what proportion of refusals are in each category (ie commercial-in-confidence and other categories).

(9) Will the Minister provide statistics over the last 5 years indicating whether the use of particular exemption categories is static, falling or increasing.

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

(1) (a) to (c) The Department does have an FOI Coordinator. The FOI Coordinator is the Legal Group Office Manager. Decisions on FOI requests may be made by the Minister, the principal officer of an agency, or by authorised officers pursuant to section 23 of the Act. The Secretary has authorised all SES officers, all EL2 (Legal) officers and the Director of Artbank to be decision-makers under the FOI Act. In addition, officers at various levels in Legal Group and policy areas may assist with processing FOI applications.

(2) The information for the 2002-03 financial year is found in the Freedom of Information Act 1982 Annual Report 2002-2003 (‘FOI Annual Report 2002-2003’), Appendix A. Comparisons to previous years may be made by reference to information in previous FOI Annual Reports.

(3) This information is found in the FOI Annual Report 2002-2003, Appendix E.

(4) This information is found in the FOI Annual Report 2002-2003, Appendices A and E.

(5) Information relating to the Administrative Appeals Tribunal (AAT) can be found in Appendices F and G of the FOI Annual Report 2002-2003. From that information, and the information in Appen-
In the 2002-2003 financial year:

- Applicants were liable to pay $290 in fees (for initial requests and internal review applications) and $1,714* in charges were notified;
- $250* in fees and $671 in charges were actually collected;
- One internal review fee was waived and all charges were waived on three occasions, corresponding to 43% of all applications received.

In preparing the answer to these questions it has become apparent that the figures in Appendix D of the FOI Annual Report 2002-2003 corresponding to the figures marked * above are incorrect. The Annual Report figures are $1,628 (for charges notified) and $180 (for fees collected) respectively. The figures provided by the Department of Communications, Information Technology and the Arts to the Attorney-General’s Department for inclusion in the FOI Annual Report were incorrectly calculated. The Department has changed its FOI records management processes to ensure that such errors do not occur in future.


(8) and (9) Statistics regarding the use of each exemption category in access decisions made in the last five financial years are given below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. % of exempt decisions</td>
<td>No. % of exempt decisions</td>
<td>No. % of exempt decisions</td>
<td>No. % of exempt decisions</td>
<td>No. % of exempt decisions</td>
</tr>
<tr>
<td>Section 15</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>14%</td>
<td>1</td>
</tr>
<tr>
<td>Section 21</td>
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<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Section 24A</td>
<td>1</td>
<td>20%</td>
<td>2</td>
<td>40%</td>
<td>3</td>
</tr>
<tr>
<td>Section 34</td>
<td>0</td>
<td>1</td>
<td>20%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Section 36</td>
<td>2</td>
<td>40%</td>
<td>1</td>
<td>20%</td>
<td>2</td>
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<tr>
<td>Section 40</td>
<td>2</td>
<td>40%</td>
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<td>0</td>
<td>0</td>
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<td>2</td>
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<td>1</td>
<td>20%</td>
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<td>0</td>
<td>1</td>
<td>14%</td>
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<td>Section 43</td>
<td>2</td>
<td>40%</td>
<td>1</td>
<td>20%</td>
<td>1</td>
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<tr>
<td>Total decisions using exemptions</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>7</td>
</tr>
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</table>

Note: Most decisions involve multiple documents and more than one exemption category. The percentages refer to the number of times the exemption category was used as a proportion of all access decisions that have used an exemption category of any kind.
Transport and Regional Services: Legal Services
(Question No. 3179)

Ms Roxon asked the Minister for Transport and Regional Services, upon notice, on 1 March 2004:

(1) How much did the Minister’s department spend during 2002-2003 on outsourced (a) barristers and (b) solicitors (including private firms, the Australian Government Solicitor, and any others).

(2) How much did the Minister’s department spend on internal legal services.

(3) What is the Minister’s department’s projected expenditure on legal services for the 2003-2004 financial year.

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

(1) The Department of Transport and Regional Services spent $2,094,121.00 on external legal services for the financial year 02/03. We are unable to determine the break down by barristers and solicitors.

(2) The Department of Transport and Regional Services spent $1,058,945.00 on internal staffing for legal services.

(3) The Department of Transport and Regional Services to date has spent $1,820,594 and is projected to spend a further $1,502,476.00 in the financial year 03/04.

Education: HECS Contributions
(Question No. 3201)

Ms Vamvakinou asked the Minister for Education, Science and Training, upon notice, on 2 March 2004:

For the year 2002-2003, how many students paid (a) upfront HECS fees, and (b) upfront full fees in the postcode areas (i) 3036, (ii) 3037, (iii) 3038, (iv) 3043, (v) 3046, (vi) 3047, (vii) 3048, (viii) 3049, (vii) 3059, (ix) 3060, (x) 3061, (xi) 3064, (xii) 3427, and (xiii) 3428.

Dr Nelson—The answer to the honourable member’s question is as follows:

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<thead>
<tr>
<th>Postcode</th>
<th>HECS liable up front paying students</th>
<th>Domestic fee paying students</th>
<th>Overseas fee paying students</th>
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<tbody>
<tr>
<td>3036</td>
<td>63</td>
<td>67</td>
<td>34</td>
</tr>
<tr>
<td>3037</td>
<td>74</td>
<td>96</td>
<td>50</td>
</tr>
<tr>
<td>3038</td>
<td>159</td>
<td>169</td>
<td>95</td>
</tr>
<tr>
<td>3043</td>
<td>84</td>
<td>77</td>
<td>41</td>
</tr>
<tr>
<td>3046</td>
<td>86</td>
<td>83</td>
<td>60</td>
</tr>
<tr>
<td>3047</td>
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</tr>
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<td>3048</td>
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</tr>
<tr>
<td>3049</td>
<td>30</td>
<td>32</td>
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<td>3059</td>
<td>72</td>
<td>70</td>
<td>29</td>
</tr>
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<td>3060</td>
<td>36</td>
<td>31</td>
<td>14</td>
</tr>
<tr>
<td>3061</td>
<td>9</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>3064</td>
<td>52</td>
<td>55</td>
<td>38</td>
</tr>
<tr>
<td>3427</td>
<td>7</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>3428</td>
<td>6</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>719</td>
<td>741</td>
<td>431</td>
</tr>
</tbody>
</table>
Education: Funding
(Question No. 3202)

Ms Vamvakinou asked the Minister for Education, Science and Training, upon notice, on 2 March 2004:

(1) For the year 2002-2003, what sum was provided to (a) government and (b) non-government schools in the postcode area (i) 3036, (ii) 3037, (iii) 3038, (iv) 3043, (v) 3046, (vi) 3047, (vii) 3048, (viii) 3049, (ix) 3059, (x) 3060, (xi) 3064, (xii) 3427, and (xiii) 3428.

(2) In respect of each grant, what was (a) the expenditure, (b) its location, and (c) its purpose.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1 and 2) Funding provided by the Department of Education, Science and Training is not allocated or reported on the basis of postcodes. However, information is available on General Recurrent Grants, Distance Education, Establishment Grants, Capital Grants and Quality Teacher programmes for non-government and government schools and has been compiled on the following pages on the basis of data available at the postcode level.

GENERAL RECURRENT GRANTS TO NON-GOVERNMENT SCHOOLS VICTORIA 2002 PROGRAMME YEAR

<table>
<thead>
<tr>
<th>CLIENT NAME</th>
<th>LOCATION</th>
<th>POSTCODE</th>
<th>ANNUAL ENTITLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>St Augustine’s Primary School</td>
<td>Keilor</td>
<td>3036</td>
<td>$857,328</td>
</tr>
<tr>
<td>Catholic Regional College, Keilor North</td>
<td>Keilor North</td>
<td>3036</td>
<td>$2,472,622</td>
</tr>
<tr>
<td>Overnewton Anglican Community College</td>
<td>Keilor</td>
<td>3036</td>
<td>$6,309,987</td>
</tr>
<tr>
<td>Gilson College</td>
<td>Taylors Hill</td>
<td>3037</td>
<td>$1,225,248</td>
</tr>
<tr>
<td>Catholic Regional College</td>
<td>Sydenham</td>
<td>3038</td>
<td>$2,988,976</td>
</tr>
<tr>
<td>Mary Mackillop Primary School</td>
<td>Keilor Downs</td>
<td>3038</td>
<td>$2,108,340</td>
</tr>
<tr>
<td>Emmaus Catholic Primary School</td>
<td>Sydenham</td>
<td>3038</td>
<td>$1,586,820</td>
</tr>
<tr>
<td>School of the Good Shepherd</td>
<td>Gladstone Park</td>
<td>3043</td>
<td>$1,443,720</td>
</tr>
<tr>
<td>Corpus Christi Primary School</td>
<td>Glenroy</td>
<td>3046</td>
<td>$892,944</td>
</tr>
<tr>
<td>St Francis de Sales School</td>
<td>Oak Park</td>
<td>3046</td>
<td>$772,740</td>
</tr>
<tr>
<td>St Thomas More’s School</td>
<td>Hadfield</td>
<td>3046</td>
<td>$1,291,080</td>
</tr>
<tr>
<td>Glenvale School</td>
<td>Glenroy</td>
<td>3046</td>
<td>$520,124</td>
</tr>
<tr>
<td>Holy Child Primary School</td>
<td>Dallas</td>
<td>3047</td>
<td>$1,228,752</td>
</tr>
<tr>
<td>St Dominic’s School</td>
<td>Broadmeadows</td>
<td>3047</td>
<td>$690,060</td>
</tr>
<tr>
<td>Penola Catholic College</td>
<td>Broadmeadows</td>
<td>3047</td>
<td>$5,973,754</td>
</tr>
<tr>
<td>Ilim College of Australia</td>
<td>Broadmeadows</td>
<td>3047</td>
<td>$1,464,080</td>
</tr>
<tr>
<td>Isik College</td>
<td>Broadmeadows</td>
<td>3047</td>
<td>$2,899,693</td>
</tr>
<tr>
<td>St Mary’s Coptic Orthodox College</td>
<td>Coolaroo</td>
<td>3048</td>
<td>$2,312,290</td>
</tr>
<tr>
<td>Saint Carlo Borromeo Primary School</td>
<td>Greenvale</td>
<td>3059</td>
<td>$3,475,450</td>
</tr>
<tr>
<td>Aitken College</td>
<td>Greenvale</td>
<td>3059</td>
<td>$3,475,450</td>
</tr>
<tr>
<td>St Mark’s Primary School</td>
<td>Fawkner</td>
<td>3060</td>
<td>$655,080</td>
</tr>
<tr>
<td>St Matthew’s Primary School</td>
<td>Fawkner North</td>
<td>3060</td>
<td>$1,545,480</td>
</tr>
<tr>
<td>Darul Ulum College of Victoria</td>
<td>North Fawkner</td>
<td>3060</td>
<td>$1,360,400</td>
</tr>
<tr>
<td>Our Lady’s Primary School</td>
<td>Craigieburn</td>
<td>3064</td>
<td>$1,806,240</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>CLIENT NAME</th>
<th>LOCATION</th>
<th>POSTCODE</th>
<th>ANNUAL ENTITLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Samaritan Catholic Primary School</td>
<td>Roxburgh Park</td>
<td>3064</td>
<td>$1,396,020</td>
</tr>
</tbody>
</table>

**TOTAL $49,054,212**

*Glenvale School received $136,087 for Distance Education and $30,275 Establishment Grant funding in 2003.

