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

TEXTILE, CLOTHING AND FOOTWEAR STRATEGIC INVESTMENT PROGRAM AMENDMENT (POST-2005 SCHEME) BILL 2004

First Reading

Bill presented by Mr Ian Macfarlane, and read a first time.

Second Reading

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (9.01 a.m.)—I move:

That this bill be now read a second time.

The purpose of the Textile, Clothing and Footwear Strategic Investment Program Amendment (Post-2005 scheme) Bill 2004 is to extend the Textile, Clothing and Footwear (TCF) Strategic Investment Program, known as SIP, for another 10 years and to establish the TCF Small Business Program.

The Strategic Investment Program is the centrepiece of the government’s strategy for the TCF industry for the next decade. As announced on 27 November 2003, the government proposes generous long-term assistance for the industry worth $747 million. The government’s package includes:

- $575 million for extending the TCF SIP;
- $25 million for a 10-year TCF Small Business Program;
- $50 million over 10 years for a product diversification scheme;
- $20 million for a supply chain efficiency program from 2010 to 2015;
- $27 million for extending the Expanded Overseas Assembly Provisions Scheme for a further five years; and
- $50 million for a 10-year structural adjustment program to assist both displaced workers and encourage industry restructuring.

By setting policy in place for a decade, the government has given the industry long-term certainty to encourage investment and innovation.

A gradual reduction of TCF tariffs is an integral part of this package. As the tariffs impose substantial costs on Australian families, and are ineffective as protection for local industry, the government will lower tariffs in two steps over 10 years. Two five-year tariff pauses are contained in the Customs Tariff Amendment (TCF Post-2005 Arrangements) Bill 2004.

The government’s policy was developed after 12 months of consultation. This consultation confirmed the government’s view that support must be focused on activities which will make a lasting difference and weighted towards firms in the sector facing the greatest adjustment.

The package is supported by peak bodies such as Textiles and Fashion Industries Australia, the Carpet Institute of Australia and leading companies.

The new Strategic Investment Program will be broadened and simplified. The current five grants will be reduced to two. New activities, such as brand support and non-production information technology, will be supported. With these changes, more firms can be expected to use SIP. Firms receiving support already account for 75 per cent of the industry value-add and 63 per cent of the jobs.

The subsidies offered in the new program are the most generous available to any industry. For the first five years, funding for SIP will continue at the current level of expenditure, that is about $100 million a year. Funding after 2010 will be limited to those firms...
still to face a tariff adjustment, namely firms manufacturing clothing and certain finished textile products. There will be $100 million available to this section of the industry after 2010.

For small TCF firms which may not meet the $200,000 threshold for SIP claims, a new $25 million TCF Small Business Program will be available.

The government will introduce a product diversification scheme as an incentive for firms to increase their local production as well as to diversify their product range.

The government has already extended for five years the Expanded Overseas Assembly Provisions Scheme.

As clothing and certain finished textile manufacturers will face a tariff reduction in 2015, the government will provide a $20 million supply chain program to support major capital investments strengthening the local supply chain. The program will be open to manufacturers of clothing and certain finished textile products (and their related textile suppliers) who would otherwise not receive benefits under the post-2005 SIP.

In all, by the time the government’s plan expires in 2015, the sector will have received $1.3 billion in direct assistance (and about $13 billion indirectly through tariff protection).

It is essential to recognise that TCF tariffs cost the community up to $1 billion a year, disproportionately affecting low-income households. The 2.1 million Australians living in households earning less than $301 per week spend twice as much of their income on clothing as other families.

For its part, the industry is clear that firms benefit far more from direct financial support for innovation and investment than through tariffs. Tariffs do not make uncompetitive firms viable. Tariffs do not assist companies to invest or innovate. Tariffs provide just a flimsy margin of protection which can be easily erased by movements in the exchange rate.

For these reasons, the government believes that TCF tariffs should be reduced to the general manufacturing rate. Consistent with the government’s 1998 decision, tariff reductions will be staggered to allow industry time to adjust. TCF tariffs will be paused at their 2005 rates for five years and then the majority of TCF tariffs will be reduced to five per cent on 1 January 2010. The exceptions to this rule will be clothing and certain finished textile articles, which will be reduced to 10 per cent on 1 January 2010, held at this level for five years and then reduced to five per cent on 1 January 2015.

To ease the impact of restructuring in the industry, the government will establish a $50 million structural adjustment program. The program will assist retrenched TCF employees find new employment, assist TCF firms to consolidate into more viable businesses and, where necessary, support communities adjusting to the loss of employment in the sector.

The government has taken a balanced approach in developing its policy. The policy assists firms to become more competitive by providing incentives to invest, innovate and diversify their product range; it reduces tariffs in a measured way which the industry can absorb; it will reduce the price of TCF goods over the long term; and it assists employees who might be affected by restructuring.

The government’s TCF plan is backed by ample funding. By any benchmark, $747 million is a significant amount of taxpayers’ money. With the sole exception of the much larger automotive industry, the TCF sector receives far more assistance than any other
part of the manufacturing sector and this support will continue for the next decade.

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

Debate (on motion by Mr Zahra) adjourned.

CUSTOMS TARIFF AMENDMENT (TEXTILE, CLOTHING AND FOOTWEAR POST-2005 ARRANGEMENTS) BILL 2004

First Reading

Bill presented by Mr Ian Macfarlane, and read a first time.

Second Reading

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (9.10 a.m.)—I move:

That this bill be now read a second time.


Those amendments are complementary to the amendments contained in the Textile, Clothing and Footwear Strategic Investment Program Amendment (Post-2005 Scheme) Bill 2004. Together, these bills extend the provisions of the Textile, Clothing and Footwear Strategic Investment Program for another 10 years.

The Customs Tariff Amendment (Textile, Clothing and Footwear Post-2005 Arrangements) Bill 2004 will reduce customs duty rates applicable to clothing and certain finished textiles to 10 per cent from 1 January 2010 and to five per cent from 1 January 2015. The bill also reduces customs duty rates applicable to other textiles, clothing and footwear goods to five per cent from 1 January 2010.

The enactment of the post-2005 duty rates at this time provides transparency and certainty for textile, clothing and footwear manufacturers, enabling sufficient time for planning prior to the reductions in 2010 and 2015.

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

Debate (on motion by Mr Zahra) adjourned.

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

Second Reading

Debate resumed from 21 June, on motion by Mr Truss:

upon which Mr Gavan O'Connor moved by way of amendment:

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

(1) failing to respond to a series of independent reports that recommended significant reforms to the administration of the livestock 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”.

Mr ADAMS (Lyons) (9.13 a.m.)—I was speaking last night on the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004 and the Labor Party’s belief in better management of the live sheep trade. There should be a requirement for full and complete reports from AQIS and the Australian Maritime Safety Authority on the high mortality incidence. Those reports should be presented on a regu-
lar basis to parliament and should also be published on the web sites. We also need to ensure that there is promotion of an international convention standard that regulates vessels that transport live animals by sea. In the longer term it is much better to process animals where they have been grown. A couple of years ago, when I was on a delegation to Jordan, I was told by the agriculture department of Jordan that their law stipulated that consumption had to be 72 hours after slaughter, which in reality is a trade barrier that does not allow chilled or frozen meat to be sold from another part of the world. That needs to be dealt with and would enhance the live sheep trade.

Australia needs to help develop the trade of chilled meat by putting in the infrastructure of freezers and chillers to store Australian slaughtered meat. Religious laws have been catered for in the past and it seems that there is no real reason why this cannot be continued if meat is to be a part of the export quota from Australia. As an official of the meat workers union, I can remember negotiating arrangements in Hobart with the Muslim association—having the correct slaughterman and having the abattoirs structured in the right way out at the old Derwent Park abattoirs, which is now the Incat international shipbuilding yard. That was many years ago and I am sure that, if we could do it then, we could certainly do it now. It is only a matter of effort.

The European Union have made laws that stock can be moved only 400 kilometres at one time. They believe that that is in the interests of animal welfare and in the interests of restricting any disease from moving around the countries of Europe. The outbreak of foot-and-mouth disease in the UK was contributed to by moving stock around several areas of Europe before finally settling it in England—hence the problem. I think the consequences of moving stock across many seas and over long distances in 10 days or more, in the long term, will not be accepted by the general community.

The member for O’Connor blamed meat-workers for live sheep exports, which is a lot of nonsense and a very simplistic answer for management of an industry that failed to get out there and test and look for other avenues. Wool prices made Western Australian farmers change to the present sheep that they farm and they are now locked into a very bad wool sheep that needs to be exported live or on the hook. They could probably get into a chilled meat trade. The middlemen and the agents will push for live sheep trade because there is more in it for them, but there is really not more in it for the country. We should be taking a wider view than we do. We need to have a meat export industry based on achieving and being prepared to chase new markets and on encouraging governments to assist in bringing down those trade barriers I mentioned earlier that I found in Jordan where a shelf life of 72 hours for frozen or chilled meat is the go. That is a prime example of a trade barrier which protects and encourages one particular trade.

The minister failed the rural sector dismally in the way he handled the Cormo Express live sheep export crisis. It went on and on. It was of enormous concern to many groups in Australia and the general community. He had no idea and no plans in place which allowed him to deal with that. There needs to be much more done and much more of an understanding. We on this side of the parliament have the idea of building a reference group to have expert advice and also have plans structured that would deal with a crisis when it happens. The minister failed the country. I believe that the amendment moved by the shadow minister for agriculture and fisheries is the right way to go and I support the amendment.
Ms LEY (Farrer) (9.19 a.m.)—I am happy to speak today in support of the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004. In so doing, I support the live export industry in this country, particularly the live sheep trade, which is so important to the rural economy of Australia and to my electorate of Farrer. This bill introduces tighter regulation across all aspects of the livestock export trade by ensuring that the legislation is in place to implement key measures in the $11 million package of reforms to the livestock export trade announced by this government on 30 March 2004.

In October last year, the government initiated a review into the live export trade, chaired by Dr Keniry. As members well know, this came about as a result of the crisis of the Cormo Express in the second half of last year. I want to commend this government and the Minister for Agriculture, Fisheries and Forestry in particular for the handling of that issue, which was very difficult for all concerned and had an excellent outcome in the taking of the sheep on the Cormo Express to Eritrea. I also wish to thank the country of Eritrea for their assistance in this matter and hope that this is the beginning of a productive and long relationship between our country and theirs. I have to say that, when this urgent situation arose with the Cormo Express and it became apparent that the ship and its cargo of live sheep were adrift in the oceans of the Middle East with country after country refusing to even consider taking these animals, real alarm bells rang for me and my constituents. In all of the misinformation surrounding this issue—and there has been and is considerable misinformation and hysteria—the welfare of a vital sector of Australian farmers was overlooked.

The farmers of western New South Wales, who I am extremely proud to represent in this place, pleaded with this government to not turn their backs on the Australian wool industry. I know there was a view—and think it was expressed by the member for Lyons, who just spoke, and other members on the other side of the House—that this measure of refusing to have a live export trade in Australia does not see us turning our back on the Australian wool industry and that it can still continue in some form and be little affected. There is this view that, if we do not send live sheep overseas, we will simply find alternative domestic markets which are just as good or we will slaughter the sheep here and export the sheep meat, thus avoiding the problem.

It was said by some that this was a far better option because more jobs would be kept in Australia, and we would simply educate the Arab world that, if they want to eat our sheep, they have to accept them already processed. I must say that these views were and are misguided and ill-informed. At its simplest, I guess we should say that we are in the market to provide a product for a customer, so we should endeavour to provide what the customer wants—otherwise who can blame them for going elsewhere? The reason that live sheep are preferred is simple: it is traditional in the Muslim religion that the sheep is killed by cutting its throat. The reason for this is to make sure that the animal has bled sufficiently. The blood belongs to God. This is actually a practice that originated in the Old Testament. Sheep and slaughterer face Mecca while incanting a traditional prayer of dedication.

I know that Arabs do settle for halal stamped frozen meat but they much prefer it to be fresh, particularly at the time of religious festivals. Families want to take home a live sheep themselves and carry out the ceremonial slaughter. I have to say that I do remember families with the odd
goat or sheep hanging around for a few days or weeks prior to slaughter. They were not kept in inhumane conditions and they were not killed in inhumane conditions either. Anyone will tell you that an animal that has been stressed prior to slaughter does not make very good eating. I suppose that, if I were to make an observation about the way that I recall animals being treated, I might say there was a level of indifference but certainly not cruelty. In fact, sheep in Australia are killed on farms by having their throats cut every day and, having been involved in this practice many times, I know that it is perfectly humane.

The absolutely critical thing about the live sheep trade is that it puts a floor in the market price for sheep and it therefore underpins and underwrites the sheep and wool industry in Australia. I think the member opposite who spoke before me mentioned that people are locked into exporting live sheep because they are not producing good enough wool sheep. This is absolutely incorrect. The boat sheep—those that tend to travel on boats overseas—are generally older. They have been cast for age. They have had several productive years as breeders or wool producers or both, and they are usually fat. By selling them as a live export the farmer is able to realise $40 to $60 a head.

If the live export option was not available the alternative would be to sell to a domestic processor for local slaughter, possibly for human consumption and possibly for pet food. But there is no way that this would result in a price for the animal that was this high. In fact, when the live sheep trade was shut down for quite some time a few years ago, the price of this type of sheep dropped like sudden death, as I recall, because there was no floor in the market. Selling your older sheep for this price is critical in the management program of a sheep enterprise because it allows you to restock. It allows you to buy more sheep or better quality rams to improve your bloodlines and hopefully improve your profitability. Profitability in wool in Australia and in sheep generally has been very poor for the last 10 years and possibly even before that. The wool farmers that I represent have gone through some enormously tough times. To pull the rug out from under them by saying, ‘We are no longer having a live sheep trade,’ would be a kick in the guts that they really do not deserve.

This bill is an important part of the continuation of a successful and viable live sheep trade in this country. It was important that we had the Keniry inquiry and that we made sure that the conduct of the live sheep trade from an animal welfare perspective was beyond reproach. In all of the remarks that I have made about supporting the industry and the need for farmers to have this option, I am not for one second overlooking the need to consider the welfare of the animals. But, if you take a philosophical view that animals should not be transported overseas and sold as live sheep, you have to take a philosophical view that animals should not be farmed in Australia and sent to abattoirs here, because I am convinced, particularly after these measures are put in place, that there will be no difference in the humanity towards the animal and in the welfare treatment of that animal. Yes, those things are critically important and, as I said, we must make sure that the treatment of the animals is beyond reproach.

This is the right thing to do. We are now making sure that commonsense measures are implemented to allow this to happen. The minister will determine a set of nationally consistent principles—the Australian Code for Export of Livestock—that will affect all aspects of the regulatory regime applicable to livestock exports. I want to end by once again supporting the wool industry in Australia and the wool and sheep farmers in my
Mr SNOWDON (Lingiari) (9.27 a.m.)—I am pleased to be able to make a contribution to this debate on the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004. This bill provides the basis for increasing government regulation of the live animal export trade by, firstly, allowing the minister to determine a set of principles, known as the Australian Code for Export of Livestock, that must be taken into account by the secretary and authorised officers in exercising powers or performing functions under the AMLA; secondly, improving the integration between the provisions of the AMLA and the ECA by requiring compliance under one act to be taken into account in determining matters under the other; thirdly, enabling the secretary to deal with the licences of associates or previous associates of applicants or holders of a livestock export licence under the AMLA; fourthly, providing a legislative basis for the scheme relating to accredited veterinarians under the ECA; and, fifthly, creating seven new offences in relation to the scheme for accredited veterinarians under the ECA which apply to both accredited veterinarians and other persons, including exporters. We welcome the proposal in this legislation, but I must say that it pains me to make the observation that it has taken many years and a major international blunder to prompt the government into action. This bill should have been debated years ago. That we had to wait so long is beyond belief.

One quick glance at the history of this debate reveals a very graphic picture. Four years ago, a panel of experts compiled a report for the minister. The independent reference group, as it is known, is a group formed specifically to deal with livestock issues and the export trade. It provided to the minister the report of its initial review in February 2000. Indeed, that review was undertaken as a result of incidents which involved the welfare of certain animals. This report commented that, unless procedures and systems were put in place specifically in relation to animal health and welfare, the continuing viability of the livestock export trade would be jeopardised.

That sounds like a warning if ever I heard one—but, alas, it was a warning which fell on deaf ears. What action was taken to prevent something happening that could jeopardise such an important industry? Rather than move to fix the problem, the government simply ordered more advice from the IRG. And what did the report from this new review say? It said:

The IRG strongly believes that its report of February 2000 remains highly relevant …

and that the problems identified then still existed in 2002. This was two years after the initial report and things had not changed—after two warnings that this industry needed attention and the government should act.

We then see, perhaps sadly, the major indictment of the government on this issue, and that of course is the MV Cormo Express. This was an incident that created an irreversible amount of damage, in many parts, to this industry’s image—an industry which is a
vital part of the Australian economy and especially of my own electorate of Lingiari and the Northern Territory in general. We know the details of the Cormo Express. It departed Fremantle on 5 August 2003, headed for Saudi Arabia. Upon arrival the shipment was rejected. I heard the member for O'Connor's contribution yesterday, in which he made assertions about whether or not the rejection of these animals was a predetermined position by the Saudi authorities. Whether or not that was the case is a matter which will be hotly debated, I am sure, by the Saudis. The bottom line is that we ended up with 50,000 sheep stranded at sea in the Middle East.

This was the jeopardy that the government had been warned about more than three years earlier but failed to do anything about. These animals, by the time they were unloaded, had been on the Cormo Express for 80 days, about five times longer than the usual travelling time to the Middle East, with the mortality rate rising to close to 10 per cent. This disaster, as we all know, was played out across television screens and other media around the nation. It became an animal rights catastrophe, a public relations nightmare and of course a major blow to the industry's image. It took a national embarrassment to prompt the minister to act, which subsequently led to a review by Dr John Keniry.

My own electorate, whilst it does not raise sheep, became a player in this little exercise because it includes the Cocos Islands, and of course Christmas Island—as you would know, Mr Deputy Speaker Jenkins; it is a place you have visited. When these 50,000 animals were stranded at sea, it was clear the government had no idea what to do; it was totally unprepared and was simply left floundering. The government’s ineptitude was an embarrassment, frankly. Its gross negligence in not acting to regulate this industry and its handling of the fiasco were disastrous.

The government put forward the absurd proposition that these animals should be off-loaded onto the Christmas or Cocos islands. Those of you who have been to Christmas Island would know straightaway that it is really not the environment for sheep. Between 65 and 70 per cent of the island is national park rainforest—not quite the environment for sheep. A large portion of the remainder of the island is mining tenements—not quite the environment for sheep—and there are no landing facilities to offload the sheep. So, even the most cursory of examinations would have led to the dismissal of that stupid idea from the very start.

The Cocos Islands is a coral atoll, very small. Granted, it was formerly the site of a quarantine station, but it is hardly the location for 52,000 sheep. It would have been, had they been landed there, an absolute environmental disaster. Again, the fact that this proposition was even contemplated by the government is an absurdity. Like Christmas Island, there is no jetty to speak of on the Cocos Islands. These animals would have had to have been offloaded onto barges and then from barges onto the shore. You can just imagine what might have occurred under those circumstances. Then of course there was the question of feeding and watering the stock.

One of the key issues for the people in the Cocos Islands is the water table: there is just sufficient potable water for the local population—yet the government was proposing to slot in 52,000 sheep. While musing over this thing publicly, there was no contemplation by the government that it perhaps might engage with the people of the Cocos and Christmas islands to actually seek their view—have a discussion with them. The first they heard about this preposterous idea was when it was in the media. That reflects the disdain in which the government holds these
Australian citizens. This was a major embar-

rassment.

Then we have the Keniry report—the re-
view of which was announced on 10 October
2003 by the Minister for Agriculture, Fish-
eries and Forestry. Its terms of reference were
articulated here earlier, and I am not going to
go through them again. Suffice to say that
some significant recommendations were
made. The review identified five principles
to inform its conclusions and recommenda-
tions. These were:

1. The welfare of the animals ... is a primary con-
sideration in all areas of the industry:
   - all stages of the livestock export chain ... must
     be able to demonstrate that the welfare of the
     animals has been addressed in its operation.

2. The ... Government is responsible for protect-
ing the broader interests ... by setting clear stan-
dards for the export of livestock, administering
them firmly and consistently, and for ensuring
governance and reporting arrangements in rela-
tion to animal welfare during export are transpar-
ent:
   ... consignments must reliably meet international
criteria, importing country requirements and Aus-
tralian animal health and welfare standards.

3. The ... industry is responsible for development
   of the livestock export industry by establishing
   and managing systems that support the adoption
   of best practice animal husbandry and commer-
cial practices along the export chain:
   - the industry must continue to build its capability
     so that all participants ... are competent and de-
     monstrably operating according to best practice
     standards and translating that to outcomes consis-
tent with best practice.

4. The livestock export industry is part of the
   wider Australian meat and livestock industry and
   the way it operates has implications for the indus-
try as a whole:
   - governance standards and structural arrange-
     ments applying to the wider industry must apply
     to the livestock export industry unless there are
     clear and objective reasons for varying them.

5. The livestock export industry is uniquely and
   inherently risky because it deals with sentient
   animals along an extended production chain, from
   farm to discharge into the market:
   - the preparation of an export consignment must
     recognise the risks at each stage of the chain and
     an exporter must be able to demonstrate that ap-
     propriate systems are in place to ensure the risks
     have been met in accordance with government
     regulatory requirements and industry quality as-
     surance systems.

The conclusions of this review were very
important.

In the case of the Northern Territory,
which is not associated with sheep exports to
the Middle East but is a significant player in
the export of live cattle from Australia, the
cattle producers there were extremely con-
cerned about the state of their industry—
their live cattle exports—because of the stu-
pidity of the government in not addressing
these issues previously. We know that in
2002 shipments of live animals were worth
about $1 billion to Australia and included six
million sheep and one million cattle. A size-
able proportion of those cattle came out of
the Northern Territory. Livestock exports
represent, in gross value terms, about the
same as the sugarcane industry and, in fact,
slightly more than the cotton and poultry
industries. In value terms, cattle account for
more than half the trade in live exports. Clear-
ly, this industry is a very significant con-
tributor to our economy. As I say, its sig-
nificance is far greater to the Northern Territ-
ory economy.

The Northern Territory Cattlemen’s Asso-
ciation has commented that its members
alone manage a landmass in excess of
620,000 square kilometres. To put that in
context, the electorate of Lingiari, which I
represent and which is where all these cattle
properties exist, covers 1.34 million square
kilometres. So not quite half of my electorate
is made up of capital-producing cattle prop-
erties. They turn off 450,000 high-quality cattle every year, and 240,000 of these cattle are directly delivered to the port of Darwin for export to the Asia-Pacific region. By and large, these are very responsible producers. In 2002-03, 64 per cent of cattle turned off territory land were destined for live cattle exports overseas. The Northern Territory News reported this year that the NT pastoral industry generates $300 million directly and over $800 million indirectly for the Northern Territory economy each year. Cattle make up 46 per cent of the total value of Territory rural industries and fisheries production. The industry is pivotal to the economic growth of the Northern Territory.

We know that the mortality rate for live export cattle from the Northern Territory is extremely low. Our major export market is Indonesia, and the Northern Territory has built on this market because of its proximity to our points of embarkation. It is a short sea journey, and our tropical cattle are exported within the same or similar climate conditions to those in which they were reared. The trips normally take between five and seven days. As I said, the mortality rate is extremely low. Individual cattle return around $700, and we know as a direct result of that that any loss of cattle is a cost to the producer and something which they are not prepared to bear. Cattle are settled and weaned onto feeds that are utilised throughout the voyage. The NT cattle industry has had great success in assisting in humane handling practices in overseas markets. Yet, as a direct result of the way in which the Commonwealth government had dealt with this industry previously and because of the activity with those sheep in the Middle East, producers were most concerned about the consequences upon their industry, the bad public projection of live exports generally and how it might impact on them in terms of the way in which they run their industry. We also know, in relation to live cattle exports, that not only is it a question of sea journeys but clearly there are issues to do with the road transport of cattle. Again, we know in the Northern Territory that the transporters of live cattle there are very responsible and work very closely with the industry to look after the welfare of the animals. They ought to be congratulated for it.

We know that this industry, like other cattle and livestock industries around Australia, suffers the highs and lows of seasonal variations, the good years, the bad years, the droughts, the floods and often, in the case of the tropical parts of the Northern Territory, never-ending rain. But we also know that, despite all those privations, the producers use extremely good management practices. They are very efficient producers, they are very cost effective in their production techniques and they are very concerned to make sure that their export markets are not jeopardised by the poor publicity given to the transport of their beasts. We do know they are most concerned about the importance of ensuring that cattle exported from the Northern Territory reach their destination healthy and ready for market—ready for use when they arrive.

As I say, there have been strong cooperative relationships between the Northern Territory cattle producers, the road transport industry in the Northern Territory and those responsible for carrying the beasts by sea—and they have done it very successfully. We now have the fledgling export industry of live camels from the Northern Territory. This too is happening very successfully because, again, those exporters are most concerned to look after the welfare of their animals and to get the best outcome from the markets by ensuring their animals are healthy when they arrive at their destination; so they do look after them.

This bill demonstrates the previous failure of the government to accept its proper re-
sponsibilities in the monitoring and management of the export of livestock. I implore the House to support the amendment moved by the Labor Party. We will be supporting this legislation, which is timely and important.

Mr SECKER (Barker) (9.47 a.m.)—I found it very interesting to listen to the two Labor contributions made this morning. They seem to want to have a bob each way. They both said that it is an important industry. The member for Lingiari said that we have to look at animal welfare and that we are going to look after animal liberationists and pander to their nonsense. The member for Lingiari referred in his speech to his experiences in the cattle industry in the Northern Territory and how well they look after their stock. Those opposite are trying to pander to the animal liberationists to get their vote, which is probably the same vote they would get from the Greens, but at the same time they are saying that it is an important industry and that what has happened is all the government’s fault.

The member for Lyons was extraordinarily pessimistic about the live sheep industry. He suggested that, in his opinion, the days of the live sheep industry are numbered and that we might not need to fight for it, even though it is a very important industry that is worth over $1 billion to the Australian economy.

There has been a suggestion that somehow the Cormo Express incident was the government’s fault, that we had not planned for it. Anyone who has had anything to do with the industry—I have been a live exporter and have grown up in the industry—would know it quite well. We all know—although Labor are in denial about it—that, when the Cormo Express arrived in Saudi Arabia, its sheep were rejected for reasons that were totally false. In fact, when the ship arrived there were no trucks waiting on the dock. That indicates that the decision had been made before the sheep had been inspected and before the ship had docked. It was an internal political matter of that country; it was not the fault of the Australian exporters or the Australian government.

For over two months we had the problem of working out how to deal with that situation. We had to look at all of the issues. The member for Lingiari suggested that we should not even have looked at the option of the Cocos Islands or Christmas Island. But I think the government would have been derelict in its duty if it had not at least looked at different options. There was certainly considerable disquiet within the farming community in that they did not want the sheep to come back to Australia—not because they thought our quarantine rules were not strong enough but because the wrong message would be sent to a lot of farmers about the belief that, once animals go off the farm, they should never come back on to the farm. This is because of the risk of disease—even though, as I say, I believe that our quarantine rules could have dealt with it.

So we had no alternative but to look at all the options and try to ensure the safety of the sheep. The fact that under very trying conditions we still had quite low mortality rates I think gives credit to the industry. The trade minister, the agriculture minister and the foreign affairs minister, Alexander Downer, were very much at the forefront in trying to find a solution. I think that in the end we came to the best possible solution for the Cormo Express.

I rise today to speak in support of the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004. Back in March of this year I was concerned to find that the National Farmers Federation felt the need to write to all MPs to defend the
livestock export industry. In their letter they refer to a campaign by animal rights activists to highlight animal welfare issues in our export recipient countries in the Middle East and Asia. They wrote that the activists:

... will be arguing that Australia has done nothing, or too little to improve the welfare of animals we have exported to these countries.

That is exactly the line that the member for Lingiari took. He is basically taking the line of the activists, the so-called animal liberationists. At the time I took great offence at the fact that the National Farmers Federation felt the need to continually have to justify this trade just because a group of people have not bothered to research what has been undertaken to improve livestock exports, particularly pre and post Cormo Express. I also took great offence at the fact that some of these people opposing the trade were also the very same people facing criminal charges for attacking stock in law-abiding farmers lots who are merely trying to make a living for their families, as would you and I. In fact, also during March, I—as did many of my colleagues—received emails from many constituents, and one of those constituents expressed her concerns about the threats that have been posed to the live sheep trade. The email reads:

We are farmers living in the Mallee in South Australia. We have been farming Damaras—

For those present in the chamber, the Damaras are a breed of sheep well suited to our arid conditions and also to the live sheep trade. It continues:

for the past five years very successfully. Our only profitable market is live export. Since the trade has been suspended we have had to send our sheep to the meatworks - we have been paid less than half the amount we would have received from overseas trade.

We are still suffering from the drought in 2002/2003 where we did not have any crop to sell. Our crop just gone 2003/2004 although look-
made during the Cormo Express incident, are an attempt to sabotage the live animal export trade, and with it a large chunk of farmers' incomes and rural economies.

I would like to point out to these so-called liberationists that Australia is chief among exporters who give serious consideration to the welfare of livestock during export, and Australia is chief amongst those who conduct this trade in the most humane way. Following the Cormo Express incident, the Australian government, in conjunction with industry partners, undertook various reviews of the manner in which livestock are exported. We are determined to ensure appropriate practices are followed and will continue to work with the industry to ensure that the health and welfare of the livestock is given foremost consideration. The Keniry report, which was commissioned by the Hon. Warren Truss following the Cormo Express incident, listed eight recommendations to ensure that these objectives are met, and some of these have already been implemented.

Australia is one of the most, if not the most, responsible live export participants in the world. Through the efforts of government and the industry, we have experienced major improvements in the welfare of animals in the trade over recent years. For example, cattle mortalities have reduced from 0.34 per cent—about one in every 300—of stock shipped in 1999, to about 0.10 per cent in 2003—about a one in 1,000 mortality rate. Likewise, mortalities for sheep have also reduced from 1.34 per cent in 1999 to 0.99 per cent—that is, less than one in 100—in 2003. That is not to say that we can rest on our laurels, but it is to say that the government, recognising the importance of the industry to our regions, is continually working towards lower fatality rates within the live export industry. In case anyone seems to think that one per cent is too high, the annual average mortality rate for adult sheep left on farms is five times higher. The mortality rate for live exports is quite within normal rates when you consider that we have less than one per cent mortality on the boats.

The Australian livestock industry is also working hard to ensure the humane treatment of livestock during exporting, both onshore and offshore. Projects such as investing to improve handling of the animals at abattoirs in countries we export to, the sharing of technology and skills, and the provision of actual infrastructure to the recipient countries are going a long way to improve the care of the animals when they reach their destination.

The letter from the National Farmers Federation assures me that animal welfare is central to the skills and technology transfer programs that they are undertaking and that, with the help of these programs, animal welfare is steadily improving in the countries that Australia supplies livestock to. I would like to remind the so-called activists that ours is a responsible industry. These activists must realise that there is a market out there for live exports, that someone will fill that demand, and that if it is not us it will be someone else doing it—with far less humane handling.

Let us look at what would happen if the live sheep trade no longer existed in Australia. Prices would go down for our stock—and not only for the stock that would normally be part of the live export trade. That would be less than half. But, because that floor in the markets would not be there, other livestock prices would fall as well, so we would actually see a decline in stock prices received by farmers, which of course would affect rural communities. Fewer sheep would be bred. No-one is going to breed sheep if they cannot make money out of it. So what you would have is fewer sheep lives being created. I think I can relate to this; I am a
farmer. You make decisions based on whether you can make a profit or not. If you cannot make a profit, you will not do it.

Without the live sheep trade, there would be less wealth created in this country—and not only because the prices would be lower. It has actually been shown that there is greater value adding with the live export trade than there would be if those animals were slaughtered here in Australia. That is because we provide the feed, the water, the labour and all those parts that make up the trade, and they add more value to the Australian economy. And of course we are getting export dollars coming in to Australia, which is very important for our economy.

What I repeat to the activists is that Australia is a responsible exporter and our industry is working to provide the animals with the most humane treatment possible. With that in mind, I believe that, instead of trying to prevent responsible Australian live exports, these people should be working with us to ensure the humane treatment of animals during export. Instead they are trying to open doors for ruthless animal exporters to meet market demands at any cost from other countries.

I urge those who are opposed to inhumane treatment of animals to stand behind our government and help us to further protect animals from inhumane treatment through this bill. Help us to set standards and manage the licensing of exporters. Until now, the licensing has relied heavily on whether an exporter has industry accreditation, the standards of which were neither clear nor comprehensive. Help us to regulate the livestock export trade by providing for improved integration of the Australian Meat and Livestock Industry Act 1997 and the Export Control Act 1982, so that an exporter’s history and performance as regulated under one act are taken into account by decision makers under the other act. Help us to improve the veterinary accreditation scheme, and help us to improve the live export industry through the passing of this legislation which is designed to implement recommendations of the Keniry review.

One of the recommendations of the Keniry report was to basically close down Portland and Adelaide for the six months during winter and a bit each side. If the government had accepted that recommendation and that had been done, there would not have been a live sheep trade export regime in Australia, because those six months are actually the most important. The recommendation was based on the incorrect assumption that there were greater mortality risks by taking stock from the winter months to the hot summer in the Middle East. At first look you might say, ‘That sounds very feasible.’ What it does not take into account is the animal husbandry of our people who handle the sheep and the fact that sheep can actually insulate themselves quite well. After shearing, the skin thickness doubles within 24 hours, and that provides the sheep with extra insulation. That is insulation against both the cold and the heat. I wear a wool suit, and I hope that everyone in this chamber also wears a wool suit, because it is a great natural fibre that provides natural insulation to us and, of course, to the sheep. As a result of that, they can withstand those conditions.

The Keniry report suggested that it was still okay to export sheep from Western Australia, but when we compared the sheep mortality rates of Western Australia with those of Adelaide, we found that the mortality rate for Adelaide had dropped down below the Western Australian rate. So the facts show that we did not need to accept that recommendation on the basis of animal welfare; in fact, we were getting the same results in Adelaide and Portland. I know that many farmers in my electorate rely on shearing their sheep in
June, July or August and selling the sheep immediately after. They get the fleece, and of course they get a good price for the sheep when they sell them in the live sheep export industry. So it is a pretty important industry, and I would hope that no-one in this chamber would think otherwise. The industry provides a very important base, and it is fantastic that this government has made sure that it will continue and that the live sheep trade is here for many years to come.

Mr JOHN COBB (Parkes) (10.06 a.m.)—I rise to speak on the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004. In the late sixties and early seventies, the wether trade around Australia meant that you had an animal that might weigh as much as 60 or 70 pounds dressed—a beautiful animal—worth virtually nothing. That is how it was when I first started in the grazing business. You bred a wether, you shore him for four, five or six years and then, despite the fact that you had 60 or 70 pounds of very good mutton on the hoof, he was worth virtually nothing.

Happily, in the late seventies the live export trade started to develop. Australia has, apart from pet food, very little call on mutton or the wether trade. There is not a great domestic demand for it. But with the advent of the Middle East trade, or the live export trade, this commodity which obviously had a very real material value suddenly got a monetary one. That was the first time, not just in my farming lifetime but in anyone’s lifetime, that a wether started to be worth, as a young animal, as much as ewe. That was primarily because, once the live export trade came into being, at the end of the day it was still going to be worth a quid. Later on, Fletcher International, who slaughter within Australia, came in and helped the trade even more, by setting up firstly in Dubbo and later in Albany. I think Fletcher International is worth one per cent of Australia’s total rural exports. Between them and the live export trade, we are talking about five or possibly six per cent of Australia’s total agricultural exports. Certainly it is a billion dollar industry, employing over 9,000 people.

We have gone from the point of having a great many animals that at one stage did not have much value at the end of their productive lives to having animals with an enormous value of $50 or more. That has been an enormous boost. In the drier parts of Australia where grazing is the predominant issue, such as the Western Division of New South Wales, northern South Australia and a lot of Western Australia and western Queensland, if it had not been for the live sheep export trade and Fletcher International, I do not know how farmers would have survived the nineties, because it was meat not wool that got them through. We are talking about a very important industry worth almost five per cent of Australia’s rural exports in any one year—$1 billion—and over 9,000 jobs. I would hate to think of the effect on the merino industry, certainly in the drier parts of the continent, if we did not have it.

The opponents of this industry want to see it shut down. They talk about animal welfare. The concern I have is that they do not understand what animal welfare is, nor do they understand the psyche of an animal like a wether, a sheep. The only thing they understand is trying to bring production to a halt and trying to interfere with the normal commercial discourse that farmers and graziers indulge in for the good of not just themselves but the nation.

Unlike people who simply want to cause trouble, this government dealt with the problem and is now making sure that the problem does not occur in the future. If you listened to the member for Lingiari today and the member for Corio yesterday, then, as I think the member for Barker said, you would think
that this government conspired to cause a problem. It was a problem that had nothing to do with us, nothing to do with the sheep industry in Australia and everything to do with politics, commercial concerns and the way business is done in other parts of the world. Certainly the problems with the Cormo Express were not the result of anything to do with Australia or the way it looks after stock. That was a particularly good load of animals, and I think that is shown by the fact that, after all that time at sea, the sheep left that ship in damn good condition and were a credit to the people who looked after them, the ship and the industry.

This was not an issue of animal welfare; this was an issue of dealing with a problem. And this government dealt with. I am proud of the fact that we have a ministry and a government that dealt with it. The government and the cabinet accepted that this is a billion dollar industry with 9,000 people and heaven knows how many graziers and Australians depending upon it and said, ‘This is a good industry. We must protect it.’ The issue was dealt with in the best possible way. The government went to the point of talking to the industry and made the decision to buy these sheep and deal with the problem. And deal with it we did, in a way that obviously disappointed the opposition, who hoped there would be more trouble.

We are a government about supporting business and creating jobs, not getting rid of them. When problems arise, we look at the best way to deal with them. That is what we are doing here today. I am a farmer, and I take animal welfare very seriously. Nobody dislikes seeing an animal mistreated more than a farmer. We have good reasons for that. It is not just a case of animal welfare. It is in our financial interests to make sure animals are well treated. As a member of a very efficient government, I also take this very seriously. The Cormo Express incident was not about animal welfare, but it said to us that we must make sure that in the future there can be no possibility that anybody can ever point at animal welfare as being an issue. It has always been mandatory to report any losses over two per cent, and by and large there are not such losses. In the incident with the Cormo Express, the losses were well within the normal loss ratio.