There are no other schools in receipt of Establishment Grants provided for these postcodes for 2002.

There are no non-government schools in receipt of General Recurrent Grant funding for postcodes 3049, 3061, 3427, 3428 for 2003.

### GENERAL RECURRENT GRANTS TO NON-GOVERNMENT SCHOOLS VICTORIA 2003

<table>
<thead>
<tr>
<th>PROGRAMME YEAR</th>
<th>CLIENT NAME</th>
<th>LOCATION</th>
<th>POSTCODE</th>
<th>ANNUAL ENTITLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catholic Regional College, Keilor North</td>
<td>Keilor North</td>
<td>3036</td>
<td>$2,831,024.00</td>
<td></td>
</tr>
<tr>
<td>Overnewton Anglican Community College</td>
<td>Keilor</td>
<td>3036</td>
<td>$7,021,750.00</td>
<td></td>
</tr>
<tr>
<td>St Augustine’s Primary School</td>
<td>Keilor</td>
<td>3036</td>
<td>$927,249.60</td>
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</tr>
<tr>
<td>Gilson College</td>
<td>Taylors Hill</td>
<td>3037</td>
<td>$1,516,223.00</td>
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</tr>
<tr>
<td>Catholic Regional College</td>
<td>Sydenham</td>
<td>3038</td>
<td>$3,155,600.00</td>
<td></td>
</tr>
<tr>
<td>Emmaus Catholic Primary School</td>
<td>Sydenham</td>
<td>3038</td>
<td>$1,715,616.00</td>
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</tr>
<tr>
<td>Mary Mackillop Primary School</td>
<td>Keilor Downs</td>
<td>3038</td>
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<tr>
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<td>3046</td>
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<tr>
<td>Glenvale School</td>
<td>Glenroy</td>
<td>3046</td>
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<tr>
<td>School of the Good Shepherd</td>
<td>Gladstone Park</td>
<td>3046</td>
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<tr>
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<td>3047</td>
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<tr>
<td>Isik College</td>
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<td>3047</td>
<td>$3,602,481.00</td>
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<tr>
<td>Penola Catholic College</td>
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<tr>
<td>St Mary’s Coptic Orthodox College</td>
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<td>3059</td>
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<td></td>
</tr>
</tbody>
</table>

*Glenvale School received $121,105 for Distance Education funding in 2003.

There are no schools in receipt of establishment grants funding provided for these postcodes for 2003.

There are no non-government schools in receipt of General Recurrent Grants for postcodes 3428, 3049, 3061, 3427 for 2003.
### AUSTRALIAN GOVERNMENT CAPITAL GRANTS PROGRAMME

<table>
<thead>
<tr>
<th>Post-code</th>
<th>School</th>
<th>Location</th>
<th>Grant Year</th>
<th>Grant Amount</th>
<th>Project Description</th>
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<tbody>
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<td>$700,000</td>
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<td>PROVISION OF: GENERAL PURPOSE CLASSROOMS, LIBRARY AND STAFF WORKSPACE.</td>
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</tr>
<tr>
<td>3047</td>
<td>NIL</td>
<td>3048</td>
<td>Coolaroo South Primary School</td>
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<td>2003</td>
</tr>
<tr>
<td>3049</td>
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<td>Westmeadows</td>
<td>2003</td>
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<td>3060</td>
<td>NIL</td>
<td>3061</td>
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</tr>
<tr>
<td>3427</td>
<td>NIL</td>
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<td>Gilson College</td>
</tr>
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| 3037 | Gilson College | Taylors | 2003 | $200,000 | CONSTRUCTION OF: 3
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<th>Grant Amount</th>
<th>Project Description</th>
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<td></td>
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<td>MULTl-PURPOSE ROOM AND TRAVEL. CONSTRUCTION OF: 6 GENERAL LEARNING AREAS, PUPILS'</td>
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<td></td>
<td></td>
<td>AMENITIES AND TRAVEL.</td>
</tr>
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<td>Sydenham</td>
<td>2002</td>
<td>$163,089</td>
<td>CONSTRUCTION OF: 6 GENERAL LEARNING AREAS, PUPILS' AMENITIES AND TRAVEL.</td>
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<td>Holy Child Primary School</td>
<td>Dallas</td>
<td>2002</td>
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<td>CONSTRUCTION OF: ADMINISTRATION AREAS. RECONSTRUCTION OF: STUDENT AMENITIES.</td>
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<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td>AMENITIES. ASSOCIATED SERVICES, SITE WORKS, FURNITURE AND EQUIPMENT.</td>
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<tr>
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<td></td>
<td></td>
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<td>Isik College</td>
<td>Broadmeadows</td>
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<td>$270,000</td>
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<td></td>
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<td></td>
<td></td>
<td>COMMON ROOM, STORAGE AND STUDY AREAS). ASSOCIATED SERVICES, SITE WORKS, FURNITURE</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>AND EQUIPMENT.</td>
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<td>Ilim College of Australia</td>
<td>Broadmeadows</td>
<td>2003</td>
<td>$270,000</td>
<td>REFRURBISHMENT AND FIT-OUT OF: LIBRARY, REFRURBISHMENT OF: MATERIALS TECHNOLOGY</td>
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<td></td>
<td></td>
<td></td>
<td>ROOM. ASSOCIATED SERVICES, FURNITURE AND EQUIPMENT. FIT-OUT OF: 3 GENERAL LEARNING</td>
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<td></td>
<td></td>
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<td></td>
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<td>AREAS AND HOME ECONOMICS. ASSOCIATED SERVICES, FURNITURE AND EQUIPMENT.</td>
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<td>NIL</td>
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<td>CONSTRUCTION OF: VCE CENTRE (5 GENERAL LEARNING AREAS, OFFICES, AMENITIES, COMMON</td>
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<td>3049</td>
<td>NIL</td>
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<td></td>
<td></td>
<td>ROOM, STORAGE AND STUDY AREAS). ASSOCIATED SERVICES, SITE WORKS, FURNITURE AND</td>
</tr>
<tr>
<td>3059</td>
<td>Aitken College</td>
<td>Greenvale</td>
<td>2002</td>
<td>$430,000</td>
<td>CONSTRUCTION OF: VCE CENTRE (5 GENERAL LEARNING AREAS, OFFICES, AMENITIES, COMMON</td>
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<td></td>
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<td></td>
<td></td>
<td>ROOM, STORAGE AND STUDY AREAS). ASSOCIATED SERVICES, SITE WORKS, FURNITURE AND</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EQUIPMENT.</td>
</tr>
<tr>
<td>Postcode</td>
<td>School</td>
<td>Location</td>
<td>Grant Year</td>
<td>Grant Amount</td>
<td>Project Description</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------</td>
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<td>--------------</td>
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<tr>
<td>3059</td>
<td>Aitken College</td>
<td>Greenvale</td>
<td>2003</td>
<td>$600,000</td>
<td>EQUIPMENT. CONSTRUCTION OF: 2 GENERAL LEARNING AREAS AND 2 SCIENCE LABORATORIES. EXTENSION TO: ADMINISTRATION AREA. ASSOCIATED SERVICES, SITE WORKS, FURNITURE AND EQUIPMENT.</td>
</tr>
<tr>
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<td>Greenvale</td>
<td>2003</td>
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<td>CONSTRUCTION OF: STUDENT AMENITIES, ADMIN AREA AND EXTENSION OF LIBRARY. ASSOCIATED FURNITURE AND EQUIPMENT. SERVICES AND SITE WORKS.</td>
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<td>North Fawkner</td>
<td>2002</td>
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<td>CONSTRUCTION OF: LIBRARY. CONVERSION TO CREATE: 2 GENERAL LEARNING AREAS. ASSOCIATED SERVICES. SITE WORKS. FURNITURE AND EQUIPMENT.</td>
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<td>3061</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3064</td>
<td>NIL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3427</td>
<td>NIL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3428</td>
<td>NIL</td>
<td></td>
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</tr>
</tbody>
</table>

AUSTRALIAN GOVERNMENT QUALITY TEACHING PROGRAMME (AGQTP)

This programme is run, and activities reported to the Department, on a calendar year basis. From information provided by the Victorian Department of Education and Training, for both government and non-government schools, the following schools participated in AGQTP funded projects in 2003:

<table>
<thead>
<tr>
<th>Postcode</th>
<th>School</th>
<th>Purpose – to promote:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3037</td>
<td>Mackellar Primary School, Delahey</td>
<td>Multiliteracies for the 21st Century</td>
</tr>
<tr>
<td>3036</td>
<td>Keilor Primary School, Keilor</td>
<td>Science and technology professional development</td>
</tr>
<tr>
<td>3038</td>
<td>Taylors Lakes Secondary College, Taylors Lakes</td>
<td>Science and technology professional development</td>
</tr>
<tr>
<td>3047</td>
<td>Coolaroo South Primary School, Coolaroo</td>
<td>Literacy special assistance and intervention</td>
</tr>
<tr>
<td>3047</td>
<td>Dallas North Primary School, Dallas</td>
<td>Literacy special assistance and intervention</td>
</tr>
<tr>
<td>3047</td>
<td>Dallas Primary School, Dallas</td>
<td>Literacy special assistance and intervention</td>
</tr>
<tr>
<td>3046</td>
<td>Glenroy North Primary School</td>
<td>Literacy special assistance and intervention</td>
</tr>
<tr>
<td>3046</td>
<td>Upfield Primary School, Broadmeadows</td>
<td>Literacy special assistance and intervention</td>
</tr>
<tr>
<td>3046</td>
<td>Box Forest Secondary College, Glenroy</td>
<td>Moving forward – maths in the 21st Century with ICT as a delivery tool</td>
</tr>
<tr>
<td>3047</td>
<td>Broadmeadows Secondary College, Broadmeadows</td>
<td>Moving forward – maths in the 21st Century with ICT as a delivery tool</td>
</tr>
<tr>
<td>Postcode</td>
<td>School</td>
<td>Purpose – to promote:</td>
</tr>
<tr>
<td>----------</td>
<td>--------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>3043</td>
<td>Erinbank Secondary College, Westmeadows</td>
<td>Moving forward – maths in the 21st Century with ICT as a delivery tool</td>
</tr>
<tr>
<td>3060</td>
<td>Fawkner Secondary College, Fawkner</td>
<td>Moving forward – maths in the 21st Century with ICT as a delivery tool</td>
</tr>
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<td>3047</td>
<td>Hillcrest Secondary College, Broadmeadows</td>
<td>Moving forward – maths in the 21st Century with ICT as a delivery tool</td>
</tr>
<tr>
<td>3047</td>
<td>Heights Secondary College, Broadmeadows</td>
<td>Moving forward – maths in the 21st Century with ICT as a delivery tool</td>
</tr>
<tr>
<td>3047</td>
<td>Broadmeadows Primary School, Broadmeadows</td>
<td>The Learning Centred Teacher</td>
</tr>
<tr>
<td>3047</td>
<td>Bethal Primary School, Meadow Heights</td>
<td>The Learning Centred Teacher</td>
</tr>
<tr>
<td>3047</td>
<td>Broadmeadows West primary School, Broadmeadows</td>
<td>The Learning Centred Teacher</td>
</tr>
<tr>
<td>3047</td>
<td>Campmeadows Primary School, Broadmeadows</td>
<td>The Learning Centred Teacher</td>
</tr>
<tr>
<td>3047</td>
<td>Hume Valley School, Broadmeadows</td>
<td>The Learning Centred Teacher</td>
</tr>
<tr>
<td>3047</td>
<td>Meadowbank Primary School, Broadmeadows</td>
<td>The Learning Centred Teacher</td>
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<tr>
<td>3047</td>
<td>Meadowfair North Primary School, Broadmeadows</td>
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</tr>
<tr>
<td>3064</td>
<td>Craigieburn South Primary School, Craigieburn</td>
<td>Science professional development</td>
</tr>
<tr>
<td>3064</td>
<td>Roxburgh College, Roxburgh Park</td>
<td>Science professional development</td>
</tr>
<tr>
<td>3046</td>
<td>Box Forest Secondary College, Glenroy</td>
<td>Vocational education</td>
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<td>Broadmeadows Secondary College, Broadmeadows</td>
<td>Vocational education</td>
</tr>
<tr>
<td>3043</td>
<td>Erinbank Secondary College, Westmeadows</td>
<td>Vocational education</td>
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<td>Fawkner Secondary College, Fawkner</td>
<td>Vocational education</td>
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<tr>
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<td>Hillcrest Secondary College, Broadmeadows</td>
<td>Vocational education</td>
</tr>
<tr>
<td>3046</td>
<td>Koorie Open Door Education (a campus of Box Forest Secondary College), Glenroy</td>
<td>Literacy/numeracy support for Indigenous students</td>
</tr>
<tr>
<td>3046</td>
<td>St Thomas More's School, Hadfield</td>
<td>e-Learning In Catholic Primary Schools</td>
</tr>
<tr>
<td>3064</td>
<td>Our Lady's School, Craigieburn</td>
<td>the Local Area Primary Science Initiative</td>
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<tr>
<td>3047</td>
<td>Holy Child School, Dallas</td>
<td>Middle years literacy</td>
</tr>
<tr>
<td>3046</td>
<td>St Francis de Sales School, Oak Park</td>
<td>Middle years literacy</td>
</tr>
<tr>
<td>3060</td>
<td>St Mark's School, Fawkner</td>
<td>Middle years literacy</td>
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</table>
Calwell Electorate: Higher Education
(Question No. 3204)

Ms Vamvakinou asked the Minister for Education, Science and Training, upon notice, on
2 March 2004:

(1) How many people are currently enrolled in higher education in (a) the electoral division of Calwell
and the postcode area (b) 3036, (c) 3037, (d) 3038, (e) 3043, (f) 3046, (g) 3047, (h) 3048, (i) 3049,
(j) 3059, (k) 3060, (l) 3061, (m) 3064, (n) 3427, and (o) 3428.

(2) How many students residing in the electoral division of Calwell have an outstanding or accumu-
lated HECS debt.

(3) How many students residing in the postcode area (a) 3036, (b) 3037, (c) 3038, (d) 3043, (e) 3046,
(f) 3047, (g) 3048, (h) 3049, (i) 3059, (j) 3060, (k) 3061, (l) 3064, (m) 3427, and (n) 3428 have an
outstanding or accumulated HECS debt.

(4) How many people residing in the electoral division of Calwell but not currently enrolled in higher
education have an outstanding or accumulated HECS debt.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) (a) My Department does not collect student enrolment data on the basis of electorates.

(1) (b-o) Number of students enrolled in higher education by specified postcode in 2002 and 2003:

<table>
<thead>
<tr>
<th>Postcode</th>
<th>Domestic students</th>
<th>Overseas students</th>
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<td>2003</td>
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<td>3043</td>
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<td>3060</td>
<td>234</td>
<td>232</td>
</tr>
<tr>
<td>3061</td>
<td>113</td>
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</tr>
<tr>
<td>3064</td>
<td>462</td>
<td>517</td>
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<tr>
<td>3427</td>
<td>63</td>
<td>53</td>
</tr>
<tr>
<td>3428</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>5384</td>
<td>5536</td>
</tr>
</tbody>
</table>

(2) My Department does not collect student enrolment data on the basis of electorates.

(3) Total number of persons with outstanding HECS debts by specified postcodes as at 30 June 2003:

<table>
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<th>Postcode</th>
<th>Number of persons</th>
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<td>3037</td>
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<tr>
<td>3047</td>
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<td>3048</td>
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<td>3049</td>
<td>413</td>
</tr>
<tr>
<td>3059</td>
<td>537</td>
</tr>
</tbody>
</table>
(4) The ATO does not collect records of HECS debt on the basis of the electorate in which people reside.

**Australian Tax Office: Income Tax**  
**(Question No. 3249)**

**Mr Andren** asked the Treasurer, upon notice, on 3 March 2004:

(1) Can he confirm that the Australian Tax Office (ATO) does not accept interest recorded on off-balance sheet shadow ledgers in the preparation of taxation returns.

(2) Can he confirm that the ATO’s private ruling (ATO reference SH/TOW/3796545, Authorisation No. 36173) says that the amounts recorded on off-balance sheet shadow ledgers are not an ‘incurred liability’ pursuant to the Income Tax Assessment Act.

(3) Is he aware that the Commonwealth Bank of Australia (CBA) continues to issue off-balance sheet shadow ledgers to its customers with the notation “Please retain for taxation purposes if required”; if not, why not.

(4) Is he aware that as a consequence of the CBA’s practice, ASIC has received false company returns and the ATO, at the end of the 2003 financial year, has allowed deductions by acceptance of false taxation records prepared from off-balance sheet shadow ledgers; if not why not.

(5) Is any Government agency investigating allegations of the CBA’s false representation of off-balance sheet shadow ledgers as the true balance of a customer’s account for taxation purposes when, in fact, the off-balance sheet shadow ledger is not the actual balance of a customer’s account; if not, why not; if so, what is the current status of the investigation

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

(1) Yes. The ATO has issued a number of rulings to help taxpayers comply with their obligations to prepare accurate taxation returns. For example, Taxation Ruling 94/32 dealing with interest on non-accrual loans for financial institutions is relevant to the deductibility of interest relating to off-balance sheet shadow ledgers. It provides criteria for establishing when a loan should be classified as non-accrual for income tax purposes, and discusses the deductibility of bad debts in respect of interest not previously brought to account as assessable income.

(2) The reference quoted relates to a private ruling which has been provided to a taxpayer based on a specific set of facts put forward by that taxpayer. Section 16 of the Income Tax Assessment Act 1936 prevents the Commissioner of Taxation from discussing the affairs of individual taxpayers with others except when expressly empowered to do so under the Act. However, the Commissioner is confident that the correct answer has been provided to the taxpayer in the circumstances of this ruling.

(3) Section 16 of the Income Tax Assessment Act 1936 prevents the Commissioner of Taxation from discussing the affairs of individual taxpayers with others except when expressly empowered to do so under the Act.

(4) Refer to the answer provided to question 3.

(5) Refer to the answer provided to question 3.
Mr Murphy asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 3 March 2004:

(1) Did he write a letter dated 8 March 2002 in reply to correspondence from the Member for Maranoa, the Hon Bruce Scott, dated 30 January 2002, regarding support for a grain ethanol plant at Dalby under the ‘Biofuels for Cleaner Transport’ program.

(2) Can he confirm that he wrote “In relation to the ‘Biofuels for Cleaner Transport’ initiative announced during the 2001 election campaign, the Government is currently in the process of developing guidelines for the operation of this program”; if not, why not.

(3) Have the guidelines referred to in the letter been completed; if so, what are the details; if not, why not.

(4) Can he confirm that he wrote “As outlined in the Government’s policy announcement, I anticipate funding will become available from July 2002”; if not, why not.

(5) Has the funding referred to in his letter been made available; if so, what are the details; if not, why not.

(6) Can he confirm that he wrote “On the matter of the excise exemption for fuel ethanol, I can confirm on behalf of the Government that, as stated in the ‘Biofuels for Cleaner Transport’ policy, the current exemption of fuel ethanol from the $0.38 per litre excise on petroleum products will be maintained”; if not, why not.

(7) What is the present status of the Government’s undertaking in respect of the excise on ethanol.

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

(1) Yes.

(2) Yes.

(3) The Guidelines have been completed and can be found at the Invest Australia website.

(4) Yes.

(5) The funding has been made available. The Government announced on 25 July 2003 that $37.6 million would be made available for capital subsidies for biofuel production through the Biofuel Capital Grants Program. Applications were called for on 25 October 2003 and closed on 16 January 2004. Applications are being assessed by Invest Australia.

(6) Yes.

(7) On 16 December 2003 the Prime Minister announced that the final excise rate on fuel ethanol will be 12.5 cents per litre – half its energy content value. Ethanol will be effectively excise free until 1 July 2011. Excise will then be introduced in five equal annual steps to a final rate on 1 July 2015.

Mr Jenkins asked the Minister for Health and Ageing, upon notice, on 11 March 2004:

(1) For each year since 1995, what was the number of (a) general practitioners, (b) other Medicare providers, and (c) specialists in (i) the electoral division of Scullin, (ii) Melbourne, (iii) Victoria, and (iv) Australia.

(2) For each year since 1995, what was the ratio per 1000 head of population of (a) general practitioners, (b) other Medicare providers, and (c) specialists in (i) the electoral division of Scullin, (ii) Melbourne, (iii) Victoria, and (iv) Australia.
(3) For each year since 1995, what was the number of (a) general practitioners, (b) other Medicare providers, and (c) specialists in the Statistical Local Areas of (i) 205300662, (ii) 205405715, (iii) 205407071, and (iv) 205407074.

(4) For each year since 1995, what was the ratio per 1000 head of population of (a) general practitioners, (b) other Medicare providers, and (c) specialists in the Statistical Local Areas of (i) 205300662, (ii) 205405715, (iii) 205407071, and (iv) 205407074.