What animal welfare people do not seem to realise is that animals die anywhere. They die in the paddock. It is a fact of life that you always have losses, just as we do with human beings, regrettably. It happens. Animal liberationists and people who simply want to cause trouble because they have nothing better to do with their lives do not seem to realise that we are all perishable, animals just as much as us. Whether they are in a paddock or on a boat—wherever they are—we do have losses, and more with animals, quite naturally, than humans, because nobody spends as much money on research for animals as they do for human beings. That is obvious.

The counterargument seems to be that the only thing we should do is sell carcasses. This is ridiculous. It shows an absolute ignorance of what the live sheep trade is about. There is room for both industries, as Fletcher International have shown. They take sheep from south-western Queensland, from western New South Wales, from Western Australia and from South Australia—from right around Australia. And they take both live sheep and carcasses. What people need to realise is that the Middle East does not want the meat only. They have religious festivals. They want live sheep. It is part of their way of life. They much prefer, on the whole, to have live sheep rather than chilled or slaughtered sheep. But at the same time, as Fletcher International have shown, there is room for both industries in the Middle East—both, I stress, not just one or the other.
Previously, this government introduced legislation and procedures that enhanced our industry, from a safety point of view as well as a quality point of view. We no longer permit open deck loading of animals and we have strict reporting requirements, as I have previously said. There are heavy penalties, including the possible loss of export licence, to go with that. We have officers at the destination ports to report on the condition of the animals when they arrive.

This legislation builds on that. It goes further. It puts in a set of principles known as the Australian Code for the Export of Livestock. I am not going to go through what they all are. But basically it means that a false declaration under the Export Control Act regarding compliance with the provisions of the Australian Meat and Livestock Industry Act relating to a livestock export licence can be taken into account by the secretary of the department under the Australian Meat and Livestock Industry Act when considering whether to issue a show cause notice to an exporter. This is about the whole industry being irreproachable by the world at large, by the Australian producer and by those concerned with animal welfare.

This is a good industry. It is an industry that is necessary. It is an industry that is viable. It is an industry that has done a lot for western New South Wales and for all the other grazing parts of Australia. If we had gone through the decade of the nineties without the evolution of this industry—not the evolution of live exports and Fletcher International—not many would have survived. It is a very important industry. This government is making sure it remains a viable, safe and good industry.

Mr BRUCE SCOTT (Maranoa) (10.18 a.m.)—I rise today to speak on the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004. Prior to coming into the chamber I was with school students from my electorate, the Warwick West State School, who are down here on a parliamentary visit. They were certainly interested in what their member was doing. Obviously, coming from a rural constituency, they had an interest in this bill. In fact, one of the more senior people with the students said they had seen the 60 Minutes program relating to live exports to the Middle East. They asked if it was true. I was able to advise the person that, while the scrutiny of the media is always important, that 60 Minutes program failed to be objective and to report all of the facts. They were very selective in their reporting. It seems that the other side of the parliament have taken up that same sort of approach to the export of live animals from Australia. This bill is in response to the concerns in relation to animal welfare issues in the Australian live animal export industry. It is not just the live export of sheep that we are talking about. We are also addressing in this bill the export of live cattle.

It is important to understand what the review of the industry examined, and I would like to read that into the Hansard. It examined:

... the adequacy of welfare model codes of practice; the adequacy of regulatory arrangements; the types of livestock suitable for export; supervision of voyages to ensure accurate reporting; and the factors that contributed to excess mortalities on the MV Cormo Express V93.

The review obviously focused on voyages to the Middle East because of the number of adverse incidents that have been reported in that trade. But it also considered exports of sheep, cattle and goats by sea to other destinations. I must say that the members of the review panel received a number of submissions—in fact, 248. They met with organisations in Perth, Canberra, Sydney, Melbourne and Brisbane. I do not think that anyone
could say that they did not give the industry and all those with an interest in this industry, whether they support it or otherwise, an opportunity to express their concerns.

The live sheep, cattle and goat export industry is an important industry for Australia. It underpins many regional economies. The member for Parkes spoke about the history of the live sheep industry in Australia and the value that producers, for instance, were getting out of the sheep industry, particularly during that very difficult period in the wool industry. The live export of sheep was underpinning the wool industry’s fortunes. We in this place all know that if you have one single market your opportunities are limited. But if you have more than one market the opportunities for a better price and greater competition in that market can reap rewards for, in this case, the livestock producers here in Australia.

The importance of the industry to Australia cannot be underestimated. For instance, in 2002 Australia exported some six million live sheep and one million cattle. This industry generated almost $1 billion in export income—and that is wealth for this country which we all benefit from. The livestock trade generates something like 9,000 jobs for Australia. Are members on the other side of the House not interested in export income and the 9,000 jobs for Australians? Without the live sheep, cattle and goat trade, these jobs would simply not be there. This is a market demand that we are fulfilling, and I know that, whatever the market is and wherever it is, Australian exporters have certainly got an interest in being able to supply that market.

From the producers’ point of view—and I speak on behalf of the producers in my electorate—whether it is the wool industry or the beef industry, the live export of animals from Australia is very important. In the last 10 years, wool producers have gone through probably the most difficult period in the wool industry’s history. So the importance of having another market for their surplus sheep is terribly important. The live sheep export trade, particularly to the Middle East, underpinned the domestic mutton market. The sheer volume of buyers in the market competing against those who are buying for the processing of sheep into the mutton market and the sheer volume of sheep being taken out live and meeting a market requirement in the Middle East added competition to the market. Of course, at the end of the day, producers were the beneficiaries of greater market competition.

The northern cattle industry in Australia is now a very vital part of the cattle industry as a whole in Australia. For many years, the cattle industry sought greater market opportunities for its meat—North America, Asia and the limited markets in Europe. But there was also another market to be fulfilled, and that was the live cattle market into South-East Asian countries, including Indonesia. The cattle go into what is called a wet market. Consumers there buy their meat in a wet market, which is very different from what happens in Australia. That is something that we would never contemplate in Australia, but there is a market there to be serviced. That is why it is important that we do everything in our power to make sure that the market remains open to our producers—in this case, the cattle producers, particularly in Northern Australia, who benefit from those market opportunities.

I would also like to talk about what this government have done since coming to office. We are a government committed to ensuring the sustainability of this industry. I am pleased to see that the Minister for Agriculture, Fisheries and Forestry has come into the chamber as we near the conclusion of the debate on this bill. The government have
good record of reforming the live export trade to enhance its long-term sustainability. You only have to look at the record to see illustrated very clearly that we have made sure that animal welfare issues are addressed and that we have a regulatory regime to ensure that there is a code of practice that underpins the industry. The government’s record is illustrated by the decline in mortality rates on voyages—from 0.34 per cent of cattle shipped in 1999 to 0.10 per cent in 2003. Those figures for the cattle industry speak for themselves. In relation to the export of sheep, the mortality rate has declined from 1.34 per cent of sheep to 0.99 per cent over the same period. Those figures also speak for themselves.

The government have introduced legislation and a regulatory regime to make sure that the industry is sustainable and that we are addressing animal welfare concerns. We have not been sitting on our hands with regard to the export of live animals from Australia. It is a pity that the other side of the parliament could not join us in supporting this legislation—albeit that the members who have spoken perhaps spoke more out of ignorance than from an understanding of the importance of this industry not only to regional Australia but also to the livestock producers who have worked hard to establish and service these valuable markets overseas.

In conclusion, the government do take seriously the issue of animal welfare. We are committed to ensuring the sustainability of live cattle, sheep and goat exports. This bill and these reforms—which are in response to the Keniry review into live exports—will ensure the industry’s sustainability and will bring forward a regulatory regime that will ensure that there are more regulations and accountability from the point of view of the producers on the farm right through to the end consumers, whether they are in the Middle East, Indonesia or South-East Asia. This is an important piece of legislation that has my wholehearted support. I congratulate those members of the review committee who reported to the minister. I also congratulate the Minister for Agriculture, Fisheries and Forestry on making sure that this government continue their support for the continuation of the live export of animals to markets overseas.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10:28 a.m.)—I thank all members who contributed to this debate on the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004, including the member for Maranoa, who made the final contribution. All members who spoke recognised the importance of this industry and recognised what a significant creator of employment it is in rural and regional Australia—and, indeed, in some of our large cities, particularly Perth, Fremantle and Townsville. They also recognised the significant income generating capacity this industry has for our nation. However, this industry has been the subject of some controversy. People in Australia rightly expect high standards in relation to animal welfare, and those standards must be met. The industry is cognisant of its obligations in that regard. There have clearly been failings in the past, and this legislation takes an important step in ensuring that consistently good outcomes are achieved in the future.

The member for Maranoa rightly pointed to the significant improvements that have been made in animal mortalities and animal welfare standards over recent years. It has been a gradual process. In fact virtually all shipments over the last year or two have been completed without incident. However, the one shipment that did attract a degree of international attention—the sheep on board the Cormo Express—naturally drew widespread attention again to the trade. The fact
that this was an isolated incident that has not been repeated and that had not occurred previously is, I think, often lost. Indeed it is perhaps noteworthy that, since the Cormo Express incident, there have been scores of shipments to the Middle East—not to Saudi Arabia but to other countries—which have progressed without incident.

I recently visited the countries in that region, and I am satisfied that there is a strong degree of support for the trade and a willingness and determination to make sure that good outcomes are achieved and that the expectations of the Western world are met in relation to animal welfare standards. In particular, in countries like Kuwait, the emirates and Jordan there is a strong desire to work with Australia to achieve good outcomes. However, the ban on trade to Saudi Arabia is likely to continue. We are certainly not prepared to allow trade to reopen until there are satisfactory arrangements in place in that country, should an incident like the Cormo Express occur again, which will enable an early discharge of the animals while the issues are being resolved. I have to say that my Saudi counterpart shares those views and we are working constructively together towards achieving the kinds of circumstances that might at some stage in the future allow the trade to resume.

The Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004 will amend the Export Control Act 1982 and the Australian Meat and Live-Stock Industry Act 1997 to increase the regulation of the livestock export trade by allowing the minister to determine a set of nationally consistent principles, known as the Australian Code for the Export of Livestock, which will influence all aspects of the regulatory regime applicable to livestock exports; improving the integration between the Australian Meat and Live-Stock Industry Act 1997 and the Export Control Act 1982 for livestock exports by enabling the secretary to take into account the compliance of an exporter under one act 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 Australian Meat and Live-Stock Industry Act 1997 for the purpose of preventing exporters from simply relying on the licences of other persons; providing a legislative basis for the scheme relating to accredited veterinarians under the Export Control Act 1982; and creating seven new offences in relation to the scheme for accredited veterinarians, under the Export Control Act 1982, which will apply to both accredited veterinarians and other persons, including exporters. The bill responds to the current domestic and international criticism of the livestock export trade. The amendments represent an important step in the government’s overhaul of the livestock export trade and reflect the government’s strong commitment to rectifying the problems of the trade as a matter of urgency.

In his response to the bill before the House, the member for Corio acknowledged his willingness to allow the bill to pass but he did propose an amendment in which he criticised the government for various issues associated with the live export trade. In particular, he criticised the government for failing to respond to a series of independent reports that recommended significant reforms to the administration of the livestock export trade. The government will, of course, be opposing this amendment because it is simply based on a false premise; the statement is simply untrue. The government have not failed to respond to independent reports. Indeed, we have responded to virtually all the recommendations of the two independent reviews into the live animal export trade in 2000 and 2002. We are in the process—and this legislation is an important part of that
process—of responding to the recommendations of the Keniry report of last year.

The government has responded to the issues that have arisen as a result of those reviews, and I think the response to those reviews has helped to deliver the improved outcomes that earlier speakers have referred to. The government acted on the recommendations of the 2002 independent reference group report by incorporating requirements into the action plan for the livestock export industry, which now underpins many of the reforms under debate in this bill. After the 2002 review, the government, in consultation with the industry, put in place enhanced standards designed to protect the health and welfare of the animals in the trade. In the 2002 review, I understand there were 20 recommendations, 18 of which have been adopted; the other recommendations could not be introduced for a series of legal reasons. There has been a comprehensive response by the government to the recommendations of these reviews. Therefore the basis of the opposition’s amendment is simply unsound. Their allegations are false. Therefore the amendment deserves no support.

It is universally recognised that no Australian government actions led to the Cormo Express incident. In fact it was only by the hard work of the Australian government that we were able to find a solution to what was a very difficult incident. Labor’s continual bleating shows that they lack the experience and the ability to manage complex international incidents. Their commentary on the Cormo Express reflected a total lack of understanding of the trade and the issues associated with exporting to countries in the Middle East.

There will be another bill in response to the Keniry report introduced into parliament next week which will deal with the funding arrangements for Livecorp and research and development arrangements which will apply into the future. That bill will complement the bill that is currently before the House and will form a significant part—in fact, the majority—of the government’s response to what has been recommended in the Keniry report. We are essentially dealing with the issues. We recognise that this is very sensitive trade. I acknowledge the contribution that people in the livestock export industry are making to improving standards and ensuring that the expectations of the Australian community in relation to welfare issues are appropriately dealt with. There is no place in the industry for people who take shortcuts. Essentially, they disadvantage everybody who is associated with this very important trade.

Mr Deputy Speaker Jenkins, there is probably no area in the country where these issues are of greater significance than in your electorate. I am pleased that, as a result of the legislation that is being put to the chamber today and other responses to the Keniry report, we have been able to keep the Portland live export facility open and also the Port Adelaide facility. I know that those are very important export outlets that underpin the trade on the east coast. Obviously, everyone associated with those facilities and trade everywhere knows that we need to ensure that high standards are achieved and maintained always. We can never take our eye off the game. It is always going to be important to ensure that we deliver the very best possible outcomes.

This is an important Australian industry. This legislation will help to secure its future. I am sure that with industry and government working cooperatively together we will have for the future a very important Australian industry that will continue to contribute to rural and regional areas in a very significant way. I commend the bill to the House. The government will be opposing the opposition
amendment. I thank those who have contributed to the debate.

The DEPUTY SPEAKER (Mr Hawker)—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 immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.40 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

NEW INTERNATIONAL TAX ARRANGEMENTS (PARTICIPATION EXEMPTION AND OTHER MEASURES) BILL 2004

Second Reading

Debate resumed from 1 April, on motion by Mr Ross Cameron:

That this bill be now read a second time.

Mr COX (Kingston) (10.41 a.m.)—The New International Tax Arrangements (Participation Exemption and Other Measures) Bill 2004 is the third tranche of legislation implementing the government’s reforms to international taxation announced in the 2003-04 budget, following the review of international tax arrangements. These reforms were the result of a long process of consultation which when it began offered the hope of substantial reform of Australia’s international taxation regime to meet the challenges of globalisation and international competitiveness. These hopes have been dashed. The measures in this bill and in the previous bill, the New International Tax Arrangements Bill 2003, represent a bare minimum set of changes intended to reduce compliance costs and remove some unnecessary impediments to legitimate business activity in Australia’s international tax regime.

These changes, as welcome as they are, do not address the more fundamental question of whether Australia’s tax regime adequately meets the requirements of a competitive, globalised economy. It was reasonable to assume that the review of international tax arrangements would address that. Why then was the process left largely in the hands of the Board of Taxation? Despite the significance of the issues, neither the Treasurer nor the Minister for Revenue and Assistant Treasurer took an active role. Whether they were not interested or knew the process would not go far is unclear.

The more significant options of streaming and a tax credit for foreign dividends was never publicly argued either way by the government. We should have had a serious economic debate about the benefits of tax neutrality: capital import neutrality, creating a tax system that does not discourage foreign investment here; capital export neutrality, creating a tax system that does not discourage Australians investing abroad; and national neutrality, creating a system where an Australian resident will be broadly indifferent, in the tax treatment they receive, about investing in Australia or in a comparably taxed jurisdiction offshore.

These concepts have obvious logic to economists, to those who run international businesses and to funds managers. I know that the last two concepts do not fit the simplistic political orthodoxy about keeping Australian capital at home, but that is why they needed to be more publicly debated. It
was time for Australia to consider the tax bias against Australian shareholders in companies investing overseas. This is important for companies wanting to expand and for financial institutions, particularly superannuation funds, wanting to better balance risk and return in their portfolios. We need to recognise the bias at a company level. Australian based companies with significant operations overseas are at a disadvantage in that they have to earn a higher pre-tax rate of return than do more domestically oriented companies in order to remain attractive to investors.

The Treasury discussion paper says that this bias should not affect a resident company’s cost of capital. However, if after-tax returns are lower, it is likely to be harder to raise equity. It also implies a lower share price. The implications are significant if the consequence is a diminishing number of healthy growing Australian companies fighting for domestic market share rather than seeking greater opportunities to expand their operations offshore. Some major Australian companies argue that they need to be allowed to obtain near market dominance at home so they will have the critical mass to be successful overseas. That has no more merit than the old argument that Australian manufacturers needed tariffs so that they could become more efficient.

It would have been worth examining whether the tax bias against investment overseas has a significant influence on ambition for domestic market share. It would also have been worth examining the extent to which the tax bias against investment overseas is a factor in some Australian companies moving their head offices offshore when their foreign operations begin to dominate their activity.

With an open economy, provided Australia is internationally competitive and is attracting an adequate inflow of foreign capital, we can be relaxed about Australians investing productively abroad. That has been the long-term trend. Capital inflows quadrupled the stock of foreign capital from 32 per cent of GDP in 1980-81 to 121 per cent of GDP by 30 June 2001, or about $800 billion. In the same period the stock of Australian capital invested offshore rose from nine per cent of GDP to 62 per cent of GDP, or about $420 billion.

Streaming and tax credits for foreign dividends would make it easier for Australian businesses to expand offshore and make it easier to attract foreign investment to Australia. Streaming would also be attractive for foreign residents because they could invest in Australian companies and receive the shareholder relief available in their own country for the profit on the Australian companies’ operations there. Any boost that would provide to those companies’ financial performance would not be at the expense of the Australian tax regime.

The national neutrality principle—indifference between investing here or in a comparably taxed jurisdiction overseas—is important because ignoring it reduces Australian shareholders’ income and wealth. That is a significant issue when the focus is on retirement incomes. The lack of streaming is an impediment to some Australian companies wanting to make hostile takeover bids for foreign targets. In some cases Australian companies’ merger and acquisition options are limited to dual listed company arrangements which provide de facto streaming but can be cumbersome to negotiate and maintain. Limiting Australian companies’ takeover options does not help them get the best asset at the best price, which is something their foreign competitors enjoy here.

There is resistance to streaming within Treasury and the tax office for revenue rea-
sons. When Labor introduced dividend imputation there were relatively few mum and dad shareholders and no compulsory superannuation. Treasury and the ATO assumed there would be considerable wasting of franking credits. While dividend imputation has had a more significant and beneficial effect than was envisaged in encouraging Australian companies to have their profits taxed, and taxed in Australia, there is a concern that streaming will reduce the tax base. Treasury fears that if streaming is allowed it will be the only game in town, at least for a few years.

In concept, if company tax is a withholding tax for income that will ultimately be taxed in the hands of shareholders, streaming is a logical extension of the imputation system. However, before we could embrace it we would need to have a clear understanding of what it would cost relative to its dynamic benefits and have effective safeguards against potential abuses, particularly trading in franking credits.

Streaming and a tax credit for foreign dividends were left on the shelf by the government largely because of the cost—estimated by Treasury at between $520 million and $590 million per year. Unfortunately, after nine budgets and $122 billion of net new policy, the Howard government has left Australia without the financial capacity for major reform in the international tax area. I will have something to say later about the government’s handling of the financial implications of even the modest changes it did adopt.