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

(1) The number of full-time equivalent (a) recognised general practitioners, (b) other medical practitioners, and (c) specialists in (i) the electoral division of Scullin, (ii) Melbourne, (iii) Victoria, and (iv) Australia in each of the years 1995-96 to 2002-03, is as follows:

MEDICARE - NUMBER OF FTE GPs AND SPECIALISTS SELECTED REGIONS 1995-96 TO 2002-03
(YEAR OF PROCESSING)

<table>
<thead>
<tr>
<th>Year</th>
<th>General Practitioner</th>
<th>Specialist</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Electorate of Scullin</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1995-96</td>
<td>68.0</td>
<td>15.3</td>
<td>83.4</td>
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<tr>
<td>2002-03</td>
<td>84.9</td>
<td>10.9</td>
<td>95.8</td>
</tr>
<tr>
<td>Melbourne</td>
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<td></td>
<td></td>
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<tr>
<td>1995-96</td>
<td>2,222.9</td>
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<td>2002-03</td>
<td>2,377.5</td>
<td>242.6</td>
<td>2,620.1</td>
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<tr>
<td>Victoria</td>
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<td>2,970.0</td>
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<td>2002-03</td>
<td>3,164.6</td>
<td>360.4</td>
<td>3,525.0</td>
</tr>
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</table>
### QUESTIONS ON NOTICE

#### MEDICARE - FTE GPs AND SPECIALISTS PER 1,000 POP SELECTED REGIONS 1995-96 TO 2002-03

<table>
<thead>
<tr>
<th>Year</th>
<th>General Practitioner</th>
<th>Specialist</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recognised Number</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electorate of Scullin</td>
<td></td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td>1999-00</td>
<td>12,553</td>
<td>1,321</td>
<td>13,874</td>
</tr>
<tr>
<td>2000-01</td>
<td>12,685</td>
<td>1,287</td>
<td>13,972</td>
</tr>
<tr>
<td>2001-02</td>
<td>12,753</td>
<td>1,331</td>
<td>14,084</td>
</tr>
<tr>
<td>2002-03</td>
<td>12,809</td>
<td>1,312</td>
<td>14,121</td>
</tr>
</tbody>
</table>

- The ratio per 1,000 head of population of (a) recognised general practitioners, (b) other medical practitioners, and (c) specialists in (i) the electoral division of Scullin, (ii) Melbourne, (iii) Victoria, and (iv) Australia in each of the years 1995-96 to 2002-03, is as follows:
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Year</th>
<th>General Practitioner</th>
<th>Specialist</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recognised Number per 1,000 population</td>
<td>Other</td>
<td>Total</td>
</tr>
<tr>
<td>1998-99</td>
<td>0.65</td>
<td>0.99</td>
<td>0.74</td>
</tr>
<tr>
<td>1999-00</td>
<td>0.65</td>
<td>0.08</td>
<td>0.74</td>
</tr>
<tr>
<td>2000-01</td>
<td>0.65</td>
<td>0.08</td>
<td>0.73</td>
</tr>
<tr>
<td>2001-02</td>
<td>0.64</td>
<td>0.08</td>
<td>0.72</td>
</tr>
<tr>
<td>2002-03</td>
<td>0.64</td>
<td>0.07</td>
<td>0.72</td>
</tr>
</tbody>
</table>

(3) and (4) These statistics are not available due to concerns about the accuracy of provider level statistics at Statistical Local Area Level (SLA) derived using postcode level concordance files. See ‘Notes to the Statistics’.  

Notes to the Statistics  

Since many practitioners practising under Medicare are very part-time, these statistics have been compiled on a Full Time Equivalent basis.  

The statistics relate to providers of services on a 'fee-for-service' basis for which Medicare benefits were processed by the Health Insurance Commission in the years in question. In compiling Full Time Equivalent values, excluded are details of services to public patients in hospital, to Department of Veterans’ Affairs patients and some compensation cases.  

The statistics were compiled from Medicare data by servicing provider postcode. Where a postcode overlapped electoral boundaries, the statistics were allocated to electorate using a concordance file derived from Population Census data, showing the proportion of the population of each postal area, in each electorate. While concordance files might produce reliable results in allocating servicing provider postcode data to electorates, significant errors might result in using such files in allocating postcode level data to small areas such as Statistical Local Area.  

In general terms, all practitioners with more than 50 per cent of Schedule fee income from non-referred attendances, were considered to be general practitioners. All other practitioners, including oral surgeons and optometrists, and general practitioners working in specialist fields, were considered to be specialists. Recognised general practitioners were distinguished from other medical practitioners on the basis of being vocationally registered general practitioners, Fellows of the College of General Practitioners or general practitioner trainees, and having more Schedule fee income from Group A1 than Group A2 of the Medicare Benefits Schedule.
Communications: ABC Radio National
(Question No. 3327)

Ms O’Byrne asked the Minister for Communications, Information Technology and the Arts, upon notice, on 22 March 2004:

(1) Can he say whether there are plans to cut ABC Radio National; if so, when is this likely to happen.
(2) Can he say whether there was any community consultation in the decision to cut Radio National.

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

(1) The ABC has advised that there are no plans to close any ABC radio network.
(2) See the answer to part (1).

Employment: Job Network
(Question No. 3357)

Mr Albanese asked the Minister for Employment Services, upon notice, on 23 March 2004:

What proportion of jobseekers 16-24 years of age is expected to exit the Job Network within (a) 3, (b) 6, (c) 9, and (d) 12 months of being registered with a provider.

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

We are not able to provide Job Network exit data by age. The table below however sets out exit rates for all job seekers at the unemployment gates requested. It should be noted that the overwhelming majority of job seekers who exit Job Network assistance in the first 12 months of assistance do so to take up jobs.

<table>
<thead>
<tr>
<th>Months in assistance</th>
<th>Proportion of job seekers exiting</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>37%</td>
</tr>
<tr>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>9</td>
<td>68%</td>
</tr>
<tr>
<td>12</td>
<td>76%</td>
</tr>
</tbody>
</table>

Employment: Job Seeker Account
(Question No. 3359)

Mr Albanese asked the Minister for Employment Services, upon notice, on 23 March 2004:

What sum has been deducted from the Job Seeker Account to purchase goods and services from:

(a) the same Job Network member, and
(b) a subsidiary of the same organisation submitting the claim.

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

At 30 April 2004, $16 million had been reimbursed to Job Network members from the Job Seeker Account for goods and services purchased from themselves and their subsidiaries. While Job Network members are required to indicate in the system if a purchase is from a related entity, no distinction is made between the providers and their subsidiaries.
Taxation: Income Tax  
(Question No. 3414)

Mr Murphy asked the Treasurer, upon notice, on 29 March 2004:  
Further to the answer to question No. 2835 (Hansard, 24 March 2004, page 26172) in respect of the parts of the Commission of Taxation’s Annual Reports since 2000/2001 that relate to the non-compliance with taxation law by members of the legal profession, will he now direct the Commissioner of Taxation to create an Australian Taxation Office ‘own account’ recognition code for barristers and solicitors; if not, why not.

Mr Costello—The answer to the honourable member’s question is as follows:  
Parliament has placed the administration of Australia’s income tax laws with the Commissioner of Taxation and neither the Treasurer nor any other Minister may intervene in the proper exercise of his statutory powers.

Taxation: Income Tax  
(Question No. 3445)

Mr Murphy asked the Treasurer, upon notice, on 1 April 2004:  
(1) Has his attention been drawn to the article by Vanda Carson in The Australian on 31 March 2004 titled ‘Packer beats the tax man on $95m’ which reported that 17 of Mr Kerry Packer’s companies in his private Consolidated Press Holdings group had claimed that they had incurred tax losses between 1992 and 1998 in order to eliminate a “hefty tax bill”.

(2) Will he introduce legislation to stop this method of tax avoidance; if so, when; if not, why not.

Mr Costello—The answer to the honourable member’s question is as follows:  
(1) My attention has been drawn to the newspaper article.

(2) There is no need to introduce legislation to address the tax case referred to in the article, because the Full Federal Court decision confirmed the strength of existing anti-avoidance laws. In particular, the Court upheld the Australian Taxation Office (ATO) policy that tax avoidance behaviour is a factor weighing against an extension of time for a tax loss transfer. Although the Commissioner was successful on most grounds of appeal, the appeal was dismissed because the Commissioner failed to consider one issue. Therefore, the decision was remitted back to the ATO to decide whether or not to allow the tax loss transfer taking into account consideration of that issue.

Attorney-General’s Department: Domestic and Overseas Air Travel  
(Question No. 3456)

Mr Quick asked the Attorney-General, 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 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 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 travel management services to the Minister’s department.

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

(1) (a) During 2000/2001 the department spent a total of $1,219,543 on air travel with $757,065 on domestic travel and $462,478 on international travel.

(b) During 2002/2003 the department spent a total of $4,048,700 on air travel with $2,788,008 on domestic travel and $1,270,692 on international travel.

(2) (a) (i) During 2000/2001 2.9 percent of departmental travel was provided by Ansett.

(ii) During 2000/2001 96.8 percent of departmental travel was provided by Qantas.

(iii) Not applicable, Rex Aviation commenced operations in August 2002.

(iv) During 2000/2001 nil department travel was provided by Virgin Blue.

(b) (i) During 2002/2003 nil departmental travel was provided by Ansett.

(ii) During 2002/2003 99.16 percent of departmental travel was provided by Qantas. An amount of $526,445 has not been included in this calculation as information on the service provider was unavailable.

(iii) During 2002/2003 0.09 percent of departmental travel was provided by Regional Express. An amount of $526,445 has not been included in this calculation as information on the service provider was unavailable.

(iv) During 2002/2003 0.07 percent of departmental travel was provided by Virgin Blue. An amount of $526,445 has not been included in this calculation as information on the service provider was unavailable.

(3) (a) (i) For the 2000/2001 financial year expenditure by the department on domestic travel with Ansett was $31,622.

(ii) For the 2000/2001 financial year expenditure by the department on domestic travel with Qantas was $721,417.

(iii) For the 2000/2001 financial year expenditure by the department on domestic travel with Regional Express was nil.

(iv) For the 2000/2001 financial year expenditure by the department on domestic travel with Virgin Blue was nil.

(b) (i) For the 2002/2003 financial year expenditure by the department on domestic travel with Ansett was nil.

(ii) For the 2002/2003 financial year expenditure by the department on domestic travel with Qantas was $1,302,010. An amount of $526,445 has not been included as information on the service provider was unavailable.
(iii) For the 2002/2003 financial year expenditure by the department on domestic travel with Regional Express was $799. An amount of $526,445 has not been included as information on the service provider was unavailable.

(iv) For the 2002/2003 financial year expenditure by the department on domestic travel with Virgin Blue was $1,032. An amount of $526,445 has not been included as information on the service provider was unavailable.

(4) (a) (i) During 2000/2001 the department spent $229,752 on domestic business class travel.
    (ii) During 2000/2001 the department spent $452,984 on overseas business class travel

(b) (i) During 2002/2003 the department spent $270,571 on domestic business class travel.
    (ii) During 2002/2003 the department spent $1,225,766 on overseas business class travel.

(5) (a) (i) During 2000/2001 the department spent $527,313 on domestic economy class travel.
    (ii) During 2000/2001 the department spent $9,494 on overseas economy class travel.

(b) (i) During 2002/2003 the department spent $1,568,465 on domestic economy class travel.
    (ii) During 2002/2003 the department spent $44,926 on overseas economy class travel.