Streaming and tax credits for foreign dividends would make it easier for Australian businesses to expand offshore and make it easier to attract foreign investment to Australia. In terms of enhancing Australia’s international tax competitiveness those options would also be easier to integrate with our domestic tax regime than the alternative approach of returning to a classic system of fully taxing dividends in the hands of shareholders but cutting the company tax rate, as has been done in Ireland. The budget was a lost opportunity in many areas. With $52 billion in net new spending decisions, the government did not have the foresight or the vision to undertake major reform of Australia’s international tax regime.

Labor will support this bill. Schedule 1 of this bill introduces a capital gains tax exemption for active foreign companies. Currently capital losses and gains from the disposal of interests in foreign companies are included in a company’s taxable income in Australia. In addition, any capital gains or losses made by a company controlled by an Australian shareholder from the disposal of interests in a foreign company may be included in the taxable income of the Australian shareholder. The inclusion of capital losses decreases tax payable in Australia, and the inclusion of capital gains increases tax payable.

The amendments in this bill will disregard gains and losses to the extent that the foreign company has an underlying active business, allowing Australian multinational companies and the foreign companies that they control to compete more effectively in capital markets. The amendments will provide Australian companies with greater flexibility to restructure their offshore operations, as restructuring will no longer trigger a capital gains tax liability in Australia. Australian companies with offshore businesses will, however, lose the ability to reduce their tax payable in Australia when offshore ventures fail and they suffer a capital loss. Companies will be required to calculate the extent to which overseas operations affected by the CGT concession represent an active business, and the exemption will only apply to the extent that the shares in overseas business are related to an active business. If
companies fail to undertake this calculation, the default position will be that all capital gains and no capital losses will be included in their taxable income in Australia.

Schedule 2 of the bill provides a tax exemption for foreign branch income and non-portfolio dividends and amends the list of company provisions. Non-portfolio dividends are dividends from direct overseas investments where the Australian taxpayer has some control over the foreign operation—they are profits from an overseas branch. Currently branch profits from the 62 listed countries are not subject to tax in Australia. The amendments extend this exemption to all countries.

Consequential amendments also remove foreign tax credits for foreign company tax—rules which allow companies to effectively reduce their Australian tax payable by the amount of foreign tax paid. As Australian tax will not be paid, the profits cannot be used to provide franked dividends to shareholders so, if and when these profits are distributed, they are taxed at the shareholders’ marginal tax rate in Australia. This caveat and the strong preference for Australian shareholders to receive franked distributions is an important integrity safeguard.

These amendments will enable Australian companies and the foreign companies they control to obtain higher rates of return from their foreign operations, improving their ability to attract capital. The changes will also remove disincentives for Australian companies to repatriate foreign profits back to Australia and expand their offshore active business operations. Where passive or highly mobile income is shifted offshore, it will continue to be taxed under the controlled foreign company rules, so these amendments only apply to legitimate active foreign business and not passive investments that are generally associated with tax avoidance. The amendments also simplify the categorisation of foreign countries. Under Australia’s international taxation regime, countries are categorised into unlisted countries, limited exemption listed countries and broad exemption listed countries. Under the proposed amendments, limited exempted countries become unlisted countries together with those already classified as unlisted, and countries currently classified as broad exemption listed countries are referred to as listed countries. This simplification is possible because the exemption previously provided to limited exempted listed countries is now extended to all countries, removing the need for differentiation for all but one remaining section of the law.

Schedule 3 of the bill reduces the scope of tainted services income and will improve the competitiveness of Australian companies. The tainted services income provisions aim to ensure that groups of associated companies cannot shift profits through the provision of services from one company to another. This is particularly important where the provision of services shifts profits from the Australian based companies to foreign associates for the dominant purpose of reducing tax in Australia. The tainted services provisions currently work by attributing income to the Australian based company when a foreign associate provides services to another foreign associate, a resident company in Australia, a nonresident company in Australia or a permanent Australian establishment overseas.

The amendments in this bill will narrow the scope of the tainted services provisions by removing services provided by a foreign associate to another foreign associate or a permanent Australian establishment overseas. This amendment is appropriate for two reasons: first, under the amendments in schedule 2 of this bill, income from services provided by one foreign associate to another
will no longer be taxed in Australia; and, second, it ensures equal tax treatment between foreign associate companies that generate certain services in-house and companies that use services from an associated company, such as a company that has internal IT support versus buying that IT support from an associated company.

As I previously mentioned, the New International Tax Arrangements (Participation Exemption and Other Measures) Bill 2004 is part of a package of measures announced in the 2003 budget and arising out of the review of international tax arrangements. The budget estimate of the cost of those international tax measures was $270 million over the budget year and the three forward estimates years. This raised concern about the budget estimates because the direct cost of the UK double tax agreement was $280 million over the four years. The government then introduced the International Tax Agreements Amendment Bill 2003, which had a further cost of $62.5 million. This bill has a total cost of $105 million over the forward estimates.

The total direct cost of the original $270 million RITA budget measures has now reached $447.5 million and the government has advised that there is another tranche of measures to come. Treasury had for a long period failed to provide a reconciliation of the budget measures and the total cost of the reforms. For this reason, Labor referred the previous bill to a Senate committee for closer examination. Exactly why the government chose not to be completely transparent about the actual cost of the RITA measures was unclear, but we now have a situation where all of the RITA measures appear to have a direct cost of $497.5 million. Following the last Senate legislation committee hearing we obtained some further advice from Treasury, and I greatly appreciate receiving that advice, because it has made it possible to do some kind of a reconciliation, which has provided some assurance about the total cost of the RITA measures.

Treasury advised that the costing of the original RITA budget measure included an offset, which was the government’s decision to defer implementing an earlier decision to provide franking credits for foreign dividend withholding tax. At the time the original decision to provide franking credits for foreign dividend withholding tax was made in November 1999, the estimates of its cost were $340 million in 2002-03, $190 million in 2003-04 and $200 million in 2004-05. While these numbers do not coincide with the whole of the current budget year and forward estimates period, they do indicate a very substantial offset within that period—the 2003-04 and 2004-05 years totalling $390 million. While the likely cost of that measure may have changed, it is safe to conclude on the basis of the information provided by Treasury that the total direct cost of the RITA measures in the 2003 budget will be less than the $270 million estimate contained in the 2003 budget.

It should also be noted that in the explanatory memorandum for the International Tax Agreements Amendment Bill 2003 Treasury provided estimates of extra revenue—from increased economic activity resulting from the UK double tax agreement—of a further $70 million a year. Treasury’s modelling apparently shows this activity building rapidly in the second year of the new UK DTA and continuing at a relatively steady rate thereafter. So, overall, the financial impact of the RITA measures has turned out to be limited—limited reforms, limited costs.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (11.00 a.m.)—In the 2003-04 budget, the Treasurer announced the government’s response to the review of international tax ar-
rangements. That response foreshadowed more than 30 initiatives designed to modernise our international tax system and make Australian companies more competitive and successful—key factors in ensuring Australia’s economy continues to grow. The reforms in this New International Tax Arrangements (Participation Exemption and Other Measures) Bill 2004 deliver the third instalment of the government’s package of reforms to Australia’s international taxation arrangements. It follows the enactment of the new tax treaty with the United Kingdom and proposed reform of the international tax rules affecting superannuation funds and the funds management industry, currently before parliament.

The bill has been described as the most important change to Australia’s international tax laws in the last 15 years. The bill will improve the competitive position of Australian companies in the world by reducing the Australian tax burden on their foreign business operations. The proposed measures will also increase the flexibility in structuring or restructuring such businesses, without undermining the integrity of our tax system. Importantly, these measures are not just relevant to big business, they will also assist emerging Australian businesses looking to expand offshore to take advantage of global opportunities. The bill will also slash compliance costs for companies carrying on active business internationally and will encourage the repatriation of profits for reinvestment.

The changes in the bill relate to capital gains tax concessions for active foreign companies, foreign dividends, foreign branch income and tainted services income. They will achieve significant benefits for Australian businesses. Firstly, the bill will allow Australian companies to sell shares in active foreign subsidiaries without incurring capital gains or losses in Australia. This will remove disincentives to companies restructuring and rationalising non-performing foreign operations. The capital gains tax concession is restricted to the extent that the foreign company carries on an active business. This is determined by calculating an active foreign business asset percentage for the foreign company by reference to the underlying assets of the business and their classification as active or non-active assets. By exempting gains realised from selling interests in foreign subsidiaries, Australian companies will be able to compete globally on a more level playing field. These reforms will bring Australia into line with key competitors for offshore investment—for example, Singapore and many European countries.

Secondly, the bill will extend the current exemption for foreign dividends and branch profits to all countries. Passive or highly mobile income shifted offshore will continue to be subject to taxation on an accruals basis under the CFC attribution rules. The exemption will allow Australian companies to repatriate profits from anywhere overseas by exempting dividends paid from overseas subsidiaries. This frees up capital for reinvestment by Australian businesses and removes the disincentive to expanding active businesses offshore. The combined effect of these two measures in the bill will remove Australian tax from the foreign active businesses of Australian companies. Whatever foreign tax is payable in the country where they operate will still be payable, but no further Australian tax will be payable by an Australian company that runs that business. The measures will allow businesses to get on with business offshore, with less need to be concerned about an additional layer of Australian tax. They will also make Australia a more attractive location as a base for regional headquarters for overseas companies, as well as a continuing base for Australian multinationals.
Thirdly, the bill provides companies with more freedom as to where to locate their intragroup service companies. The scope of the tainted services income rules will be reduced so that services provided between offshore subsidiaries or branches will no longer be treated as tainted services income. Services provided to Australian residents, even if indirectly, will remain part of tainted services income. The measure is designed to improve the competitiveness of Australian companies with offshore operations by allowing more flexibility in dealing with offshore associates, including offshore service centres which provide services to other offshore group companies. Business strongly supports this bill. All of the measures introduced in the bill have been the subject of ongoing consultation with the business community to ensure the measures are responsive to the needs of business.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (11.05 a.m.)—I present a supplementary explanatory memorandum to the bill and I seek leave to move government amendments (1) to (5), as circulated, together.

Leave granted.

Mr ROSS CAMERON—I move:

(1) Clause 2, page 2 (table item 5), omit “85 to 140”, substitute “85 to 141”.

(2) Schedule 1, item 3, page 17 (line 17), omit “to acquire”, substitute “in respect of”.

(3) Schedule 1, item 3, page 18 (line 2), omit “gains.”, substitute “gains; and”.

(4) Schedule 1, item 3, page 18 (after line 2), at the end of subsection (3), add:

(c) subparagraph (2)(e)(i) were omitted and the following subparagraph were substituted:

(i) a financial instrument, other than an asset mentioned in paragraph 450(1)(b) of the *Income Tax Assessment Act 1936*; or

(5) Schedule 2, page 52 (after line 10), at the end of the Schedule, add:

Part 7—Transitional

141 Transitional

From 1 July 2004 until regulations are made after the commencement of this item declaring foreign countries or parts of foreign countries to be listed countries or section 404 countries for the purposes of Part X of the *Income Tax Assessment Act 1936*, that Act has effect as if:

(a) each foreign country or part of a foreign country that, immediately before the commencement of this item, was a broad-exemption listed country for the purposes of that Part of that Act were a *listed country* for the purposes of that Part of that Act; and

(b) each foreign country or part of a foreign country that, immediately before the commencement of this item, was a limited-exemption listed country for the purposes of that Part of that Act were a *section 404 country* for the purposes of that Part of that Act.

The amendments to the bill seek to ensure the capital gains tax concession for active foreign companies has its intended effect. The amendments extend the nature of certain assets, being rights and options, excluded from classification as active foreign business assets when calculating the foreign active business percentage. The amendments also better align the treatment of rights and options held by financial institutions in respect of certain financial instruments with the
broader foreign income rules. The amendments are technical in nature and ensure the capital gains tax concession delivers its intended effect. The second set of amendments to the bill provides a transitional rule that operates from 1 July 2004 until amendments to the regulations are made. That will give effect to the new definitions of ‘listed country’ and ‘section 404 country’ contained in the bill. These amendments ensure that the terms ‘listed country’ and ‘section 404 country’ have their intended meanings in that transitional period.

Mr COX (Kingston) (11.08 a.m.)—I had not anticipated that there were going to be further amendments to the New International Tax Arrangements (Participation Exemption and Other Measures) Bill 2004 nor have I been advised of them. From what the parliamentary secretary has just said, they do not appear to strike any alarm in my heart, but I would like to get a briefing on them relatively quickly. It is the opposition’s intention not to refer this bill to any Senate committee, so that it can be passed expeditiously, because I know that there are a number of people who are relying on it being passed before 30 June. Assuming that that briefing confirms my understanding that there is nothing obnoxious in those amendments, that will continue to be the case.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (11.09 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TREASURY LEGISLATION AMENDMENT (PROFESSIONAL STANDARDS) BILL 2003

Second Reading

Debate resumed from 4 December 2003, on motion by Mr Ross Cameron:

That this bill be now read a second time.

Mr COX (Kingston) (11.10 a.m.)—The Treasury Legislation Amendment (Professional Standards) Bill 2003 is the latest installment in a package of measures introduced to address the dramatic increase in insurance premiums over the last few years, particularly following the collapse of HIH and the events of September 11, 2001. This bill is particularly focused on professional indemnity insurance. This is cover that indemnifies accountants, architects, lawyers, engineers and other professionals for their legal liabilities to their clients and others relying on their advice or services. According to data released by the Australian Competition and Consumer Commission in February, average professional indemnity premiums have increased by more than 130 per cent since 1999, to over $8,500. Some professionals have faced even higher increases. For example, the Association of Consulting Engineers has stated that its members have experienced increases averaging around 300 per cent over the last two years.

It is often not recognised that the premiums are only one aspect of the problem. Many professionals are finding that even if they are able to renew their cover the policy is subject to an increasing number of exclusions or restrictions. In short, professionals are paying more and getting less. Insurers have attributed problems in the professional indemnity market to increasing claims costs. There is some support for this argument. According to the ACCC, the average size of the claims settled has increased from $10,000 in 2000 to $23,000 in 2003. However, there are
other factors also at play, and they relate to
the general conditions in which insurers op-
erate.

The profitability of insurance is highly
dependent on the stock market, and when the
stock market falls premiums necessarily in-
crease to cover unmet claims and contingen-
cies. It is unfortunately also the case, in my
experience, that about every decade there is
somebody operating in the Australian insur-
ance market who does not properly cost their
products and their risks—in the present cir-
cumstances that was HIH—and it tends to
compete down premiums everywhere else
and reduce the profitability of insurance and
quite often puts it into a subprofitable mode.
Then, when the insurer that has been taking
undue risks ultimately collapses, there is
a massive overcorrection in the market and
premiums move up strongly. That has clearly
been the case over the last few years. That
has compounded the situation with respect to
professional indemnity insurance, amongst a
whole lot of other insurance risks.

Professions Australia has gathered to-
gether some examples of cases of profes-
sionals who have had difficulty with their
insurance. A landscape architect was unable
to obtain cover in Australia despite having
had no claims for 10 years. A surveyor with
no claims history found his premium in-
creased by 120 per cent and his excess in-
creased by 400 per cent. A large number of
professionals have stated that they are unable
to obtain cover at an affordable price. Some
have reportedly decided to exit their profes-
sions. Others have decided to go bare—that
is, to continue to provide services without
insurance. Obviously, neither outcome is
in the interests of the community.

To address these issues, Commonwealth,
state and territory insurance ministers in Au-
gust 2003 agreed on a package of measures,
including the introduction of professional
standards legislation, proportionate liability
and amendments to the Commonwealth laws
applying to professional liability. In order to
understand what this bill seeks to do, it is
necessary to look at the professional stan-
dards legislation which has been enacted in
New South Wales, Western Australia and
Victoria. In each case, the legislation estab-
ishes a professional standards council. The
council, which will comprise the same 11
members in each jurisdiction, is charged with
responsibility for determining applications
by occupational associations for professional
standards schemes, advising the minister
about occupational standards and monitoring
compliance by occupational associations
with their risk management strategies.

Under professional standards legislation,
in return for improved risk management,
compulsory insurance cover, better profes-
sional education and appropriate disciplinary
mechanisms, professionals covered by
schemes gazetted under state law obtain a
cap on liability. Liability is capped under the
legislation by reference to insurance ar-
rangements, business assets, a multiple of the
professional service fee—or a combination
of all three. No cap can be set below
$500,000. Schemes are approved under the
state law for an initial period of five years
and can be extended by a further 12 months.
The legislation does not impose a scheme on
any particular profession or occupational
group; rather it is up to individuals or profes-
sional associations to join an existing scheme
or to seek to establish one.

To date, only New South Wales has had
schemes operating under its professional
standards legislation. In New South Wales,
apparently, the following caps apply: ac-
countants, $20 million; solicitors, $50 mil-
ion; surveyors, $5 million; valuers, $5 mil-
ion; and engineers, $3 million. The engi-
neers’ cap appears odd but, from the inquir-
ies I have made, I understand that it does not
relate to engineers doing major civil construction projects such as bridges, large buildings and other things which might result in inherently larger liabilities; rather it relates more to limited engineering works of a landscape nature. I would be grateful if the parliamentary secretary were to get some advice and confirm that, because that particular cap did raise significant concerns amongst some of my colleagues.

There are significant exclusions from the state capping regimes. The schemes do not cap damages arising from personal injury; consequently, they have no application to the medical profession. They also exclude damages arising from negligence or other fault of a legal practitioner acting for a client in a personal injury claim, breach of trust, fraud or dishonesty.

The government and professional groups argue that plaintiffs will evade caps set by state law by suing under Commonwealth legislation that prohibits misleading and deceptive conduct. This bill establishes a regime that will enable regulations to be made to cap liability arising under section 52 of the Trade Practices Act, which prohibits a corporation in trade or commerce from engaging in misleading or deceptive conduct; section 12DA of the ASIC Act, which prohibits a person from engaging in misleading and deceptive conduct in relation to financial services; and section 1041H of the Corporations Act, which provides that a person must not engage in conduct in relation to a financial product or a financial service that is misleading or deceptive. The bill provides that damages under these provisions will be subject to any cap set by schemes operating under state law that have been prescribed by the Commonwealth.

There is no doubt that some professionals are experiencing severe problems in obtaining insurance and that this is putting considerable pressure on their businesses. To the extent that professionals are going without cover or underinsuring, consumers are being put at risk. Labor is particularly concerned, however, to ensure that this proposal is the right solution to those problems and does not generate any unintended consequences. For that reason, Labor supported the referral of the bill to the Senate Economics Legislation Committee. All the evidence to the inquiry expressed support for improved professional standards. Improved standards will reduce the number of incidents giving rise to economic loss. Fewer claims will reduce claims costs and, in a competitive market, reduce indemnity premiums.

The focus of debate before the Senate committee, however, was whether higher standards should be tied to a regime introducing capping. Labor senators expressed a number of concerns about capping. Firstly, as a matter of principle, it is clear that capping involves the transfer of some risk from professionals to consumers of professional services to the extent of losses above the cap. As the ACCC noted during the Senate inquiry, ‘capping really shifts risk from the person best placed to manage the risk to the person least able to manage the risk’. One possible effect of the introduction of a cap is that professionals may be less diligent in assessing risk. Secondly, capping raises the risk of losses being borne by state and Commonwealth taxpayers.

While the explanatory memorandum states that this bill has no financial impact on the Commonwealth, as a matter of logic that cannot be correct. The Commonwealth is a large consumer of professional services. Its ability to recover losses sustained as a result of misleading conduct or negligence by its contractors will be constrained by any cap that is in force under this legislation. Liability for those losses above the cap will be transferred to taxpayers.
Labor senators also expressed concern about why professionals need an incentive in the form of capping in order to lift professional standards. This point was acknowledged by the government in its CLERP 9 paper released in September 2002. The paper stated:

While the objective of improving professionals standards, including the introduction of compulsory professional indemnity insurance and risk management programs is admirable, professional bodies should be implementing such measures as a matter of best practice and should not require the incentive of a capping regime to achieve them.

In addition, the benefits of capping to professionals seem to have been oversold. Contrary to some of the claims made by the government, evidence from the Insurance Council indicated that capping is essentially irrelevant to professional indemnity premiums. The ICA indicated that claims costs are driven by the average claim, not the rare large claims. Other reforms, particularly the introduction of proportionate liability—which is part of the CLERP 9 legislation—are more likely to have a significant impact on premiums. Labor strongly supports the introduction of proportionate liability as proposed by the CLERP 9 legislation.

In summary, the opposition does have concerns about the potential negative impact of capping professional liability. Labor acknowledges, however, that state and territory governments have come to the conclusion that professional standards schemes involving caps are necessary to improve protection for consumers through the introduction of compulsory insurance and improved disciplinary measures for professionals. These improvements in consumer protection are desirable. Labor is continuing to consider ways to amend the bill in order to achieve these objectives, while addressing some of the concerns about capping that I outlined earlier.

The bill should preferably aim to ensure as much as possible that caps applied under professional services schemes are sufficiently flexible to meet the needs of large consumers of professional services. State and territory governments have recognised the importance of flexibility. At the meeting of insurance ministers in Hobart in February 2004 all governments agreed ‘that any legislation or schemes being developed should be flexible enough to meet the concerns of large purchasers of professional services’, while caps set under the schemes should capture all consumer claims and 95 per cent of commercial claims.

Large consumers of professional services have argued that it should be possible to negotiate higher caps to reflect the nature of their business. These groups have argued that all professional standards schemes should allow contracting out—that is, professionals should have the capacity to accept liability greater than caps specified in the scheme on a case by case basis. Labor is aware that some professional groups have opposed contracting out, arguing that firms with substantial market power, such as the banks, would force professionals to contract out if they wanted to obtain their business. Labor continues to consider these concerns and will reach a final position in the Senate.

In assessing the arguments for contracting out, it is necessary to consider the likely reaction of large consumers of professional services to the introduction of an inflexible capping arrangement. During the Senate committee inquiry, representatives of the banking industry indicated that they would respond to higher caps by seeking to find firms outside a scheme or by going offshore to purchase professional services. I have personally received some representations, par-
particularly from merchant banks, who have suggested that if their clients could not get adequate availability of recourse they would, in fact, conduct various transactions which would be beneficial to the investment banks making the representations not with those banks but offshore.

The point that seems to have been lost on some professional groups is that a prohibition on contracting out will not force large consumers such as the banks to do business with professionals covered by a scheme. A prohibition on contracting out would, however, prevent members of schemes from negotiating a cap acceptable both to the professional and the consumer. Labor believes that there may be a market based solution to the problem of setting an appropriate cap. If a professional chose to contract out, they would need to find insurance. Insurers would decide whether they wanted to take on this extra risk and at what price. The cost of that extra insurance is something that would be reflected in the price charged by the professional contracting out of the scheme to the consumer or user.

Contracting out would allow firms to compete on the basis of their risk management practices. At the Senate committee hearing, the ACCC stated that if capping is considered desirable ‘firms should be permitted to compete on caps’.

As stated earlier, the states have recognised that there is a need to ensure that professional services schemes are sufficiently flexible. The Victorian legislation, for example, provides that schemes may allow a firm to apply to their professional association to seek a higher cap. While this approach does provide more flexibility and is an improvement on the existing New South Wales and Western Australian legislation, it is not apparent to the opposition why a professional association should be given the ability to veto an agreement reached between a professional firm and its client. There is a clear potential that such a mechanism could operate anticompetitively. Labor will not oppose the passage of this bill through the House, but will continue to consider whether to move amendments in the Senate to specifically permit contracting out, particularly for very large transactions.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (11.28 a.m.)—It is a pleasure to follow the member for Kingston, whose concerns for increased competition, market based solutions and reduced exposure of Australian taxpayers to risk is lamentably unrepresentative of his parliamentary colleagues and I hope that his influence within the Australian Labor Party continues to increase. The purpose of the Treasury Legislation Amendment (Professional Standards) Bill 2003 is to amend the Trade Practices Act 1974 and other relevant Commonwealth legislation to support professional standards laws, which are currently enforced in New South Wales, Victoria and Western Australia and which other jurisdictions have agreed to adopt.

Professional standards laws seek to minimise damages claims against professionals through improved risk management strategies requiring professionals to hold compulsory insurance cover, engage in professional education and adopt an appropriate complaints and disciplinary mechanism. In return, professionals complying with schemes can access capped liability. It is important to note that this capped liability will only apply to claims for economic loss and not to claims for personal injury and death. Ultimately, this policy approach will benefit professionals and consumers alike. The obligations imposed on professionals by professional standards legislation to improve risk management processes and engage in ongoing professional education are expected to help
professionals reduce the amount they pay for professional indemnity insurance. In addition, the requirement for professionals to hold insurance will protect the interests of consumers and the community at large, since there will be an appropriate source of insurance to sue against in the case of negligence leading to economic loss.

I also propose to move government amendments to this bill. The amendments will clarify the operation of the implied statutory warranty provisions in the Trade Practices Act 1974 and in the Australian Securities and Investments Commission Act 2001. The amendments seek to ensure that state and territory reforms of the law of contract are not undermined. Contract law is ordinarily dealt with by the states and territories. Based on legal advice, the Commonwealth has concerns that some actions in contract based on a breach of the condition that services be provided with due care and skill may not be subject to any limitations which might be applied by a state or territory contractual remedy. To this end, the Commonwealth has decided to make minor amendments to clarify this issue.

There has been some argument about whether the bill represents an appropriate sharing of risks between professionals, their customers, governments and taxpayers. The basic point is that, whatever the risk-sharing profile has been, it has been failing to deliver services, and the drought of availability of professional indemnity insurance has been a problem crying out for a response. This government is providing leadership to free up that blockage, and this bill and the amendment which follows are the most concrete example of that leadership.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (11.32 a.m.)—by leave—I present a supplementary explanatory memorandum to the bill and move government amendments (1) to (3):

(1) Title, page 1 (line 2), omit “professional standards”.

(2) Schedule 1, page 3 (before line 5), before item 1, insert:

1A After subsection 12ED(2)

Insert:

(2A) If:

(a) there is a breach of an implied warranty that exists because of this section in a contract made after the commencement of this subsection; and

(b) the law of a State or Territory is the proper law of the contract;

the law of the State or Territory applies to limit or preclude liability for the breach, and recovery of that liability (if any), in the same way as it applies to limit or preclude liability, and recovery of a liability, for breach of another term of the contract.

(3) Schedule 1, page 6 (before line 30), before item 9, insert:

8A After subsection 74(2)

Insert:

(2A) If:

(a) there is a breach of an implied warranty that exists because of this section in a contract made after the commencement of this subsection; and

(b) the law of a State or Territory is the proper law of the contract;

the law of the State or Territory applies to limit or preclude liability for the breach, and recovery of that liability (if any), in the same way as it applies to limit or preclude liability, and recovery of a liability, for breach of another term of the contract.
liability, and recovery of a liability, for breach of another term of the contract.

As I mentioned earlier, the intention of this bill is to support state professional standards laws by allowing liability for broad ranging provisions which might provide an alternative cause of action to the law of negligence to be limited in certain circumstances. It is in that context that the prohibition of misleading and deceptive conduct in section 52 of the Trade Practices Act has been broadly recognised as having the potential to be used as an alternative cause of action to negligence. Other provisions which are similarly capable of being used as an alternative to negligence in a wide range of circumstances are those in the Trade Practices Act and the Australian Securities and Investment Commission Act 2001. Those provisions imply into contracts an obligation to supply services with ‘due care and skill’—a concept which has remarkable similarities to the duty of care required by the law of negligence.

Contract law is ordinarily dealt with by the states and territories. Based on legal advice, the Commonwealth has concerns that some actions in contracts based on a breach of the condition that services be provided with due care and skill may not be subject to any limitations which might be applied by a state or territory contractual remedy. To this end, the Commonwealth has decided to make a minor amendment to clarify this issue. The proposed amendments will seek to ensure that state and territory reforms of the law of contract are not undermined. I commend the amendments to the House.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (11.34 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

EXTENSION OF CHARITABLE PURPOSE BILL 2004

Second Reading

Debate resumed from 27 May, on motion by Mr Ross Cameron:

That this bill be now read a second time.

Mr COX (Kingston) (11.35 a.m.)—The Extension of Charitable Purpose Bill 2004 represents part of the government’s response to the inquiry into the definition of charities. This was a process that at its outset offered the prospect of fundamental reform to the charity sector but has become yet another massive disappointment. This is a government with a record of doing the bare minimum and dressing it up as something special. Initially, the government was going to codify the common-law definition of a charity. This would have provided greater certainty for the charity sector, but the monumental mishandling of the release of the draft legislation created widespread fear and confusion.

The draft legislation was rightly or wrongly interpreted as limiting the ability of charities to participate in public policy debates. The confusion and fear created reflect the complete lack of trust, which is warranted, that the charities sector has in the motives of the Howard government. I think that the most spectacular example of this was an exchange of op-ed pieces in the Financial Review between the Rev. Tim Costello and the Treasurer. I have always said that, if the Treasurer’s brother does not trust him, why should anybody else? While the Howard government is more than happy for the charities sector to take over the provision of essential services from government, stretching the sector to breaking point, it is less than
impressed when the sector in any way criticises its actions.

The report of the inquiry into the definition of charities and related organisations recommended that the common-law definition of a charity be codified. Under common-law, to be a charity an organisation must satisfy that two elements exist: they exist for the public benefit and they are within the spirit and intention of the preamble to the statute of Elizabeth, an English statute more than 400 years old. While the government now argues that the common law provides greater certainty to the charity sector, this is in fact a fallacy and there are many impediments to relying on common law.

First, charities must understand and be on top of almost 400 years of case law to determine whether changes in their activities will affect their charitable status. Understandably, this creates widespread uncertainty for them. It is all very well for us who take a general interest in these things to read the tax office’s 47-page ruling on the subject. After you have read the ruling, you have a pretty clear idea of what the common law says. But a lot of people running charitable organisations that are performing a variety of functions are left with a considerable degree of uncertainty. The ATO could simply issue a new ruling or tighten up its interpretation of the law and a charity could find itself again in uncertain or unknown territory. So codifying the definition of a charity would have provided charities with significantly more certainty.

Second, judges cannot be in control of the cases which come before them. Unlike parliament, they cannot respond to the changing needs of the charity sector. While this bill goes some way towards responding to changing community perceptions of what a charity is, it does so in a very ad hoc manner. Despite recommendations from its own Board of Taxation on clarifying the draft definition of charities bill, the government simply gave up on the important reforms. What we are left with is minor extensions to what constitutes a charitable purpose in this bill. This is yet another example of a tired government that has simply lost the drive to take on even the minor battles required to implement change.

The bill extends the scope of charitable purpose to include the provision of community not-for-profit child care, self-help organisations and closed religious orders. Subject to meeting other common-law tests, they would then enjoy charitable status and various tax concessions, including fringe benefits tax, GST and income tax concessions. The provision of not-for-profit child-care services is currently not considered a charitable purpose. Given the inadequate funding and support provided by the Howard government to this sector, providing charitable status should be viewed cynically. Most importantly, the bill completely ignores the important role performed by playgroups in the development of children. It is another example of the lack of commitment shown by this government to early childhood learning. Limiting a charitable purpose to child-care facilities where parents leave their children and not also including cases where the parents stay with the children creates a new anomaly. Labor will move a substantive amendment to the bill to include the provision of playgroup services as a charitable purpose.

Many self-help groups currently do not meet the common-law definition of a charity because they do not meet the public benefit test. This is because self-help groups are often organised and managed by people who benefit from that group. The bill changes the common-law public benefit test to ensure that self-help groups meet the test. An institution will be an open and non-discriminatory self-help group even if it is
made up of and controlled by individuals who are affected by the disadvantage or discrimination. It will still be necessary for the institution to satisfy the other general criteria before it will be considered a charity.

There is some doubt under the common law whether a closed or contemplative religious order fulfils the public benefit requirement in order to be a charity. This is because there is no provable benefit to the community from such activities if the results of the prayerful intervention are not communicated to the public. To ensure that closed or contemplative religious orders that offer prayerful intervention to the public can be treated as charities, this bill provides that such institutions will be taken to satisfy the public benefit test. Closed or contemplative religious orders are institutions that keep their observances, prayers or reflections to themselves. Therefore, if the order prays for any member of that faith community who seeks it, they will be treated as satisfying the public benefit requirement. Although such closed or contemplative religious orders will be taken to satisfy the public benefit test, it will still be necessary for the institution to satisfy the other general criteria before it is taken to be a charity.

As an example of some of the confusion that arises in relation to charitable status, we have had two sets of advice from Treasury on charitable status for child care. The first advice was that charitable status would provide not-for-profit community based child-care centres with deductible gift recipient status for their fundraising. The second advice was that charitable status would not provide them with deductible gift recipient status. If deductible gift recipient status were available through the amendments we are dealing with today, that would be an advantage for a large number of organisations that are in great financial difficulty today. But it would also result in a hazard. Under self-assessment, there is often confusion amongst taxpayers about what their obligations and rights are in relation to the tax law. It seems highly likely to me that a number of taxpayers may assume that any donations they make to not-for-profit community based child care will be tax deductible and that they may claim them as deductions.

That is a normal tax risk when people are making donations. But there is also a further risk in relation to community based child care, and that is that if those community based child-care centres believe that they have DGR status you may see the development of some messy arrangements, with community based child-care centres charging lower fees and receiving more donations in the belief that the donations are tax deductible. If that becomes the case, it will tend to corrupt the effectiveness of means tested fee relief, which is provided by the government to support all long day care.

I hope that, if the government has come to a clear view that community based child care will not have DGR status as a result of being treated as a charity, that that is conveyed to the community based child-care sector, so that, firstly, they do not seek donations from parents—holding out that because they are a charity those donations will be deductible—and, secondly, that they do not fall into the moral hazard of lowering fees and taking contrived donations which would effectively give parents access to both means tested fee relief and a tax deduction. As I am hoping that the government will change in the not too distant future, I want to put these thoughts on record as something of a warning and indicate that the Labor Party has had a discussion about these potential risks and has come to the conclusion that if we find that there is abuse in this area we will revisit it.
There has been a long debate in this country about how best to fund child care. I am going to move a second reading amendment in relation to the government’s failure to properly fund long day care. But for very sound policy reasons the Labor Party has preferred to subsidise child care by providing means tested fee relief, first to community based centres and then—as a 1990 election promise that was honoured in full—extending that means tested fee relief to parents with children in private child-care centres.

The Liberal opposition of the day made a promise at the time our promise was made to provide tax deductibility for child care. The reason that tax deductibility for child care is not efficacious is that the people with the most money and on the highest marginal tax rates get the most benefit. If people on low incomes are going to get less benefit, they are going to have less effective demand for child care, because between their disposable incomes and any tax concessions, rebates or deductions that they might get they are going to be less able to afford child care. Had this country gone down the path of providing tax deductions for child care we would have had very much less child care available in this country than we do today. So it is important to protect means tested fee relief as a principle. We should be careful not to allow it to become corrupted by either contrived arrangements that seek tax deductions for part of the fees or for the non-means tested part of the fees, whether they are legitimately claimed or not.

It is a serious issue. It is certainly the case that the government cannot afford to provide both means tested fee relief, which is fairly expensive, and a tax deduction. There are frequently calls from people in the community for a tax deduction because they believe that child care is a work related expense. Taxable income is income minus eligible deductions. Governments have seen that means tested fee relief is a better method of subsidising child care than tax deductions. They have not provided tax deductions for child care, and they should not in the future.

I hope that charitable status will assist community based centres that are struggling at the moment. I believe that this measure would not have been necessary if the government had properly funded all child care, particularly community based child care, which typically has higher costs than the average private centre. This is due to one particular reason, and that is that community based child-care centres tend to have a higher proportion of under-twentos, who are much more expensive to look after because you have to have fewer under-twentos per carer than is the case for over-twentos. That has traditionally put community based centres at a disadvantage. When we were in government, community based centres were partially compensated for that by a $15 per week subsidy from the government. That subsidy was abolished by the Howard government relatively early in its term. That caused great difficulty for the community based child-care sector. Many of them went broke and out of business, which caused massive dislocation for the families that used them and for the families coming after who would have used them.

It is very important that we fund child care properly. It is a major preoccupation of Labor, and it will be a major preoccupation of a Latham Labor government. It is an absolutely critical element of having policies which help people address the balance between work and family. It is a disappointment to me that, rather than having sensible, well-balanced child-care funding arrangements that actually cover the costs of child care, we are in a situation where we have to accept providing charitable status to commu-
nity based child care to try to make their operations more affordable. I move:

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

“while not declining to give the Bill a second reading the House notes with concern that the Government has failed to adequately fund long day care and to relieve the resulting financial pressure on community based child care centres has, as a poor substitute to proper funding, offered charity status.”

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

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

Mr HUNT (Flinders) (11.56 a.m.)—The Extension of Charitable Purpose Bill 2004 is about people on the ground on the Mornington Peninsula, in Western Port and in all the different parts of Australia. It is about people who give of themselves for the benefit of others and, in so doing, create a better, stronger society. One of the great privileges that each member of this House comes across during the course of their work is the opportunity to work with not-for-profit charitable organisations. These groups comprise people who are genuinely committed not only to themselves but also to the notion of community and the service of others.

That is one of the profound realities of Australia and it is something which we do not sufficiently recognise—that is, the notion of community spirit and the sense in which that plays a fundamental role in defining what we are as a country, who we are as a society and how we operate as a community. Those are the key things which come from the work of charitable organisations. They have a direct and immediate impact on people’s lives, whether it is the fire brigades, the country fire authorities, people who help in charitable first aid organisations such as St John Ambulance or Western Port First Aid in my electorate of Flinders, people who are involved in voluntary literacy teaching or people who are involved in all sorts of different community groups that assist veterans, the aged, the impoverished or children. You see it in each part of society.

I have to confess that, even though I grew up on the Mornington Peninsula and around Western Port, before coming into this job, I did not have a complete sense of the way in which charitable organisations with charitable purposes have a profound effect on the life and role of every feature of society. But as a member of parliament you learn and you discover that what you thought was an important role is in fact an indispensable role in society. So the first thing I want to do in speaking on the Extension of Charitable Purpose Bill 2004 is to say a profound, sincere thank you to all of those organisations, whether it is the convenors of Vinnies Kitchen in Rosebud, some of the surf clubs or other groups who have an impact on the lives of individuals through their own generosity, commitment and time.