(6) (a) (i) During 2000/2001 7.81 percent of expenditure on air travel was on the domestic route Sydney to Canberra.
    (ii) During 2000/2001 7.90 percent of expenditure on air travel was on the domestic route Melbourne to Canberra.
    (iii) During 2000/2001 0.84 percent of expenditure on air travel was on the domestic route Sydney to Melbourne.
    (iv) During 2000/2001 0.79 percent of expenditure on air travel was on the domestic route Sydney to Brisbane.
    (v) During 2000/2001 0.72 percent of expenditure on air travel was on the domestic route Melbourne to Hobart or Launceston.
    (vi) During 2000/2001 0.61 percent of expenditure on air travel was on the domestic route Sydney to Perth.

(b) (i) During 2002/2003 3.47 percent of expenditure on air travel was on the domestic route Sydney to Canberra. In answering this question the department has excluded group travel bookings for people attending training at Emergency Management Australia in Victoria as specific route information was unavailable.
    (ii) During 2002/2003 5.93 percent of expenditure on air travel was on the domestic route Melbourne to Canberra. In answering this question the department has excluded group travel bookings for people attending training at Emergency Management Australia in Victoria as specific route information was unavailable.
    (iii) During 2002/2003 1.03 percent of expenditure on air travel was on the domestic route Sydney to Melbourne. In answering this question the department has excluded group travel bookings for people attending training at Emergency Management Australia in Victoria as specific route information was unavailable.
    (iv) During 2002/2003 0.38 percent of expenditure on air travel was on the domestic route Sydney to Brisbane. In answering this question the department has excluded group travel bookings for people attending training at Emergency Management Australia in Victoria as no travel information was available.
    (v) During 2002/2003 0.37 percent of expenditure on air travel was on the domestic route Melbourne to Hobart or Launceston. In answering this question the department has excluded

QUESTIONS ON NOTICE
group travel bookings for people attending training at Emergency Management Australia in Victoria as specific route information was unavailable.

(vi) During 2002/2003 0.32 percent of expenditure on air travel was on the domestic route Sydney to Perth. In answering this question the department has excluded group travel bookings for people attending training at Emergency Management Australia in Victoria as specific route information was unavailable.

(7) (a) (i) During the 2000/2001 financial year no membership to the Qantas Chairman’s Lounge was paid for by the department.

(ii) During the 2000/2001 financial year 55 membership to the Qantas Club were paid for by the department.

(iii) During 2000/2001 financial year no membership to the Regional Express Membership Lounge was paid for by the department.

(iv) During the 2000/2001 financial year no membership to the Virgin Blue’s Blue Room was paid for by the department.

(b) (i) During the 2002/2003 financial year no membership to the Qantas Chairman’s Lounge was paid for by the department.

(ii) During the 2002/2003 financial year 46 memberships to the Qantas Club were paid for by the department.

(iii) During 2002/2003 financial year no membership to the Regional Express Membership Lounge was paid for by the department.

(iv) During the 2002/2003 financial year no membership to Virgin Blue’s Blue Room was paid for by the department.

(8) The department receives travel management services from Qantas Business Travel.

Environment and Heritage: Domestic and Overseas Air Travel
(Question No. 3457)

Mr Quick asked the Minister for the Environment and Heritage, 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 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 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 (iv) Virgin Blue’s Blue Room paid for by the department.

(8) Which company provides travel management services to the Minister’s department.

Dr Kemp—The answer to the honourable member’s question is as follows:

The information provided in relation to questions 1 to 6 is based on the records held by the company that provided travel management services to my department at that time.

(1) (a) $2,190,547 was spent on domestic air travel and $1,214,853 was spent on overseas air travel.
(b) $2,127,962 was spent on domestic air travel and $1,128,580 was spent on overseas travel.

(2) (a) (i) 7.48% (ii) 91.9% (iii) 0.18%, and (iv) 0%.
(b) (i) 0% (ii) 97.25% (iii) 0.61%, and (iv) 0%.

(3) (a) (i) $207,213 (ii) $1,970,517 (iii) $3,453, and (iv) $0.
(b) (i) $797 (ii) $2,094,687 (iii) $20,158, and (iv) $0.

(4) (a) (i) $469,601 and (ii) $993,405.
(b) (i) $401,367 and (ii) $825,001.

(5) (a) (i)$1,720,946 and (ii) $221,447.
(b) (i) $1,726,594 and (ii) $303,579.

(6) (a) (i) 21% (ii) 42% (iii) 3% (iv) 3% (v) 28%, and (vi) 3%.
(b) (i) 18% (ii) 43% (iii) 3% (iv) 3% (v) 25%, and (vi) 4%.

(7) (a) (i) nil (ii) 53 (iii) nil, and (iv) nil.
(b) (i) nil (ii) 38 (iii) nil, and (iv) nil.


Communications, Information Technology and the Arts: Domestic and Overseas Air Travel

(Question No. 3458)

Mr Quick asked the Minister for Communications, Information Technology and the Arts, 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 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 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) Mel-
bourne 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 (iv) Virgin Blue’s Blue Room paid for by the department.

(8) Which company provides travel management services to the Minister’s department.

Mr Williams—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) The Department of Communications, Information Technology and the Arts expenditure on domestic and overseas travel for the following financial years was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>$4,810,220.13</td>
<td>$1,550,449.92</td>
</tr>
<tr>
<td>2002-03</td>
<td>$4,468,947.61</td>
<td>$2,143,802.99</td>
</tr>
</tbody>
</table>

(2) Proportion of domestic travel by employees for the following financial years was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Ansett</th>
<th>Qantas</th>
<th>Virgin Blue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>3.12%</td>
<td>96.06%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2002-03</td>
<td>0.00%</td>
<td>98.80%</td>
<td>0.57%</td>
</tr>
</tbody>
</table>

(3) Actual expenditure on domestic travel for the following financial years was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Ansett</th>
<th>Qantas</th>
<th>Regional Express</th>
<th>Virgin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>$238,030.67</td>
<td>$4,540,550.84</td>
<td>$9,443.30</td>
<td>Nil</td>
</tr>
<tr>
<td>2002-03</td>
<td>Nil</td>
<td>$4,412,283.87</td>
<td>$30,262.11</td>
<td>$1,542.49</td>
</tr>
</tbody>
</table>

(4) Expenditure on business class travel for the following financial years was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Domestic routes</th>
<th>Overseas routes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>$968,696.76</td>
<td>$1,229,819.83</td>
</tr>
<tr>
<td>2002-03</td>
<td>$956,878.90</td>
<td>$1,614,210.42</td>
</tr>
</tbody>
</table>

(5) Expenditure on economy class travel for the following financial years was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Domestic routes</th>
<th>Overseas routes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>$3,841,523.37</td>
<td>$228,396.70</td>
</tr>
<tr>
<td>2002-03</td>
<td>$3,512,068.71</td>
<td>$442,856.58</td>
</tr>
</tbody>
</table>

(6) Proportion of expenditure on domestic travel for the following financial years by designated routes was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Route</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>Sydney to Canberra</td>
<td>$444,001.92</td>
</tr>
<tr>
<td></td>
<td>Melb to Canberra</td>
<td>$518,959.72</td>
</tr>
<tr>
<td></td>
<td>Sydney to Melb</td>
<td>$343,352.82</td>
</tr>
<tr>
<td></td>
<td>Sydney to Brisbane</td>
<td>$88,554.82</td>
</tr>
</tbody>
</table>
Tuesday, 15 June 2004       HOUSE OF REPRESENTATIVES 30431

(v) Melb to Hobart $38,722.21  
(vi) Sydney to Perth $114,845.01  
(ii) Sydney to Canberra $374,289.45  
(iii) Sydney to Melb $408,736.23  
(iv) Sydney to Brisbane $76,583.80  
(v) Melb to Hobart $41,292.49  
(vi) Sydney to Perth $9,488.41  
(vii) Sydney to Canberra $114,828.74  

(7) Membership of airline lounges in the following financial years was:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Qantas Chairmans Lounge</th>
<th>Qantas</th>
<th>Regional Express Membership Lounge</th>
<th>Virgin Blue’s Blue Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>2</td>
<td>58</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2002-03</td>
<td>3</td>
<td>64</td>
<td>18</td>
<td>0</td>
</tr>
</tbody>
</table>

(8) The Department’s Travel management service is provided by Qantas Airways Limited.

Foreign Affairs and Trade: Funding

(Question No. 3470)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 1 April 2004:


(2) What sum has his department budgeted to spend on language training in each year of the forward estimates period and how will these funds be allocated across his department’s main sub-programs.

(3) What is the anticipated annual budget for the Economic Analytical Unit (formerly the East Asia Analytical Unit) in (a) 2003-2004, (b) 2004-2005, (c) 2005-2006, (d) 2006-2007 and how will these funds be spent (i.e. staff, research, consultancies, travel etc.).

(4) What sum does his department plan to allocate to the provision of travel advisories in (a) 2003-2004 and (b) for each year of the forward estimates period.

(5) Will he provide a detailed breakdown of the $9.7 million to be spent from 2003-2004 to 2006-2007 under the ‘enhanced travel advice dissemination’ initiative announced in the 2003-2004 Budget.

(6) How many Australian travel agents will provide travel advisories under this initiative and what proportion of all Australian travel agents does this figure represent.

(7) What sum has his department spent to date on Australia’s participation in the World Expo in Aichi, Japan, and will he provide a detailed breakdown of this expenditure.

(8) Will he provide a detailed breakdown of the additional $35 million allocated for Australia’s participation in the World Expo in Aichi, Japan, which was announced in the 2003-2004 Additional Estimates.

(9) What proportion of the money allocated for Australia’s participation in the World Expo in Aichi, Japan, has been committed to date.
(10) Will he provide a detailed breakdown of the $84.8 million allocated for ‘public information services and public diplomacy programs’ in the 2003-2004 Budget.
(11) What sum was allocated for ‘trade advocacy and outreach programs’ within the public diplomacy budget and what specific activities were funded (seminars, conferences etc.).
(12) What was the total 2003-2004 Budget allocation for the Open Source Collection Unit including the additional $6.4 million provided in Additional Estimates.
(13) Will he provide a detailed breakdown of the budget of the Open Source Collection Unit in 2003-2004, together with details of its activities and outputs in the year to date.
(14) Will he provide a detailed breakdown of monies spent and activities supported under the International Grants Program (including description of activity, details of organisation funded etc).
(15) What sum has been allocated for AusAID’s Iraq and Afghanistan programs in (a) 2001-2002, (b) 2002-2003, (c) 2003-2004, and (d) over the forward estimates period.
(16) Will he provide a detailed breakdown of the activities and projects AusAID has supported and plans to support in Iraq and Afghanistan.
(17) Will he provide full details of AusAID’s initiative to provide a counter-terrorism response centre in Indonesia.
(19) Of the $1,893.8 million allocated for Official Development Assistance (ODA) in 2003-2004, what sum was allocated to AusAID and to each other agency that provides ODA.
(20) What sum was allocated for Official Development Assistance (ODA) in (a) 1998-1999, (b) 1999-2000, (c) 2000-2001, (d) 2001-2002, (e) 2002-2003, and (f) for each year of the forward estimates period.
(21) What ODA-eligible activities were funded by agencies other than AusAID in 2003-2004 including a description of activity by sub-program, the country assisted, monies disbursed in 2003-2004 to date and future spending commitments for each item.