Against that background, what this bill does is clear. There are two key elements. Firstly, it maintains all existing definitions of ‘charities’ and ‘charitable status’. Those elements are governed by the common law, and there is no change to the basic provisions of what constitutes and represents a charitable organisation—that which has been will continue to be. Secondly, this bill establishes and extends the definition of ‘charity’ to specifically include three classes of organisation which may have been subject to some doubt or question. It extends the common law meaning of ‘charity’, primarily for the purpose of deciding which organisations are eligible for accessing tax concessions to allow them to receive donations, and thereby build their organisations and allow the givers of those donations to receive tax deductibility as a consequence of that. The three
classes of charitable organisations which will now be recognised without question and beyond doubt are not-for-profit child-care organisations, self-help groups and closed or contemplative religious orders. All of these groups will be regarded as charities as a result of this bill. It is an important step forward. The provisions will apply effectively from 1 July 2004. So, after passage through this House and hopefully through the Senate, we will see an immediate extension of the range of benefits available to different charities. I think that is a critical and important step forward.

There is an increasing awareness of the role of nonprofit organisations in society. One of the key proponents of this is the Treasurer, and it draws on his personal background and his fundamental beliefs. The Treasurer and others have talked about the work of not-for-profit organisations in helping to build specific services to different parts of the community and, more importantly, a sense of social capital. One organisation with which I have had the privilege to work is the Juvenile Diabetes Research Foundation. I was recently fortunate to undertake a 19-day, 500-kilometre walk around my electorate to help raise funds for the Juvenile Diabetes Research Foundation. The walk took in over 50 schools and over 50 towns and communities. It took me through each of the different parts of my electorate of Flinders: the Mornington Peninsula; around Westernport—towns such as Tooradin, Clyde, Cardinia, Koo Wee Rup and Lang Lang; down the Bass Coast to Grantville, Corinella, Coronet Bay, San Remo and little towns such as Kilcunda and Dalyston; and all the towns on Phillip Island.

To see the public support for an organisation such as the Juvenile Diabetes Research Foundation was profoundly moving. The walk raised over $65,000, which was a positive step. But what struck me was that people from the hamlet of Kernot raised over $200, through the Kernot Hall Association. The community of French Island raised almost $200; it is a very small community but one which is passionate and which has within its midst a sufferer of juvenile diabetes. These are examples of the work of a self-help group, the Juvenile Diabetes Research Foundation. Its members are primarily people who suffer from diabetes, but there can be no doubt that it plays a profound and positive public role and has a profound and positive public benefit. All those things together indicate to me that these selfless, not-for-profit charitable organisations—whether it is the Juvenile Diabetes Research Foundation or an organisation dealing with asthma or any of the other afflictions that affect people—have a profound effect.

I want to check whether the member for McMillan is to speak next.

Mr Zahra—This is parliament, you moron, not question time!

Mr HUNT—I just wanted to check.

The DEPUTY SPEAKER (Mr Wilkie)—The member for Flinders will refer his remarks through the chair.

Mr HUNT—Mr Deputy Speaker, I was. Clearly the answer is no.

Mr Williams—Or he doesn’t know.

Mr HUNT—Or he doesn’t know. There are approximately 700,000 not-for-profit organisations in Australia. As shown by the Juvenile Diabetes Research Foundation, these organisations have an impact on Australia. They work throughout each community. To be considered not-for-profit and a charity, an organisation must qualify under the common law against a series of criteria: firstly, it must be nonprofit; secondly, it must have a charitable purpose; and, thirdly, it must ensure that its dominant charitable pur-
pose is for the public benefit. Those three things are the essential elements that define organisations that qualify for charitable status under the taxation laws. In essence, no individual can receive funding or profit from the activities of that organisation, it must be working for the public benefit and that must be its dominant role. Those are its key elements. One of the challenges is that certain institutions or funds which are clearly intended for the public benefit may have difficulty satisfying certain aspects of these criteria. That is where this bill comes in. This bill allows certain nonprofit, child-care and self-help groups and closed or contemplative religious orders to meet all aspects of these criteria. It does that by specifically extending the benefits available to them.

What are the major features of this bill? The bill provides a statutory extension of charitable status to the following different groups so that they can be regarded as charities. The first group is organisations providing child care to the public on a non-profit basis. It is important in this context to note that the government, as part of its recent budget announcements, made provision for 40,000 additional child-care places within Australia.

Mr Cox—Getting your instructions?

Mr Hunt—No. I was just finding out who was speaking next for the opposition, because they do not seem to have organised it or to have made any provision for notification, which is a basic courtesy that one should extend in this House. If you are not willing to extend those courtesies—

The DEPUTY SPEAKER (Mr Wilkie)—The member for Flinders will refer his remarks through the chair—

Mr Hunt—then you should apologise, because that is a basic courtesy which I will always extend to members of the opposition.

The DEPUTY SPEAKER—and not respond to interjections!

Mr Cox—There is the speakers list.

Mr Laurie Ferguson—Downer says you are a good time filler.

Mr Hunt—Oh, my friend! The second group is self-help bodies. Organisations such as Alcoholics Anonymous and a range of different groups will, if they have open and non-discriminatory membership, have the capacity to be charitable organisations. The third group is closed or contemplative religious orders. In practice, that includes organisations such as the Carmelite nuns and, in my electorate of Flinders, the Gyuto monks—wonderful, generous, kind people. They are essentially a closed and contemplative organisation, and under this legislation, if all the criteria are fulfilled, they will definitely be able to receive assistance. For all those reasons, I think this is an outstanding step forward. Can more be done? Yes. Is this a step forward? Absolutely. For the three groups included it is a fair and appropriate recognition of their work. Because of the extension of charitable status to groups that provide child care, groups involved in self-help and certain religious groups, I am delighted to commend the Extension of Charitable Purpose Bill 2004 to the House.

Mr Laurie Ferguson (Reid) (12.09 p.m.)—At the outset, I associate myself with the amendment moved by the shadow minister, the member for Kingston, to the Extension of Charitable Purpose Bill 2004. The amendment goes to the adequacy of long day care funding and whether this problem should be solved through charitable status and to the question of sufficient safeguards for community based child care. The previous speaker, the member for Kingston, on this side of the House certainly referred to those issues.
Under current arrangements, charitable organisations are exempt from certain taxes, and donations to public benevolent institutions are tax deductible. As acknowledged by the Treasurer on 29 August 2001, the basis of the current Commonwealth law definition of a charity arises from court interpretations of a British law adopted in 1601 under Queen Elizabeth I. Over the years many anomalies have arisen. For instance, all aged care services traditionally were considered to be charities but the vast majority of child-care services were not. There is no logical basis for that determination and, to some extent, this legislation seeks to rectify that. There is also no logic in the funding support that essentially goes, through these processes, to arts and environmental organisations, as opposed to organisations such as ACOSS, a very reputable welfare organisation that advocates for people on low incomes and people on benefits, including disability benefits, et cetera. They are instances of the kinds of anomalies that have arisen historically.

The welfare sector has long advocated reform. There would have been some benefit in broader codification and certainty for the sector, because of the obvious confusion. This has not been accomplished in this legislative process. This has not been accomplished in the tortuous process of public debate since the Treasurer first went public on these matters. The introduction of the GST placed the matter back on the agenda, as decisions had to be made on the tax treatment of many community and welfare organisations.

In response to extensive lobbying, the Prime Minister announced on 18 September 2000 the establishment of an inquiry into the definition of charities and related organisations. He said that the inquiry would address the need for clarity and consistency of Commonwealth law and practice in relation to charities and related organisations. That is what he said, some years ago, was the desired outcome. As the shadow minister indicated, we have not got there. We have got a few broadly commendable changes in regard to self-help organisations, contemplative religious orders and child care, but we certainly have not reached the peak that the Prime Minister put forward for his government back in September 2000.

The inquiry reported in August 2001 and a year later, in August 2002, the Treasurer announced in response that the government had decided to enact a legislative definition of a charity for Commonwealth purposes. The task was referred to the Board of Taxation, and draft legislation prepared by the board was released in July 2003. As we are aware, this created an uproar in the community sector in this country, most specifically in the foreign aid organisations. The government withdrew that legislation and introduced the current legislation, which—as I indicate and anyone on the government side would admit—is a pale imitation of what the government were originally contemplating.

This debate has been very much driven by the rather discredited and secretive Institute of Public Affairs. In the last week or so we have had some revelations about just how this organisation operates. This is the organisation that the government of Australia chose to investigate charities and whether they were advocacy groups, political groups, that should basically be sidelined and kicked out of any charitable assistance. This organisation in the last week or so, according to the Australian Financial Review of 4 June, received a $40,000 donation from an interested party in regard to water flows on the Murray River. Coincidentally, this came from an organisation, MIL, which had a very direct interest in recent work that the Institute of Public Affairs undertook in regard to a parliamentary committee inquiring into the Murray River.
So an organisation which has driven government policy and has been utilised by the government to undermine a wide variety of community and charitable organisations in this country itself has been exposed as having very questionable morality in regard to revealing its sources of income. It is basically out there writing reports financed by organisations with a personal interest in those outcomes. The IPA has been out there, very vocal, very critical of other organisations, driving a debate about there being a large number of groups in this country that are not really charities and that should not receive the benefits of being charities.

Those views were typical of what drove the process that was originally intended in this legislation. Typical of the many organisations that felt affected were the Wirringa Baiya Aboriginal Women’s Legal Centre in Marrickville, Sydney, who commented:

Wirringa Baiya is beneficial to the Aboriginal community and the community in general as we promote & protect the human rights of Aboriginal women, children & youth who may otherwise have no voice within the legal system.

They expressed profound concern that they would be another victim of this politically motivated thrust to wipe out organisations that might be critical of the government of the day and its policies.

Quite frankly, it is very difficult, in the foreign aid area in particular, to be other than an advocacy group, a group whose motivation is to raise issues. In foreign aid, do we question the international pharmaceutical companies and the amount of money that they charge African nations to fight AIDS? Surely organisations such as these would question whether building dams which depopulate large parts of the developing world is useful in achieving long-term gains in regard to irrigation or whatever. Many people are thrown out of their homes, and down the track questions are raised in regard to long-term development. It is very difficult for organisations in the field. I say that—I will declare my interest—as a national committee member of APHEDA, the ACTU’s foreign aid organisation. It is very difficult to do other than raise questions of public policy when you take any interest in this kind of area, and foreign aid groups have been put under the hammer by the government.

This elicits a profound reaction from the community. On 7 August 2001, Oxfam Community Aid Abroad condemned the government’s decision to appoint the IPA to conduct a study of NGOs in light of the institute’s own NGO status and ongoing smear
campaign against charities, welfare and aid agencies’. Gary Johns stated, ‘It’s up to government, but I’d like to see a system of disclosure.’ In response to that, Catholic Health Australia, representing 680 Catholic organisations, commented that the IPA audit:

... only gives more credence to the view that there is an agenda to restrict charities either through less benefits or through ‘big brother’ tactics to gain compliance rather than permitting strong public advocacy.

Those comments were from a broad spectrum of NGOs in this country, groups of people doing valuable work. The member for Flinders cited charities in electorates. Many of those organisations were extremely fearful that the government was going to make a massive assault upon their financial viability. The government attempted to slam them into line, to make sure that they did not criticise and that they did not advocate changes in policy. This field is financially supported by the Australian people. In 2002, $360 million was given by the Australian people—not through taxation but through their personal donations to the same organisations that this government was determined to attack and close down.

The Treasurer commented on 30 July 2003 that no change from existing practice was intended. That was not the truth. Clearly this government and many of its more vocal members were on a course to try and destroy, undermine and intimidate a large variety of community organisations in this country. Today we are debating a bill that is a pale imitation of where they started. The government has essentially backed down because of the public uproar about its intentions. Today we have a very minor group of changes, which are essentially for the better and which largely create no controversy.

As noted by the previous speaker on the opposition side, the member for Kingston, the measures are essentially able to be supported. In regard to the child care-sector he noted that they do not really pick up organisations where the parents stay for the day, such as playgroups, and they do hold out the possibility of some degree of manipulation by wealthy people giving donations to their local centres. Broadly the opposition is supportive of the remaining legislation, which is only a minor ingredient of the essential codification, classification and end to confusion that the government originally promised.

Mrs IRWIN (Fowler) (12.21 p.m.)—The Extension of Charitable Purpose Bill 2004 is a small but important measure which has an impact which goes much further than its estimated $3 million per year cost to revenue. While the parliamentary secretary made a very short second reading speech which covered the direct effects of the bill, I believe this legislation addresses an issue in a sector that is already an important contributor to care and service delivery in many communities and has the potential to become a favoured model for care and service delivery in many other areas as well. The bill provides a statutory extension to the common-law meaning of ‘charity’ for the purposes of all Commonwealth legislation. The statutory extension will allow certain types of organisations to be treated as charities for the purposes of Commonwealth legislation. These types of organisations are listed as organisations providing child care on a non-profit basis, self-help bodies with open and non-discriminatory membership, and closed or contemplative religious orders that offer prayerful intervention to the public.

At the present time, the common-law meaning of ‘charity’ applies to Commonwealth legislation. This requires a fund or institution to satisfy three requirements to be considered a charity: they must be a non-profit organisation, they must have a dominant charitable purpose and that charitable purpose must be for the public benefit. This
bill includes the provision of child care as a charitable purpose, and for the definition of ‘nonprofit’ it is clear that, while this does allow the institution to make profits or accumulate surpluses, those profits cannot be used to provide profit or gain to individual members, either while operating or while winding up the institution.

The inclusion of child-care provision as a charitable purpose will remove any uncertainty of institutions operating in this field. It will put all non-profit operators on an equal footing and will have a positive impact on investment decision making, operating costs and staff salaries. The tax exemption for surpluses will allow nonprofit child-care organisations to increase their investment in expanded and upgraded facilities. Certain GST concessions will reduce operating costs and allow for reduced fees or better services, with any increased surpluses to be invested in improved facilities. Fringe benefits tax concessions will place all nonprofit child-care organisations on an equal footing in offering salary packaging or other fringe benefits to their staff.

As all members would be aware, child-care workers are among the lowest paid in our work force. They are a dedicated and, in many cases, highly qualified group who are paid much less than they would be paid in other areas of the work force. The winners from these changes are definitely the public. They can expect improved facilities and care for their children when these changes are fully adopted. While child-care organisations will still be required to satisfy the public benefit test, the inclusion of child care as a charitable purpose clarifies the main area of concern.

In my electorate of Fowler, a number of nonprofit child-care organisations have developed over the past 20 years. These organisations have developed from a strong community base and have been supported by state and local governments as a means of extending the provision of this vital service. As they differ in their form of organisation and in their structure, I can well appreciate how they might fall inside or outside of the existing definition of a charity. Due to the fact that much, if not all, of their capital funding is provided by governments and a large part of their operating costs are met from subsidies and fees, they would not easily fit the common meaning of the term ‘charity’. This should show us some of the ways in which understanding of the term ‘charity’ is changing and how charitable organisations are entering grey areas when they undertake government funded programs.

As we all know, some large organisations such as Mission Australia and the Salvation Army are seen by the public as charitable institutions. But today, these organisations have revenues of hundreds of millions of dollars, with the lion’s share coming from government programs. They have thousands of paid employees and operate along business lines in many of their operations. They are, of course, nonprofit and no-one doubts the excellent work they do in both their business and their charitable areas, but they do demonstrate how much the world has changed from the days of volunteer organisations relying on public donations to provide services to the needy in our community. In many areas, they openly compete with for-profit organisations for contracts.

It could be said that these measures may disadvantage private operators—and I can see how that could particularly be the case in the field of child care—but it is necessary to consider two things here. The first is that the concessions available to charitable institutions do not allow the resulting increases in profit to be distributed to members of the organisation. The second is that the benefits
of those concessions actually go to the public clients of the charity.

There is a third benefit, and one that I would like to mention in relation to the next group of organisations to benefit from these measures, which are self-help bodies with open and non-discriminatory membership. That third benefit is ‘social capital’—a term that has been thrown around a lot lately, but it is one that is not well understood and not encouraged in practical ways. We all know what economists mean when they talk of capital, but these days even those definitions are not looked at in quite the same way.

The founder of Microsoft, Bill Gates, often makes the statement that 90 per cent of his company’s assets walk out the door every afternoon. For Microsoft, and for most successful companies these days, their greatest asset is the skill of their people. So, if we are to define ‘social capital’, we need to look at the skills of the people in our communities to organise and deliver many of the services that have either traditionally been provided by governments on the one hand or by individuals and families on a far from satisfactory basis on the other hand. The delivery of services by non-government agencies has been a growth industry in recent years. Non-government agencies have been able to deliver services more efficiently and more effectively, in some cases, than government agencies.

Earlier I mentioned institutions like Mission Australia and the Salvation Army and their widespread operations; these organisations have grown from their established charitable bases and developed into large semicommercial operations. I think it is fair to say that they have developed their own bureaucracies and risk losing touch with local communities and special client bases. Some of what are now quite large institutions have grown from very humble beginnings.

In my own experience, I have received representations from dozens of groups lobbying for assistance to meet their special needs, and I am sure many other members at some time have been or will be lobbied by self-help groups. Increased recognition of various conditions and the acknowledgement by professionals of the value of self-help groups in treatment and caring have made these groups far more commonplace today. Better communication, including the Internet and email, has allowed even small groups to organise nationally. There is also general recognition that the work of these self-help groups has greatly enhanced the otherwise poor lifestyle of many disadvantaged individuals and their families.

It is easy to see how self-help groups do not fit the model of a charitable institution providing a broad public benefit. When the group is organised and managed by the same people that benefit from the group, it is hard to define its purpose as being for the public benefit. In their early years, most self-help groups spend much of their time on organising and advocacy, which may not be seen as charitable purposes. But the benefit comes from the group’s reliance on its own resources rather than on the public purse, and it is often more effective in dealing with issues than would be the case if public resources were used.

The measures in this bill require that a self-help group be open and non-discriminatory, and as such deter any abuse of concessions. However, I must say that the term ‘self-help’ does not appear to be well defined or restricted to sufferers or victims and their families. Other than the requirement to have a dominant charitable purpose, this waiver of the public benefit test may lead to some less than charitable organisations qualifying for concessions.
To come back to the issue of social capital, I should note that self-help is one of the best motivators for public action. One of my favourite political sayings, which I heard first from the former New South Wales Premier Neville Wran, is: ‘If there’s a horse called Self-interest in the race, back it; back it every time.’ As many members would be aware, some of the most committed constituents are those seeking help for members of their own community or family who are suffering from some disadvantage or discrimination, and that drive is often converted into the organisation and management of self-help groups. That drive creates the social capital that those organisations develop and fuels their early years of growth. These are often the groups that have fallen through the cracks in service delivery programs provided by existing government and non-government agencies.

As I have said, their close association with an issue can lead to more effective solutions to the problems being faced. The present trend, at least on the part of the Commonwealth government, appears to favour the larger non-government agencies—Mission Australia, the Salvation Army and the like. These organisations and, in some cases, private sector organisations have little or no input from local communities. At best they have local advisory committees, but as their name suggests they have no real power. Unlike the New South Wales government, which funds local organisations and even provides specific funding for community based models, the Commonwealth seems determined to shut out local community management. There is also the matter of the Commonwealth refusing to fund organisations which advocate on behalf of community interests. This applies to both the funding area and charitable status.

The government’s intention to silence local organisations and replace local management with the bureaucracies of the larger non-government providers is severely weakening the community based management sector, and that means a loss of social capital—something we can ill afford in an age when communities are breaking down and becoming even more reliant on government services. I do not want to suggest that some of those mega non-government agencies are not well equipped to carry out some of their contracts; but, at the end of the day, they are little different from government agencies in their responsiveness, and in some cases they are worse.

We must recognise that many of the services now provided by government and non-government agencies were developed and pioneered by locals. When I think of some of the efforts put into local Meals on Wheels services, youth groups, sporting clubs and so many other community activities, I wonder where those people got the energy. Today, when you visit service clubs or other community based organisations, you seem to see the same old faces, and the numbers are growing smaller and smaller each year. You have to wonder what is happening to our communities, and that is why the inclusion of self-help groups in this legislation is important.

As I said, self-help groups have the self-interest to drive their projects and achieve their aims. But that cannot be said for other groups, and I fear many smaller and less well-organised groups will lack the management skills and experience to succeed. While this legislation may assist them in obtaining concessions, it may not assist them in the ways that matter most. When it comes to gaining funding assistance, we often hear that it is the squeaky wheel that gets the oil. Well-organised groups which can marshal publicity get the attention of government, while those without the skills are often ignored. Sometimes even going to see a local
member of parliament is not considered. As I have said, it is so important for us to build the social capital—to have communities capable of organising their resources and advocating their causes.

Many of the services we take for granted today have come from initiatives taken over a century ago by groups and communities which faced problems in health care, housing, income security and other issues in their lives. Community responses at that time were often to form mutual help groups. These took a number of forms, from friendly societies to consumer cooperatives, cooperative housing societies and mutual life insurance societies. Many of their functions have been taken over by government programs, while others are no longer provided by mutual or cooperative societies. We have seen some of the largest of those groups demutualised in the last two decades. From National Mutual and AMP to the NRMA, the privatisation of these institutions has weakened the cooperative movement as a whole.

This is a pattern that has occurred not only in Australia but also overseas. Much of the social capital of management experience and skills in the cooperative sector has been lost. As many people have noted, we are all the poorer for that loss. As a society, we are becoming more and more dependent on distant organisations, be they government or non-government agencies or private sector firms. As we lose contact with other members of our communities, we also lose the will to participate. We can complain all we like about the disintegration of our community spirit, about the lack of volunteers and about how hard it is to get people involved in the community in which they live, but much of the blame must go to our failure to sponsor community based programs managed by and for our local communities. These concessions to self-help groups may be one way to begin to reverse that trend, but I do fear that the damage has already been done and that the cooperative and mutual approaches to community problems will become a thing of the past.

With regard to the last part of the legislation, which deals with closed religious orders, in the rich cultural and religious diversity present in Australia today it is possible to see the role played by closed orders in the spiritual life of the greater faith community. I know in my own electorate the wide range of religious practices. In the interests of ensuring that all are treated equally, I can see a role for this amendment—though this of course is tempered by the requirement that the religious order also have a dominant charitable purpose. The legislation is supported, although it could be greatly improved by the acceptance of Labor’s amendment to extend charitable purposes to playgroups. The bill is small in its impact on the government, but it can have a significant impact on individuals and groups which will benefit from its fairer treatment of the definition of a charity.

Ms GEORGE (Throsby) (12.41 p.m.)—I am pleased to have the opportunity to say a little about the Extension of Charitable Purpose Bill 2004. As politicians, we get an endless stream of communication from constituents and organisations. At the time of the Treasurer’s release of the exposure draft, my office received many submissions from a range of community organisations—both NGOs and aid organisations—alerting me to some of the concerns the organisations had with the original exposure draft. These organisations included the Cancer Council; the Edmund Rice Outreach Services Association, which is the umbrella group for a range of activities undertaken by the Christian Brothers; APHEDA, the ACTU’s Union Aid Abroad organisation; and the national roundtable of nonprofit organisations. It seemed that this was a bill that I really needed to get
my head around, and I needed to understand some of the concerns that were being expressed.

Originally, the Treasurer indicated to parliament that the legislation defining a charity was intended to provide greater clarity and transparency for organisations endorsed to access government tax concessions—those concessions which include tax exemption as a charity and deductible gift recipient status. He also announced at the time that the exposure draft was in circulation that the draft legislation had been referred to the Board of Taxation for further consultation with the charitable sector. As I indicated, numerous NGOs and charities wrote to me expressing their serious reservations about some of the provisions in that original draft. In particular, they were concerned about the grounds for the potential disqualification of an organisation from charitable status. In all the submissions I received they particularly drew my attention to that section of the original draft exposure bill which provided for the disqualification of an organisation if it conducted activities for:

... the purpose of attempting to change the law or government policy;

if it is ... more than ancillary or incidental to the other purposes of the entity concerned.

Put simply and in layman’s terms, the organisations were saying that they were really apprehensive that the government was going to use this legislation and its statutory definition of charity to try and restrain the NGO sector and charitable organisations from any critical comment about government policy.

Any charity or non-government organisation worth its salt is constantly advocating change in government policy. That is their raison d’etre. They are on the ground, dealing with the concerns they are so aware of—growing poverty, growing inequality, the plight of homeless people and the lack of government commitment to overseas aid. The list goes on and on. It is no wonder that quite rightly they were writing to politicians saying, ‘We think the government has another agenda in all of this’—and that was to try and restrain the NGO sector and charitable organisations and their peak bodies from making any comments critical of government.

In the words of Philanthropy Australia, a peak body representing some several hundred philanthropic trusts, foundations and individuals:

To exclude lobbying, advocacy, or activities designed to achieve changes in government policy or legislation, is to take charities back 40 years. Such an exclusion would severely limit the effectiveness of many organisations, including the RSPCA, Cancer Councils and environmental groups such as the Australian Conservation Foundation.

I raise these issues because, although I acknowledge that the bill before us today does not follow on from the framework established in the draft exposure bill, it is important to try and unravel why these issues were brought before the parliament. These organisations were naturally apprehensive about what they read into those words, as it could have seen many organisations deprived of their charitable status if they went beyond their purpose and advocated change or attempted to change the law or government policy.

Despite the Treasurer’s assurances that that was not the intention, the debate certainly adopted a more intense focus when that notorious right-wing think tank, the Institute of Public Affairs, managed to get itself involved in the debate. At that time, it looked like the IPA would secure a substantial government contract to audit the work of non-government organisations in their relationship with, I think, eight government departments or agencies. That coming on top of the
draft exposure bill just added to the intensity of concern that was being expressed by a wide range of credible domestic and international NGOs.

Oxfam Community Aid Abroad, a very noted and reputable organisation, at that time condemned the government’s decision to appoint the Institute of Public Affairs on the grounds of:

... the Institute’s own NGO status and ongoing smear campaign against charities, welfare and aid agencies.

So here it was facing the possibility of a bill that might take away its charitable status if it went beyond the norm of what was acceptable conduct and criticism of government policy and then finding that the well known right-wing think tank, the Institute of Public Affairs, was meddling in this whole arena. At that time Mike Nahan, the institute’s director, was in the media publicly endorsing the government’s draft charity legislation and accusing the non-profit sector of ‘aversion to accountability’.

Oxfam quite rightly pointed out at the time that, in contrast to many of the NGOs that were being criticised by the IPA, the IPA itself lacked transparency not only with its own board members not being democratically appointed but also, ironically enough, with the institute itself making no public disclosure of its sources of corporate funding. So here it was in the public domain talking about an alleged aversion to accountability on the part of many NGOs while the institute itself was conducting many of its affairs without any public disclosure of who was funding its organisation and its work. I say that by way of background.

I am absolutely delighted that the Treasurer finally saw the sense of what was being argued and backed off from that original draft exposure bill. That announcement was made in 2004. It was argued at the time that, following advice from the tax board and consultations with the NGO sector, the bill would not proceed in its previous form. At least I think one can rightly say that the NGO sector and the aid organisations had a good win in exposing their obvious concerns that the power of government to limit criticism would be enhanced by the provisions outlined in the first draft exposure bill.

We have seen this government over a period of years attempting to muzzle and stifle dissent and concerns expressed by the NGO sector. We have seen it with a range of women’s organisations that have been de-funded by the government since its election, often because the views, policies and attitudes of those organisations did not fit with government thinking and philosophy. But as a society we would all be the poorer if governments of any political persuasion had the statutory means to limit public discourse, dissent and alternative views from being expressed, because it is those alternative views and concerns that help to shape meaningful government policy in a way that addresses real and genuine concerns.

As the explanatory memorandum to the bill points out, there is currently no statutory definition of ‘charity’, and the common-law meaning that has applied for centuries continues to apply. The bill before us retains that common-law meaning and understanding, but the bill would provide a statutory extension to allow certain child-care groups, self-help groups and closed and contemplative religious orders to be considered charities. So, in a sense—and I think rightly so—the bill would have the effect of removing the doubt that may exist as to whether or not some of these organisations are indeed charities. Under the common law, a fund or an institution today generally needs to satisfy three broad criteria in order to be considered a charity—namely, that it is non-profit, that it has a dominant charitable purpose, and that
its dominant charitable purpose is for the public benefit.

To the extent that a greater range of organisations are now encompassed in the definition of what a charity means, that is well and good. However, I want to specifically limit some of the concerns I have about this bill to the statutory extension of charitable purposes to the non-profit child-care sector. I want to quote from the background papers, which argue the case for the extension in certain terms. The papers said:

1.8 In order for an institution or fund to be a charity under the common law it must have a dominant purpose that is charitable.

1.9 In the case of institutions or funds that provide non-profit child care, it is often not clear whether the provision of such services is charitable.

1.10 To avoid doubt, this bill ensures that the provision of child care services available to the public on a non-profit basis is a charitable purpose.

It goes on further to explain:

The term ‘non-profit’ within the context of this amendment will not prevent the institution or fund from making profits (or gains) or accumulating surpluses, provided those profits are not for the purpose of profit or gain to its individual members or distribution to its owners or members, or to any other person, either while operating or on winding up.

I can see that many not-for-profit child-care organisations, particularly long day care centres in the area that I represent in this parliament, will be pleased to be granted the status that would allow them to cater for deductible gift recipient status. However, I have to raise my concerns. I hope this is not just a short-sighted albeit somewhat cynical attempt by this government to relieve the financial pressure on community based child-care centres because of this government’s own failure to adequately fund long day care provision in this country. It seems well and good that you make a donation to your local long day care not-for-profit child-care centre to help to swell the operating financial outlays of that centre, but what is behind this? Is this to mask the government’s own failures to properly fund a centre that is growing with huge unmet demand—whether it be in the Illawarra or nationally? If we are extending the status to community based child-care centres, one would ask what the reason is, then, for the exclusion of playgroups from the government’s bill, because the government’s bill talks about a fairly constrained definition of child-care services. I guess that, because mums and dads come along with children to playgroups, you might argue that they are not, strictly speaking, providing ‘child-care services’. In this regard, I think there is a lot of sense in the amendment that has been proposed by the member for Kingston.

I have another area of concern. Not only is there a sleight of hand occurring with the extension of charitable status to the not-for-profit long day care child-care centres, but also the government’s own legislation provides insufficient safeguards to ensure that the equity of the current means-tested fee relief system is not corrupted or corroded by arrangements contrived to provide a tax deduction for normal child-care fees. In other words, for high-income earners who do not get fee relief under the current provisions and who make a substantial donation that has tax relief guidelines attached to it, can that tax deduction be taken off what would be the normal child-care fees that are payable, thus avoiding the impact of the current means-tested system?

I raise these concerns specifically in relation to the long day care sector because it is an issue that is constantly brought to my attention by families in the Illawarra area. As recently as Friday of last week, the front page of our local Illawarra Mercury and its editorial were totally devoted to the unmet
demand in the long day care sector in our region. As I said earlier, this is not just something confined to the Illawarra but is pretty common when you look at statistics which show that at a national level in the order of 46,000 children, according to the latest ABS data, needed long day care provision in June 2002. Yet every local centre reports huge waiting lists. The Western Suburbs Child Care Centre at Cordeaux Heights that I visited last Friday had, in fact, stopped taking families onto their list after they had 200 to 300 families already indicating their desire for placement at that centre. The problem is particularly acute for the under-twos.

Amazingly enough, we were told during our visit to this centre with our shadow minister for children and youth that local parents are now being advised by child-care centres to in fact register at the centres before they even attempt to conceive or they would risk missing out on a place. That is how acute the problem is. It must be acute because the editorial in our local paper said:

Given the extent of the long day care crisis in this region alone, the $16.3 million additional funding in the budget seems pitifully inadequate to address a growing national problem.

Waiting times of up to two years for a long day care place in this region is totally unacceptable and a burden working couples with very young children should not have to bear.

In the context of the debate on this bill, I did particularly want to address the issue of the exclusion of playgroups. My concern is that this might be a very clever attempt by the government to mask its own underfunding of a very important child-care sector—namely, long day care. In more and more families both parents are in the workforce and they are finding it increasingly difficult to place their youngsters, particularly those aged under two. I am also concerned that the bill has insufficient safeguards to ensure the equity of our means-tested fee relief system is not open to corruption by contrived tax arrangements for child-care fees.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (1.01 p.m.)—in reply—It is my pleasure to sum up the debate. The Extension of Charitable Purpose Bill 2004 followed the inquiry into the definition of charities. That inquiry recommended that in order to achieve greater certainty for the charitable sector the government ought to attempt to codify the common-law definition of a charity. The government did attempt that and in July 2003 we released an exposure draft that provided a statutory definition of a charity. On its release, the government referred the draft to the Board of Taxation to consult with the charitable sector on the workability of the legislation. The government have taken advice from the Board of Taxation that the draft legislation does not achieve the level of clarity and certainty that was intended to be brought to the charitable sector. Therefore, rather than introducing a legislative definition of a charity, the common-law meaning will continue to apply.

That outcome is not a disappointment to me or perhaps to the Minister for Communications, Information Technology and the Arts—the former Attorney-General, a very eminent lawyer and Queen’s Counsel—who is sitting at the table. We have inherited the common law as a fantastic cultural legacy. Too often we form the view in a place like this that the wisdom around the table at any one moment exceeds the wisdom of those who have preceded us. In fact, the common law is this characteristically English, one might say, and incremental, pragmatic, flexible institution which allows the wisdom of each generation to be handed on to the next. We ought to be reluctant to arrogate the idea that all wisdom resides in our generation.
This bill will introduce a statutory extension to the common-law meaning of a charity to include non-profit child care available to the public, self-help groups with open and non-discriminatory membership, and closed or contemplative religious orders that offer prayerful intervention to the public. This will allow those organisations which have difficulty satisfying the common-law requirements to be charities for the purposes of all Commonwealth legislation. By extending the common-law meaning of a charity in this way, the concessions embodied in Commonwealth legislation that are available to charities will also become available to these organisations. Such concessions principally relate to taxation and include income tax and fringe benefits tax exemptions and certain GST concessions. I understand the opposition proposes to move an amendment, which the government may be expected to oppose. But I appreciate the broad area of agreement between the government and the opposition on the substantive elements of the bill. I commend the bill to the House.

Mr Cox (Kingston) (1.05 p.m.)—I move the opposition amendment as circulated:

Clause 4, page 2 (line 9), after ‘child care’ insert ‘and playgroup’.

This amendment is simply designed to extend charitable status to playgroups. The government has seen fit to provide charitable status to community based not-for-profit child-care centres and it would seem reasonable and consistent with that to extend charitable status to playgroups. The only significant difference between a not-for-profit playgroup and a not-for-profit child-care centre is that at least one of the parents attends a playgroup with the child. So there is a difference between a playgroup and a child-care centre.

I think playgroups are generally worthy of some concessional tax treatment which might benefit them. They might in some circumstances be interpreted as a self-help group and would be eligible for charitable status under that provision of this bill, but I think that it is appropriate to make sure that they are covered, and that is the reason for moving this amendment. I am disappointed by the parliamentary secretary’s comment a few moments ago that the government could be expected to oppose this amendment. I do not think that this amendment will involve a significant cost to the Commonwealth.

The parliamentary secretary is probably aware of the great benefit that playgroups have for parents of very young children. For most mothers—and it is usually, but not always, mothers—playgroups offer the first opportunities for their children to socialise. They also offer an opportunity for new mothers to meet a group of others who are in similar circumstances—who, following their confinement, have been subjected to a certain amount of isolation in the community and a certain amount of change in their lives. It is extremely important for them to have
social interaction with people in the same circumstances, to share those experiences. If they have been at home by themselves with their children for a long period it is often an extremely important opportunity for them to socialise with other adults, which they do not at that point in their lives have an opportunity to do, other than at the supermarket, when they may be trying to deal with the awkwardness of shopping with a small child.

Playgroups perform an incredibly important function. It will be an increasingly important function under Labor’s family friendly policies when the government changes. For playgroups as non-profit organisations, who always find it difficult to raise money to provide toys, equipment and things like that, it would be extremely beneficial to have charitable status and have the wages for coordinators enjoy fringe benefit tax relief. Local government—playgroups typically are formed under their auspices—would find it easier to expand the number of playgroups in their region, bringing the benefits of playgroups to a far wider group of parents. I am incredulous that the government proposes to oppose this very fine amendment.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (1.10 p.m.)—The member for Kingston is right in his expectation that, on my advice, the government will oppose the amendment, but he is wrong in his assumption about the basis for that opposition. The government’s opposition to the amendment is not based on a desire to exclude playgroups from the operation of the charitable concept in the Extension of Charitable Purpose Bill 2004. The government’s opposition to the amendment is based on the fact that playgroups already have the opportunity to be considered as charities or having a charitable purpose under the bill as it currently stands.

To be a charity an organisation must have a dominant charitable purpose that is for public benefit. The statutory extension to the common-law meaning of a charity contained in the bill treats the provision of child-care services on a non-profit basis as a charitable purpose. Organisations, including playgroups, which provide child-care services on a non-profit basis and meet the public benefit test can therefore already be a charity. However, other playgroups that offer nothing more than facilities for parents and children to meet and socialise would not typically be considered to be offering child-care services.

Consistent with the findings from the charities definition inquiry, the provision of child-care services contemplates activities that are directed towards managing the welfare of children, because in the absence of the direct supervision of their parents or guardians children can be helpless or dependent in much the same way as the aged or disabled. For example, child-care centres that provide care, protection and support of children in the absence of their parents or guardians would be organisations that would ordinarily be taken to be providing child-care services of the type that would fall within the scope of the statutory extension.

Those of us on this side of the House are entirely supportive of the objectives of the playgroup movement. It was my pleasure when the Prime Minister recently visited the RSL at Parramatta in my electorate to have representatives there from Playgroup New South Wales, who came with many of their children. I must say how enthusiastic they were about the massive expansion of child-care places which has taken place under the administration of this government—up 83 per cent since we wrested the mantle of government from the Australian Labor Party in 1996. I will refer to my advice, with thanks to the Minister for Children and Youth Affairs, which says that places have now gone
up to 563,000 from just over 300,000 when we were elected. So during a period where the birthrate has remained essentially unchanged or fallen, the availability of childcare places has increased by 83 per cent.

The mothers from Playgroup New South Wales made exactly the sorts of points that the member for Kingston was referring to: it is in the interests of children to have the opportunity to develop their socialisation and relational skills but it is important to draw newer mothers back into the community in the period after birth or during the toddler phase when we regrettably too often see mothers living in isolation. That isolation can also be associated with postnatal depression.