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

(1) (a), (b) To provide figures for these financial years would not be possible without undertaking a highly resource-intensive exercise.
   (c) $1,289,072
   (d) $1,349,109
   (e) $1,176,756
   (f) $1,293,353
   (g) $1,891,223
   (h) $2,647,206 (Reflects the implementation of recommendations of an internal review of language training)
   (i) $2,599,568
   (j) $1,872,750 (as at 23 April 2004)
Since 1999-2000 language training expenses have been allocated across all outcomes based on the department’s activity-based model.

(2) $2,496,823 per annum, subject to adjustments for inflation and foreign exchange rate movements.

As noted in question one, language training expenses are allocated across all outcomes based on the department’s activity-based model.
(3) (a) 836,779
(b) (c), (d) 836,779, subject to adjustments for inflation and foreign exchange rate movements.

It is anticipated that these funds will be spent on Salaries (81%), Publication production/printing (8%), Consultants and professionals (4%), Travel (3%) and other administrative expenses (4%).

(4) (a) $5,939,408
(b) 2004-05: $3,738,408; 2005-06: $3,736,408, subject to adjustments for inflation, emerging priorities and foreign exchange rate movements.

The reduction in budget allocation from 2003-04 to outyears reflects fund allocation for the establishment of brand recognition of the smartraveller campaign during 2003-04.

(5) In July 2003, the approved funding for the smartraveller campaign was adjusted for four years to three years to fund a substantial television-based information campaign in 2003-04. Expenditure breakdown is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>240,000</td>
<td>152,000</td>
<td>97,000</td>
</tr>
<tr>
<td>Creative agency tender process</td>
<td>40,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency fees and production</td>
<td>370,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media buy</td>
<td>3,737,000</td>
<td>2,123,000</td>
<td>2,176,000</td>
</tr>
<tr>
<td>Travel industry partnerships</td>
<td>12,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Consular touchscreen kiosks</td>
<td>75,000</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Travel Advice electronic delivery systems</td>
<td>227,000</td>
<td>90,000</td>
<td>90,000</td>
</tr>
</tbody>
</table>

Figures for years two and three are provisional and will be adjusted in light of further research and feedback on the effectiveness of the campaign.

(6) Research into the effectiveness of the Smartraveller campaign to date shows that just below 90% of travel agents surveyed (both partners and non-partners to the Charter) encourage their customers to access government travel advisories. The ‘Charter for Safe Travel’, launched in June 2003, commits travel agent partners to providing travellers with DFAT consular travel advice. Partnership with the Charter is a condition of membership of the Australian Federation of Travel Agents (AFTA). AFTA, the peak travel industry body representing travel agents, has 2,212 members out of an estimated 4,627 registered travel outlets in Australia (source: Travel Compensation Fund).

DFAT encourages all travel agents to sign on to the Charter and is working with a range of industry bodies (beyond AFTA) on the dissemination of travel advisories including, the Eastern Mediterranean Tourism Association, Australian National Tourist Office Representatives, Council of Australian tour Operators, Australian Business Travel Association and the Insurance Council of Australia. Departmental participation in travel expos, seminars and travel industry training activities around Australia aims to encourage those travel agents not party to the Charter to become partners and to reinforce the importance of providing travel advisories.

(7) $1,568,895, as at 23 April 2004.

Pavilion Design, Construction and Maintenance Contract $987,460
Contractual arrangements and other Administration $512,460
Business and Consultation Program $68,975

(8) As at 23 April 2004, the bulk of the $35 million allocated in the 2003-04 additional estimates will be allocated as follows:

Pavilion Design, Construction and Maintenance Contract $13,684,526
Contractual arrangements and other Administration $8,280,057
Business and Consultation Program $2,326,199

QUESTIONS ON NOTICE
The remaining budget is for decommissioning and Pavilion Staff and Operations contracts which are still the subject of a public tender process and therefore it is not appropriate to release budget figures publicly at this stage.

(9) 39%.

(10) Administered appropriations: $21.503 million:
- $17.962 million  ABC Asia Pacific TV
- $3.541 million  International Relations Grants

Departmental Appropriations: $63.307 million:
- $39.3 Million  Public information and media-related programs.
- $19.1 million  Cultural relations activities.
- $4.9 million  Public information and public diplomacy publications.

The above includes the cost of enabling services that have been allocated across all outcomes based on the department's activity-based costing model.

(11) 'Trade advocacy and outreach' is a significant activity within the Department’s overall programs of public information services and public diplomacy. Such activities are carried out across many areas of the Department and at all overseas posts and State and Territory Offices. The Department has not categorised the several thousand public information and public diplomacy activities undertaken in 2003-04 along 'trade' and 'foreign affairs' lines. It is therefore not possible to provide a list of specific activities funded for 'trade advocacy and outreach' without undertaking a highly resource-intensive exercise.

(12) $1,687,616

(13) The 2003-2004 budget for the Open Source Collection Branch comprises:
- Salaries and Oncosts  $966,004
- Operating Costs  $592,185
- Capital Costs  $135,000

The OSB monitors, translates and disseminates selected items from a wide range of broadcasting and press media in Indonesia, East Timor, Papua New Guinea and the South Pacific. OSB produces an Indonesian Media Roundup and a Pacific Media Roundup daily. These products are disseminated to relevant Australian Government agencies and lodged with the United States Foreign Broadcast Information Service for use by the United States Government.

(14) In 2003-04 grants were awarded under the International relations Discretionary Grants Programme as follows:
- United Nations Youth Association  $6,069
- Australia Institute of International Affairs  $65,000
- Australian National Commission UNESCO  $75,000
- Australian National Committee of the Council for Security Cooperation in the Asia Pacific  $90,119
- Cultural Relations Grant Programme  $342,000
- Australian China Council  $725,104
- Australia Korea Foundation  $725,104
- Australia India Council  $727,500
- Australia Indonesia Institute  $785,104

(15) Australia’s total Official Development Assistance (ODA) to Iraq is estimated as follows:
(a) 2001 – 2002: Nil
(b) 2002 – 2003: $58.2 million
(c) and (d): An estimated $62.3 million of the Government’s $120.5 million commitment to Iraq’s reconstruction remained to be disbursed from July 2003. Estimates of 2003-2004 and 2004-2005 expenditure are included in the 2004-2005 budget documentation.

Australia’s total Official Development Assistance (ODA) to Afghanistan is estimated as follows:
(a) 2001 – 2002: $36 million
(b) 2002 – 2003: $26 million
(c) and (d): On 1 April 2004, I announced that since September 2001 Australia has made a total aid commitment to Afghanistan of $110 million. An estimated $48 million of the Government’s $110 million commitment to Afghanistan’s reconstruction remained to be disbursed from July 2003. Estimates of 2003-2004 and 2004-2005 expenditure are included in the 2004-2005 budget documentation.

16

Iraq Reconstruction Activities
The Australian Government has committed a total of $120.5 million to Iraqi reconstruction. Of this, $55.5 million has been spent on humanitarian and emergency activities for Iraq. This comprises $17.5 million expended on preparedness, planning and early operations such as humanitarian coordination activities through OCHA plus a further $38 million directed to UN agencies, international organisations and NGOs such as UNICEF, WFP, International Committee of the Red Cross, CARE and World Vision Australia to provide support in areas such as food distribution, women and children’s health, water and sanitation, and child protection.

A further $65 million is being spent on technical advice and rehabilitation work in priority sectors and in contributions to multilateral reconstruction trust funds.

Priority Sectors:
Assistance totalling $45 million is being provided in the key agriculture sector, as well as technical advisory contributions in economic policy, water and sanitation, donor coordination, oil policy, police and emergency services, procurement, human rights investigations and legislative drafting. Assistance to agriculture includes: rehabilitation of Ministry buildings; installation of communications systems linking Baghdad with the governorates; assistance with the 2003 harvest and provision of inputs for winter crop production; assistance with transition of the Oil-for-Food Program from the UN to Iraqi Ministries; and the provision of ongoing policy, planning and technical advice for the Ministry of Agriculture.

Trust Funds:
A total of $20 million has been committed to the International Reconstruction Fund Facility for Iraq. This comprises $14 million to the World Bank Iraq Trust Fund to support improvements to agriculture and other key sectors, and $6 million to the United Nations Development Group Iraq Trust Fund earmarked for the Governance and Civil Society Cluster with a preference to support future electoral assistance.

Afghanistan Reconstruction Activities
On 1 April 2004, I announced that since September 2001 Australia has made a total reconstruction commitment to Afghanistan of $110 million.

Australia has committed approximately $60 million in humanitarian and emergency support for Afghanistan. Of this, $27.9 million has been directed to UNHCR and IOM programs to meet the needs of refugees and internally displaced people and $14.5 million to the provision of food aid through the World Food Program. Other assistance totalling $17.6 million has been provided
through a range of non-government organisations, including the International Committee of the Red Cross, Australian Red Cross, OXFAM-CAA, CARE Australia and World Vision, for community development, water and sanitation and health sector programs.

Australia has committed approximately $50 million towards rehabilitation and reconstruction activities in Afghanistan. Of this, $13 million has been committed in support of the Afghan Transitional Authority through the Afghanistan Reconstruction Trust Fund. A further $8 million has been committed to improving the security situation through enhanced border control, land mine clearance activities and combating opium production. In addition, $11 million has been committed to supporting voter registration for elections, education, shelter and housing programs, the provision of technical advisory support to the Afghan Ministry of Finance, and civil society capacity building.

(17) As part of the $10 million counter-terrorism capacity building initiative announced by the Prime Minister in October 2002, AusAID is supporting a four-year, $4.75 million (AusAID $3.5m/ AFP $1.25m) program of counter-terrorism capacity building assistance to the Indonesian Police (INP). Project activities include: crisis management training and criminal intelligence training, institutional support for the establishment of a Trans-National Crime Centre (TNCC), and development of a Criminal Information Management System.

The TNCC component is advanced, with fit-out of the Centre completed on 2 April 2004. The next phase of this component will focus on assisting the INP to ensure that the centre has the trained staff and systems necessary for effective operation.

Separately, on 5 February 2004, as an outcome of the Bali Ministerial Meeting on Counter-Terrorism, the Minister for Foreign Affairs announced a contribution of $38.3 million over 5 years towards the establishment of a Jakarta Centre for Law Enforcement Co-operation in Indonesia. Responsibility for the funding and implementation of this initiative rests with the Australian Federal Police.

(18) Australia has been working with Indonesia for more than 30 years in education-related development, initially in technical and vocational education and scholarships, and more recently in basic education. This assistance has helped to upgrade school facilities, trained teachers, and supported improvements in district and school administration.

The table below sets out the amount of funding for major project initiatives in education. It does not include the specialised short-term training component of the program, the benefits of which accrue to other development sectors such as agriculture, small business management, etc.

<table>
<thead>
<tr>
<th>Project</th>
<th>98/99</th>
<th>99/00</th>
<th>00/01</th>
<th>01/02</th>
<th>02/03</th>
<th>03/04 (est)</th>
<th>04/05 (est)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADS</td>
<td>25,216,752</td>
<td>28,681,717</td>
<td>27,149,400</td>
<td>30,094,738</td>
<td>33,495,275</td>
<td>35,636,554</td>
<td>35,000,000</td>
</tr>
<tr>
<td>PSD</td>
<td>2,374,000</td>
<td>2,233,000</td>
<td>7,933,000</td>
<td>12,845,000</td>
<td>6,479,000</td>
<td>3,483,270</td>
<td>1,373,451</td>
</tr>
<tr>
<td>PSD successor</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,500,000*</td>
</tr>
<tr>
<td>Back to School</td>
<td>2,479,482</td>
<td>3,885,152</td>
<td>272,189</td>
<td>1,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NTT-PEP</td>
<td>0</td>
<td>0</td>
<td>174,000</td>
<td>179,000</td>
<td>3,539,000</td>
<td>4,400,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>MBE</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,000,000</td>
<td>2,950,000</td>
</tr>
<tr>
<td>ESR</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>492,000</td>
<td>468,000</td>
</tr>
<tr>
<td>MESA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>250,000</td>
<td>0</td>
</tr>
<tr>
<td>CLCC</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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*Estimate only.
ADS = Australian Development Scholarships: Approximately 300 scholarships are awarded annually. Candidates are selected in consultation with the Government of Indonesia.

IAPSD = Indonesia-Australia Partnership for Skills Development: This $36 million, seven-year (July 1998 – March 2005) activity aims to improve work force skills in various sectors to better meet the demands of Indonesian industry. The project is improving curricula and facilities in technical and vocational schools introducing competency-based standards, reliable assessment and certification processes and high-quality learning materials. A key focus of the project is linking industry, government and education providers in order to provide graduates with relevant skills.

Back to School = This activity included several co-financed projects with multilateral agencies aimed at supporting the Indonesian Government’s policy of encouraging children to complete nine years of basic education following the financial crisis of 1997.

NTTPEP = The Nusa Tenggara Timur Primary Education Partnership: A 6-year, $25 million program targeting three districts on the eastern Indonesian island of Flores. The partnership is primarily focusing on enhancing the quality of teaching and learning in the first three years of primary school. The program is also improving the effectiveness and efficiency of education support at all levels from the district through to school and community levels. NTT is one of the poorest provinces in Indonesia with generally low student outcomes attributable to a range of factors, including poor teaching quality.

MBE = Managing Basic Education: The aim of this three-year (April 2004 – April 2007), $7.9 million activity is to help selected local governments, schools and communities in East Java to improve their capacity to plan, manage and deliver quality basic education services. The program will reach 180 secular and religious schools as well as district education office staff and will work closely with parallel USAID and UNICEF programs.

ESR = Education Sector Review: Funding support for the World Bank’s major review of the Indonesian education sector. Recommendations are currently being discussed with the Indonesian Government and donor community.

MESA = Madrasah Education Sub-sector Assessment: Funding support for the Asian Development Bank’s review of the Islamic education sub-sector in Indonesia. Recommendations, together with those of the ESR (see above), are currently being discussed with the Indonesian Government and donor community.

CLCC = Creating Learning Communities for Children: In 2004 over $4.2 million will be provided to UNICEF/UNESCO to extend their existing CLCC program in Indonesia over the period 2004-2006. The CLCC program has developed a school-based management model to improve teaching and learning in primary schools in a decentralised environment. Australian funding will extend CLCC to a further 624 schools in 13 districts, assisting an additional 105,000 children. The program will benefit both secular schools and Islamic schools teaching a predominantly secular curriculum.

LAPIS = Learning Assistance Program for Islamic Schools: Integrated program approach to Australian assistance in the Islamic education sub-sector. Subject to approval, this will involve investment in high-impact local and international initiatives in East Java and southern Sulawesi, oversight and coordination of existing Australian projects relevant to the Islamic education subsector, establishment of synergies with other donor initiatives and the design and implementation of a project to improve the quality of teaching in Islamic schools.

GSLP = Government Sector Linkages Program. Funding by AusAID of other Australian Government Departments’ initiatives including, potentially, those of education departments and universities.
(19) ODA is not an allocation. ODA is a total cash estimate of Australian Government expenditure that is classified as ODA-eligible in accordance with the guidelines of the OECD Development Assistance Committee (DAC). AusAID reports to the DAC, on behalf of the Australian Government, regarding Australia’s ODA. The DAC uses this information for the purposes of calculating ODA flows to developing countries and international comparisons of developed countries’ ODA.

The main elements that make up Australia’s ODA estimate: are AusAID’s budget expense appropriation (both Administered and Departmental); less any expenses for multi-year commitments to multilateral replenishments, plus capital injections for annual cash payments to multilateral institutions; and estimates of ODA-eligible expenditure on programs funded through and managed by other government departments (OGD). Other government departments include Commonwealth, State and local bodies. These OGD estimates are obtained from other government departments and can fluctuate depending on policy and funding decisions of the Government with respect to programs managed by the respective departments.

Of the estimated $1,893.8 million in ODA in 2003-04, AusAID’s appropriation was $1,308.7 million (including Administered and Departmental) plus a capital injection of $209.1m for annual cash payments under existing multiyear commitments for multilateral replenishments (eg the International Development Association and the Asian Development Fund). ODA-eligible expenditure by other government departments (OGD) was estimated to total $255.6 million. Other adjustments for reconciliation of expenses to cash are also included in the ODA figure (eg movements in creditors, depreciation). Further information is available in Table 6 of Australia’s Overseas Aid Program 2003-04 and Explanatory Tables 1 and 2 of the AusAID section of the 2003-04 Portfolio Budget Statement. A breakdown of estimated ODA-eligible OGD expenditure in 2003-04 was provided to the Senate Legislative Committee in response to a question on notice in August 2003.

(20) ODA is not an allocation. Please see response to Question 19 for more information. Estimated total Australian ODA in recent financial years is:

(a) 1998-99 $1,528.6 million
(b) 1999-00 $1,748.7 million
(c) 2000-00 $1,623.1 million
(d) 2001-02 $1,755.1 million
(e) 2002-03 $1,830.8 million
(f) 2003-04 $1,893.8 million (2003-04 budget estimate)
(g) 2004-05 $2,133.1 million (2004-05 budget estimate)

An ODA figure cannot be calculated for the forward estimates period. See response to Question 21 for further information on calculation of ODA estimates.

(21) As highlighted in Question 19, an estimate of $255.6m of ODA-eligible OGD expenditure was reported in the 2003-04 Budget. This information is obtained from other government departments through bi-annual surveys and additional information provided on specific budget initiatives. AusAID has no control over this expenditure and cannot project this expenditure any further than the budget year.

The administration of programs and associated ODA eligible expenditure by other government departments is not monitored by AusAID during the course of the year. However, through the above-mentioned survey process, AusAID updates expenditure for reporting to the DAC and for inclusion in Budget documentation released in May each year. See the Ministerial Budget Statement on Australia’s International Development Cooperation 2004-05.
Regional Trade and Financial Security Fund  
(Question No. 3522)

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 11 May 2004:

(1) In respect of the Budget measure “Regional Trade and Financial Security Fund - Australian contribution” disclosed in the 2003-2004 Mid-year Economic and Fiscal Outlook, what sum has been provided by Australia in 2003-2004 to the Regional Trade and Financial Security Fund.

(2) On what date or dates was this amount provided to the Fund.

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

In his press release of 21 October 2003, the Prime Minister announced Australia’s support for the Regional Trade and Financial Security Fund. This initiative, now referred to by the Asian Development Bank (ADB) as the Cooperation Fund for Regional Trade and Financial Security Initiative (FRTFSI), was established at the APEC Leaders Meeting in Bangkok in order to undertake capacity building in APEC developing economies relating to port security, anti money laundering and counter financing of terrorism. The Asian Development Bank will administer the initiative and Australia has agreed to commit funds of $1.5 million AUD over 3 years, $1 million disbursed in 2003/04 with $250,000,000 to be provided annually in 2004/05 and 2005/06. The United States has agreed to commit $5 million USD in total, involving cash and in-kind contributions. In addition, Japan has also signalled its intention to contribute up to $1 million USD.

The ADB, in consultation with donors, has prepared proposed governance arrangements for the initiative. It is expected that the ADB Executive Board will endorse these arrangements in mid June. Australia, expects to provide the first component of Australia’s financial contribution in June 2004.

Australia’s contribution is intended to compliment Australia’s already substantial assistance in regional counter terrorism capacity building. The Australian Government believes it is important that developed economies show leadership on regional security and is working to encourage participation by other developed economies. The Australian Government is committed to a secure and prosperous region and is pleased to be playing a leading role in the development of the Cooperation Fund for Regional Trade and Financial Security Initiative.

Foreign Affairs: Passport Fees  
(Question No. 3523)

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 11 May 2004:

In respect of the 2002-2003 Budget measure “Increase in the price of the Australian passport”, for the year (a) 2002-2003, and (b) 2003-2004, (i) what additional revenue was raised by this measure, and (b) what sum was spent on research into passport biometrics.

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

(a) 2002-2003 (i) Additional revenue $2,371,054 (ii) Expenditure $2,796,435  
(b) 2003-2004 (i) Additional Revenue to 30 April 2004 $2,200,140 (ii) Expenditure to 30 April 2004 $1,738,260

Foreign Affairs: Australia Latin American Relations  
(Question No. 3525)

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 11 May 2004:

What are the selection criteria for selecting representatives for the Council on Australia Latin American Relations and do those criteria include efforts to attract Australians of Latin American background.
Mr Downer—The answer to the honourable member’s question is as follows:
The Council on Australia Latin America Relations consists of an Executive Committee comprising a chairperson, plus not less than six other members.
The Secretary of the Department of Foreign Affairs and Trade, or a representative appointed by the Secretary, and the Managing Director of Austrade, or a representative appointed by the Managing Director, are members of the committee.
The chairperson and the remaining members of the Executive Committee are appointed by the Minister for Foreign Affairs with the agreement of the Minister for Trade. The chairperson is a high-profile member of the business community. Of the other members, at least three are sought from the business community, and one from the academic and or cultural communities. Australians of Latin American background are, of course, not excluded from serving on the Council.

Foreign Affairs: Pacific Islands Forum
(Question No. 3527)

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 11 May 2004:
Further to the answer to question No. 2712 (Hansard, 10 February 2004, page 24296), which countries have implemented legislation pursuant to the Nasonini Declaration, and what was the name or subject matter of the legislation.

Mr Downer—The answer to the honourable member’s question is as follows:
The Pacific Islands Forum Secretariat advises that Pacific island countries have enacted the following legislation pursuant to the Nasonini Declaration (this list includes legislation enacted prior to the Nasonini Declaration in August 2002):

Cook Islands
The Entry, Residence and Departure Act 1971-72
Crimes Act 1969
The CI Arms Ordinance Act 1954
Financial Transactions Reporting Act 2003
Financial Supervisory Commission Act 2003
International Companies Amendment Act 2003
Banking (substantive Act of 57) 2003
Crimes Amendment Act 2003
Criminal Procedure Amendment Act 2003
Proceeds of Crime Act 2003
Mutual Assistance in Criminal Matters Act No 9 of 2003
Extradition Act 2003
Federated States of Micronesia
FSM Money Laundering and Proceeds of Crime Act of 2001
FSM Mutual Assistance in Criminal Matters Act of 2000
FSM Trans-national Extradition and Transfer of Convicted Persons Act of 2000
FSM Interstate Extradition Act of 2000
FSM Foreign Evidence Act of 2000
FSM Controlled Substances Act 2000
Fiji
Proceeds of Crime Act 1998
Mutual Assistance in Criminal Matters Act 1997
Dangerous Drugs Act 1938
Drugs Act (Amendment) Decree 1990
Customs Act 1968
Pharmacy and Poisons Act 1938
Penal and Criminal Procedure Codes
Civil Aviation (Security) Act 1994
Mutual Assistance in Criminal Matters Act 1998
Proceeds of Crime Act 1998
Extradition Act 2003
Immigration Act 2004
Passport Act 2002
Kiribati
Dangerous Drugs Ordinance 1977
Pharmacy and Poisons Ordinance
Proceeds of Crime Act 2003
Mutual Assistance in Criminal Matters Act 2003
Extradition Act 2003
Evidence Act 2003
Nauru
Anti-Money Laundering Act 2003
2003 amendment to legislation to revoke issue of offshore banking licences
Niue
Proceeds of Crime Act 1998
Mutual Assistance in Criminal Matters Act 1998
Extradition Act 1998
Misuse of Drugs Act 1998
Financial Transaction Reporting Act 2000
Palau
Money Laundering and Proceeds of Crime Act of 2001
Financial Institutions Act of 2001
Mutual Assistance in Criminal Matters Act 2001
Extradition and Transfer Act of 2001
Foreign Evidence Act of 2001
Controlled Substances Act, Chapters 30-33 of Title 34 of the Palau National Code
Republic of the Marshall Islands
Banking (Amendment) Act, 2002
Proceeds of Crime Act 2002
Mutual Assistance in Criminal Matters Act, 2002

QUESTIONS ON NOTICE
Trans-national Extradition & Transfer of Convicted Persons Act, 2003
Foreign Evidence Act 2002
Counter-Terrorism Act 2002

**Papua New Guinea**
Extradition Act 1975
Dangerous Drugs Act 1952
Customs Act 1951
Poisons and Dangerous Substances Act 1952
Pharmacy Act
Criminal Code

**Samoa**
Money Laundering Prevention Act 2000
Money Laundering Prevention Amendment Act 2000
The Prevention and Suppression of Terrorism Act 2002

**Solomon Islands**
Extradition Act 1987
Money Laundering and Proceeds of Crime Act 2002
Mutual Assistance in Criminal Matters Act 2002

**Tonga**
Extradition Act 1993
Foreign Evidence Act 2000
Money Laundering and Proceeds of Crime Act 2000
Mutual Assistance in Criminal Matters Act 2000

**Vanuatu**
Dangerous Drugs Regulation (Amendment) Act 1984
The Serious Offences (Confiscation of Proceeds) Act 1989
Financial Transactions Reporting Act 2000
Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Ratification Act 2001
Proceeds of Crime Act 2002
International Banking Act 2002
Mutual Assistance in Criminal Matters Act 2002
Extradition Act 2002
Penal Code Amendment Bill 2003

**Foreign Affairs: Staffing**
(Question No. 3542)

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 11 May 2004:

(1) What is the full list of groups, divisions, branches and other work units (however named) in the Minister’s department.
(2) How many full-time equivalent staff currently work in each work unit.

(3) In respect of each work unit, how many staff are (a) ongoing, and (b) non-ongoing, and what are their broad-banded classifications.

(4) What was the operating cost of each work unit for 2002-2003.

(5) What is the budgeted operating cost for (a) 2003-2004, and (b) 2004-2005.

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

(1) **Americas and Europe Division (AED)**
    Americas Branch (AMB)
    EU and Western Europe Branch (EWB)
    Northern, Southern and Eastern Europe Branch (NSB)

**Australian Safeguards and Non-Proliferation Office (ASNO)**
    International Safeguards (ISG)
    Nuclear Accountancy and Control (NAC)
    Australian Comprehensive Test Ban Treaty (ACO)
    Chemical Weapons and Convention Implementation (CWO)

**Protocol Branch (PRB)**

**Corporate Management Division (CMD)**
    Chief Finance Officer (CFO) and Finance Management Section Branch (FMB)
    Finance Services and Systems Branch (FSB)
    Staffing Branch (SFB)
    Staff Development and Post Issues Branch (SDB)

**Diplomatic Security, Information Management and Services Division (DID)**
    Diplomatic Security and Services Branch (DSB)
    Information & Communications Technology Branch (ICT)

**Executive, Planning and Evaluation Branch (EXB)**

**International Organisations and Legal Division (ILD)**
    Environment Branch (ENB)
    International Organisations Branch (IOB)
    Legal Branch (LGB)

**International Security Division (ISD)**
    Arms Control and Counter-Proliferation Branch (ACB)
    Anti-Terrorism and Intelligence Policy Branch (ATB)
    Strategic Affairs Branch (STB)
    Open Source Collection Branch (OSB)

**North Asia Division (NAD)**
    North Asia Coordination Unit (NCU)
    China FTA Study Taskforce (CFTF)
    East Asia Branch (EAB)
    North East Asia Branch (NEB)

**Office of Trade Negotiations (OTN)**
    Agriculture and Food Branch (AGB)
Services and Intellectual Property Branch (SSB)
Trade Policy Issues and Industrials Branch (TIB)
WTO Trade Law Branch (TLB)
**Overseas Property Office (OPO)**
Alliance Management and Corporate Branch (ALB)
Property Management and Strategic Planning Branch (PFB)
**Public Diplomacy, Consular and Passports Division (PCD)**
Consular Branch (CNB)
Images of Australia (IAB)
Information Resources Branch (IRB)
Parliamentary and Media Branch (PMB)
Passports Branch (PTB)
**South and South-East Asia Division (SED)**
Mainland South-East Asia & South Asia Branch (MSB)
Maritime South-East Asia Branch (MRB)
**South Pacific, Africa and Middle East Division (PMD)**
Middle East and Africa Branch (MAB)
New Zealand and Papua New Guinea Branch (PZB)
Pacific Islands Branch (PIB)
Torres Strait Treaty Liaison Office
**Trade Development Division (TDD)**
APEC Branch (APB)
Trade and Economic Analysis Branch (TAB)
Market Development and Business Liaison and Regional Trade Policy Branch (MDB)
**Economic Analytical Unit (EAU)**
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Adelaide
Brisbane
Darwin
Hobart
Melbourne
Perth
Sydney
Overseas Posts
Abu Dhabi
Abuja
Amman
Ankara
Apia
Athens
Baghdad
Bali
Bangkok
Ho Chi Minh City
Holy See
Hong Kong
Honiara
Honolulu
Islamabad
Jakarta
Kathmandu
Kuala Lumpur
Harare
Pohnpei
Port Louis
Port of Spain
Port Moresby
Port Vila
Pretoria
Ramallah
Rangoon
Riyadh
Rome

QUESTIONS ON NOTICE
Beijing | Lisbon | Santiago
---|---|---
Beirut | London | Seoul
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Berlin | Madrid | Singapore
Brasilia | Malta | Stockholm
Brunei | Manila | Suva
Brussels | Mexico City | Tarawa
Budapest | Moscow | Tehran
Buenos Aires | Nairobi | Tel Aviv
Cairo | Nauru | The Hague
Chicago | New Delhi | Tokyo
Colombo | New York (CG) | Vienna
Copenhagen | New York (UN) | Vientiane
Dhaka | Nicosia | Warsaw
Dili | Noumea | Washington
Dublin | Nuku’Alofa | Wellington
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Geneva (WTO) | Ottawa |
Guangzhou | Paris Embassy |
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Public Diplomacy Consular and Passports Div.
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Trade Development Division
Economic Analytical Unit

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Note: The Overseas Property Office (OPO) is not included because it is funded from a Special Account and no appropriation is received for OPO operating costs.

Roads: Shepparton Bypass
(Question No. 3556)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 11 May 2004:
(1) Has the Government endorsed the Shepparton Bypass route alignment recommended by the Victorian Government?
(2) What is the estimated cost of this route.

Mr Anderson—The answer to the honourable member’s question is as follows:
(1) On 30 August 2002, I endorsed the western bypass route alignment as recommended by the Victorian Government.
(2) The latest advice provided by VicRoads is that the current estimated cost of the Shepparton Bypass is between $350-410 million.

Health: Water and Sanitation
(Question No. 3561)

Mr Mossfield asked the Minister for Foreign Affairs, upon notice, on 12 May 2004:
(1) Can he confirm (a) that 1.1 billion people around the world live without access to safe drinking water and that 2.4 billion are without access to improved sanitation, and (b) whether Australia has signed on to the water and sanitation targets of the United Nations (UN) Millennium Development
Goals which aim to halve the proportion of people without access to safe drinking water and improved sanitation by 2015.

(2) Is he aware that the Australian Council for International Development, in the Water Matters campaign, has estimated that Australia’s fair share of the global effort to halve the proportion of people without access to safe drinking water and improve sanitation by 2015 would be $355 million in 2007-2008 and that the Council has called for water and sanitation spending to rise to $140 million in 2004-2005 as an interim step.

(3) What resources has the Government allocated in the 2004-2005 Budget to meet Australia’s commitment to the water and sanitation targets of the UN Millennium Development Goals.

(4) Will our overseas development assistance spending in this area be targeted towards the poorest countries in our region; if not, why not.

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


(b) Australia has endorsed the Millennium Development Goals (MDGs) on water and sanitation.

(2) I am aware of the Water Matters campaign and its call to increase Australian funding for water and sanitation development cooperation to $355 million by 2006-07. My parliamentary staff and I have met with delegations from the Water Matters campaign and have confirmed the importance which the Government attaches to increasing access to safe drinking water and improved sanitation. The Government’s position is clearly set out in the water policy, Making Every Drop Count: water and Australian aid, that I launched in March 2003.

(3) Total water-related development cooperation for 2004-05 is estimated at $135 million. A new package of assistance focusing on water quality, valued at $5 million, was announced in the 2004-05 budget. This package will support training, awareness raising and research on water quality in the Asia-Pacific region, particularly the growing problem of arsenic contamination of drinking water. In collaboration with the World Health Organisation, Australia will develop a Water Quality Risk Management Framework to assist implementing agencies. The Framework will focus on providing guidance for NGO organisations that implement water initiatives.

(4) Australia’s International Development Cooperation program for water is focused on the poorest countries in our region, with a particular emphasis on East Timor, Indonesia and Vietnam. This includes a $14.5 million 3 year activity to improve environmental health awareness and access to clean water and sanitation in East Timor. By the end of this activity it is estimated that 60,000 people in 77 communities will have benefited from this project.