There is no doubt that these playgroups play a critically important role in the life of the community. We have to accept that, according to OECD standards, Australia still has low levels of preschool education generally and these playgroups are playing a critical role. We are opposing the amendment because we believe that the law as it currently stands already has the capacity to include those playgroups that can satisfy the public purpose tests of the bill and we therefore regard the amendment as unnecessary and redundant. We will be opposing it on that basis and with the confidence that the very laudable community objectives are already incorporated in the bill. (Time expired)

Mr COX (Kingston) (1.15 p.m.)—I listened very carefully to the parliamentary secretary’s response to the amendment and, while he said that it was possible—as I had suggested—that playgroups would fit within the existing terms of the bill, he also made a distinction and suggested that, in some circumstances, playgroups would not fit within the terms of the bill as a charitable organisation. I think it is a perfectly reasonable thing for the opposition to want to clarify the situation in relation to all playgroups and not to have playgroups running off to accountants and lawyers to find out whether the way they are functioning fits within the definition of a charity. It is clear to me that, by the government not wanting to support this amendment, they obviously want to exclude some playgroups from charitable status. If they want to exclude some playgroups from charitable status, we will give each and every member of the government the opportunity to vote that way.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (1.17 p.m.)—I just make the observation that the proposal being advanced by the opposition here could have much wider ramifications than I believe the member for Kingston intends. Child-care services will already be eligible to be treated as charities, but making the amendment in the manner suggested by the opposition could inappropriately widen what constitutes a charitable purpose. Under the common law, looking after your own children or even looking after your elderly parents has never been held to be a charitable purpose. To pursue the opposition’s amendment would therefore widen the definition of charity in a way that was never contemplated in several centuries of the common law.

Consistent with the findings from the charitable definitions inquiry, the provision of child-care services contemplates activities that are directed towards managing the welfare of children because, in the absence of the direct supervision of their parents or guardians, children can be helpless or dependent in much the same way as the aged or disabled. I suspect that, despite the good intentions of the opposition here, the possible consequences have not been fully thought through. As I stated, the bill already has the capacity to adequately recognise the charitable intent of playgroups when those services are provided in a manner which will satisfy the requirements of the act.
Mr Cox (Kingston) (1.18 p.m.)—Clearly there is a difference between looking after your children or parents alone and a play-group. A playgroup is organised on a particular basis. It would typically be incorporated in some way and be a legal entity. That separates it from someone looking after their own children alone. While the parliamentary secretary has suggested that it would be a great travesty to move away from four centuries of common law that did not provide charitable status to playgroups, this bill contemplates for the first time moving away from four centuries of common law in relation to self-help groups; closed and contemplative religious orders; and, most closely and analogously, publicly funded not-for-profit community based child-care centres. I think his concerns that we might be opening the floodgates through this amendment are completely unfounded. It is simply the case that the government does not want to accept a perfectly reasonable suggestion from the opposition to provide charitable status to another not-for-profit form of caring for children.

Question put:
That the amendment (Mr Cox's) be agreed to.

The House divided. [1.25 p.m.]
(The Deputy Speaker—Ms Corcoran)

Ayes.............  57
Noes.............  80
Majority........  23

AYES

NOES
Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (1.29 p.m.)—by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

MARRIAGE LEGISLATION AMENDMENT BILL 2004

Second Reading

Debate resumed from 27 May, on motion by Mr Ruddock:

That this bill be now read a second time.

Ms ROXON (Gellibrand) (1.30 p.m.)—Let me say from the outset in this debate that Labor respects and acknowledges that happy and loving relationships can be found in many forms in our diverse community. No one section of our community—families with a mum and a dad, single-parent families, blended families or couples, whether gay or straight—has a monopoly on commitment and no one type of family or relationship has a monopoly on the desire for stable and supportive relationships.

We know that commitment, care, companionship and a desire for happiness can go across all different forms of families in Australia. So it is unfortunate that much of the debate that has surrounded the Marriage Legislation Amendment Bill 2004, although having little to do with the actual terms of the bill, has often smacked of intolerance and prejudice. This may have been the Prime Minister’s intention, but I do not believe that this reflects the thinking of most Australians. In fact, most of us know how hard it is to find a life partner and happiness and how precious it is to nurture and support those relationships once we do.

What I think has been lost in this debate about changes to the Marriage Act is that many people in Australia live in long-term, committed relationships but are not married. In fact, nearly one-third of people over the age of 15 are not married, nor have they ever been married, but many of those five million people are in long-term relationships. Australians not only tolerate but welcome, support and barely bat an eyelid at de facto couples living in our community. With very few exceptions, de facto couples and their families get the rights and recognition of their married neighbours. Clearly marriage has remained the choice of the majority of Australians, but it is not the only form of relationship recognised or supported in our community.

Many thousands of Australian couples each year choose to get married by making a public declaration—recognised by our state and often undertaken by a service in church—of love and commitment between each other. In 2001 there were 103,100 marriages registered across Australia, with more than half being performed by civil celebrants and 47 per cent being performed by ministers of religion. Sadly, we also know that the likelihood of divorce is increasing, with 55,300 divorces being registered in that same year of 2001—the highest number in 20 years.

Despite these changing trends in marriage and divorce rates, marriage has remained a robust institution in Australia. In our country...
marriage has always been a heterosexual institution and has always been recognised as such by our common law. To very many Australians marriage is a vital social and religious institution and has particular significance for its structural role in the raising of a family. It must be acknowledged that these strong views in our community are an important reason for retaining marriage as it is.

Unlike in some other countries, there has been very little debate in Australia so far about the need to change marriage in any way. In fact, most discussion and correspondence to public representatives like me tend to focus on better ways to support families of whatever nature, on how to encourage people to get married and on ideas people have on keeping relationships intact. There is much more focus on tolerance and the removal of discrimination than there is on the nature of marriage.

It was not until this bill was proposed by the government that calls were made more widely for marriage to be broadened to encompass same-sex couples. There has not been extensive community debate or consultation about this issue and it would be fair to say that there are many Australians who strongly object to the idea. There is no consensus in the gay and lesbian community about it either. In truth, though, I think this bill is not driven by a belief that marriage is an institution under attack but more by the Prime Minister’s determination to shore up his leadership by responding to a demand from 30 backbenchers who may otherwise have caused trouble for him. He clearly wanted to make a symbolic statement about his family values rather than put money or much needed support into families who might otherwise be worthy of his attention in upholding his ideas of family values. Yet all he is effectively doing with this bill is spelling out what is already part of our law in a gesture that was crafted to offend members of the gay and lesbian community.

In contrast, Labor has a strong record of delivering same-sex law reforms that actually benefit gay and lesbian individuals and couples at the state level and is committed to doing so federally if it wins the election. Labor is proud of the work it has undertaken within the party, particularly with Rainbow Labor, and with the broader community over the last year. We have developed a policy that commits Labor to comprehensive, long-term reform in recognising same-sex couples. It is not our intention, and it was not our intention prior to the introduction of this bill, to alter the meaning of marriage; rather, we want to take up the more pressing issues raised with us as priorities and pursue reform to ensure that same-sex couples get the recognition of heterosexual de facto couples. These broader reforms will be the subject of an amendment to be moved in the consideration in detail stage by my colleague, the member for Sydney, who has a passionate commitment to justice and fair treatment for same-sex couples.

Labor’s commitment to a full audit of Commonwealth legislation and the removal of discriminatory provisions across areas such as superannuation, taxation, veterans affairs, social security and much more is the most comprehensive package of same-sex reforms ever put forward by a major party. We are also committed to legislating anti-vilification and anti-harassment measures. The Howard government has no such plan and no such intention to address the discrimination that happens in everyday life for same-sex couples. The Howard government is happy to put forward this sort of legislation in a manner that might actually make prejudice and harassment worse rather than better—a promotion of intolerance which surely would not be the aim of any real leader in our community.
Labor does not want a bill that in the main spells out the existing common law, perhaps unnecessarily, and does not want this bill to divert from the broader cause of promoting tolerance in our community and preventing discrimination against same-sex couples. To fight on the issue of radically changing the definition of marriage when it is so contested in the community would risk setting back the cause of same-sex law reform extensively.

In relation to intercountry adoption, the government seeks to change the current law and make the Commonwealth responsible for an issue that, to date, it has not had within its purview. Accordingly, Labor will not support that part of the Marriage Legislation Amendment Bill 2004, and I will move an amendment during the consideration in detail stage to remove schedule 2—the schedule which deals with intercountry adoptions—from this bill.

The government has also indicated that it is prepared to look at the issue of equal treatment for superannuation benefits for same-sex couples, a longstanding policy of the Labor Party, and we welcome the government’s conversion to this long-overdue cause. We question, though, why this part of the government’s announced changes is not part of the bill before us in the House being debated today. Why is it that we still have not seen any proposed legislation dealing with superannuation? Why is it still in the drafting stage and not being introduced alongside the bill that we are debating? The government has already said its changes will go beyond same-sex couples to those in interdependent relationships, and we question whether this is causing some of the delay and why it is that the government cannot adopt the simple change that we have proposed for so long.

For several years, the government have refused to let parliament consider and debate a bill put forward by the Labor member for Grayndler in relation to giving same-sex couples equal treatment under superannuation legislation. The Labor Party first introduced a private member’s bill on this matter in 1998, six years ago, and the government have never let it be debated. Despite their recent announcement that they would support this policy change, the government again voted against this bill on 3 June 2004. My colleagues the members for Melbourne Ports and for Grayndler will move amendments in the consideration in detail stage of the debate—a fitting recognition of the work that they and others have done in the party over many years to bring this issue to public attention.

I will now turn to the provisions of the bill in detail and move my second reading amendment, making clear Labor’s position on this bill and on same-sex law reform issues more generally. The provisions of the bill, as I have already flagged, deal with three major changes: firstly, to insert a definition of marriage that states that marriage is between a man and woman; secondly, to prohibit the recognition of foreign same-sex marriages in Australia; and, thirdly, to prohibit same-sex couples from adopting children from overseas. I 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) opposes the proposals related to inter-country adoption as unwarranted and unjust interference by the Commonwealth into an area already tightly regulated by States and Territories and within their legislative responsibility; and

(2) notes Labor’s strong stance against discrimination on the grounds of sexuality, and, in particular, Labor’s;
(a) recognition and acknowledgement of same sex couples and their right to be full and active members of our community, free from discrimination and vilification;

(b) commitment to an audit of all Commonwealth legislation following which legislative measures that are discriminatory on the basis of sexuality will be removed, thus ensuring equivalent status for same sex couples and de facto heterosexual couples; and

(3) particularly notes Labor’s long-standing commitment to removing discrimination against same sex couples by implementing measures already proposed by Labor to remove discrimination in the area of superannuation”.

This amendment clearly sets out Labor’s view on each of these matters.

Let me turn first to the definition of marriage. It is clear that the first provision of this bill expressly clarifies and confirms the existing common-law position that Australia recognises the institution of marriage as being a union between a man and a woman. This country has never accepted the notion, either through the parliament or through the courts, that marriage is anything other than an institution recognising the union of a man and a woman. Currently, the Marriage Act 1961 does not include a specific definition of marriage in the definition provisions. However, the words to be used by celebrants in undertaking a marriage are prescribed and state that marriage is a union between a man and a woman. This can be found in section 46 of the act. Similarly, the Family Law Act 1975 requires the Family Court to perform its function having regard to:

...the need to preserve and protect the institution of marriage as the union of a man and a woman to the exclusion of all others ...

Various courts and tribunals have affirmed that this is the legal meaning of marriage in Australia, and, whilst the relevant clause in the bill is probably unnecessary and might be seen by many to be provocative, it is not actually taking away anyone’s existing rights. Late last year the federal Labor caucus, in endorsing our package of the other reforms that I have referred to, agreed to keep marriage as it is commonly understood: between a man and a woman. In these circumstances, we cannot oppose the government’s bill in this regard.

The second change proposed by the government goes to the recognition of same-sex marriages undertaken overseas in jurisdictions that allow and recognise same-sex marriage. Consistent with our decision to retain marriage as an institution between men and women, we could not support Australians going overseas to marry, seeking to bypass Australian law. Accordingly, we will also not oppose this provision. I do flag, however, some concerns that citizens of other countries, who are lawfully married in their own countries and who may then come to Australia later—either in other circumstances or through immigration—are likely to be caught in this provision. We will ask the Senate committee to which we will refer this bill to consider the consequences of this, along with the other issues that we believe need to be dealt with.

It is true that in recent times some countries overseas have moved to legalise same-sex marriages and that ceremonies have taken place in Canada, the United States and European countries. Even though some Australians may have chosen to go overseas and participate in these marriage ceremonies, it was clear to them at the time that these marriages were being conducted under the laws of another country, and there was no suggestion that this would automatically lead to recognition of their marriage when they returned to Australia.
The third major provision deals with intercountry adoption by same-sex couples. This is an amendment to the Family Law Act. It prohibits intercountry adoption by Australian same-sex couples and confirms the government’s fundamental opposition to any same-sex adoption. Labor agrees that adoption is a complex issue but does not believe that a blanket ban at the federal level is the best way to ensure that the interests of the child will always be given top priority. It is simply wrong to suggest that an orphaned child in a Third World country could never be better off with loving, gay parents in Australia who have passed all the rigorous checking and scrutiny required by the process for adoption. The reality is that almost no overseas countries allow such adoption, and most Australian states do not allow it either.

This interference by the Commonwealth ignores the fact that—even by the government’s own admission on numerous occasions, including when it announced the detail of this bill—both the policy development and the administration in relation to adoption matters is the responsibility of state and territory governments. In fact in 1998, when the Joint Standing Committee on Treaties considered whether or not to ratify the Hague convention on intercountry adoption, the Howard government agreed that, in ratifying this agreement, it would be most appropriate for state and territory governments to retain responsibility for adoption policies and procedures. There was no suggestion back in 1998—or since that time—that the Commonwealth should take a more active role in determining who should and should not be eligible to apply for intercountry adoptions. The comprehensive and rigorous testing procedures that are currently in place and covered by state and territory laws and regulations all require a thorough screening of all applicants seeking adoption of children, both here in Australia and overseas. The parliament might also note that there have never been any designated gay adoptions in Australia. Some known child adoptions may have been made to gay adoptive parents, but as records are not kept this is impossible to confirm.

The government itself acknowledges that it does not have power to override the states in this area and has decided not to intervene in the ACT. However, because this provision deals with adoption from overseas, the government claims that reliance on the Hague Convention on Protection and Cooperation in Respect of Intercountry Adoption gives it some power in this regard, even though the states still administer the process. Clearly this provision will intervene in the area acknowledged by the government to be within state control. Supporting this provision would create confusion and inconsistency. It should also be noted, as I have mentioned briefly before, that there are currently no countries with which Australia has bilateral agreements on adoption that permit adoption to same-sex couples in any case. The Attorney-General’s assertion last month in parliament that Labor is somehow trying to prioritise overseas adoption to same-sex couples, over adoption to opposite-sex couples, is completely inaccurate and simply silly.

I foreshadow that Labor will move an amendment to this bill in the consideration in detail stage, to omit this provision from the bill. We will be moving an amendment opposing the provision on the grounds that it is an inappropriate use of Commonwealth power and an unnecessary interference in the state and territory government role of running our country’s adoption programs. When the issue arose in the ACT, our leader, Mark Latham, stated that adoption laws are clearly the province of state and territory governments and that the issue of adoption should be governed by the best interest of the child on a case-by-case basis. The blanket ban be-
The suggestion that opposing this provision will bring down the entire intercountry adoption regime for Australian couples is completely without basis, and I am sure the Attorney-General—and I am glad he is here today—knows that.

The Attorney also knows—or should do if he has been properly briefed by his own staff and departmental officers—that there are very small numbers of children available for intercountry adoption and very long waiting lists of Australian couples wishing to adopt. The countries with which we currently have agreements do not allow adoption by same-sex couples, and until they change their policies there is no likelihood of same-sex couples in Australia ever being considered for adoption under these programs. Therefore, for all the grief and vilification this proposal brings to existing Australian same-sex couples who are successfully raising children and leading happy family lives, there would be little or no practical impact from passing the government proposal to prohibit intercountry adoption.

My second reading amendment to this bill, which will be seconded by my colleague the member for Brisbane, who also has a strong interest in this area, makes clear that the Labor Party wants the provisions relating to superannuation benefits for same-sex couples to be included as part of the current bill, rather than as an add-on at some point in time, in the future—a point in time that may never happen, based on past form of this government. The gay and lesbian community was promised a package of measures by the Prime Minister, with superannuation included as part of that package. In fact, it was the only part of the package that would have any real and immediate impact; however, it is the one part that the government has not yet delivered on. We understand that it may come into the parliament sometime in this sitting, but Labor is not prepared to hold its breath.

Therefore, I would also like to foreshadow a number of alternative amendments on superannuation: one seeks to include our suggested superannuation changes directly into this bill; failing that, the other seeks to delay the commencement of this bill before us today until the superannuation provisions are put in place, whether in another piece of legislation or in this one. This will mean that the government’s proposed changes to the Marriage Act will not come into effect until they deliver on their promise to deliver equality to same-sex couples in relation to their superannuation benefits. This is a fair deal and would hold the Prime Minister and this government to their original commitment.

In conclusion, it is clear that this bill has come from a Prime Minister who has nothing else to put on the agenda of the parliament. That he is prepared, in order to bring forward this bill, to halt public debate on such issues of substantial importance to the Australian community as workplace relations, health, family payments, education, definitions of charitable organisations and a whole raft of other pieces of legislation just shows how desperate the government has become. In the absence of any real agenda to support the families of Australia, we have a bill with two provisions that confirm the existing law and one that interferes with a matter that is clearly the responsibility of the states and territories.

Our response is that we will not be opposing the measures to confirm the existing definition of marriage and to only recognise those foreign marriages that meet this definition, but we will be opposing the measures to prohibit intercountry adoption. We will also be referring the full bill to a Senate committee so that the community can have its say on
the bill before it goes to a vote in the Senate. On an issue concerning such an important social matter, we believe that the views of more than 30 government backbenchers need to be heard. As I have said during my speech, Labor will also be moving a number of amendments in the consideration in detail stage of the debate. They will cover the following issues: that the provisions of the legislation be enacted only once the beneficial provisions of the superannuation bill have passed; that schedule 2 of this bill relating to the issue of intercountry adoption by same-sex couples be removed; and, as an alternative policy, that the provisions of Labor’s superannuation for same-sex couples bill, as first introduced to this House by the member for Grayndler in 1998, be moved as an amendment to this bill.

I urge the government, if it is serious about providing equal access to superannuation benefits to same-sex couples, to support the Labor amendments to this bill. By refusing to support our amendments, the government will just be proving that it is not really committed to broadening the superannuation schemes and that it never intended for these measures to be delivered as part of a package. Similarly, I urge members of the government to support our amendments in relation to intercountry adoption. In doing so, they should take heed of the Prime Minister’s own acknowledgement at the press conference when he announced this package and said, ‘adoptions in this country are governed by state law’. This is clear in the Constitution and in its current practice, and unless the government wants to completely rewrite the country’s adoption laws and procedures, not to mention tinker with the Constitution, this role should properly remain with the states and territories.

Labor remains a party committed to families and supports the choice of couples to marry or live in other committed relationships. We would all do well in this House to consider how we can support and encourage long-term relationships, particularly for the benefit of children that might be in them, and not be too distracted by this diversion, which has very little practical impact and could cause much harm and offence to many members of the community. I urge support for the second reading amendment moved in my name and foreshadow the amendments that will be moved at the consideration in detail stage of the debate.

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

**Mr Bevis**—I second the amendment and reserve my right to speak at a later time.

**Mr Pearce (Aston) (1.52 p.m.)**—More than ever before, Australians are concerned about their lives and their futures. They yearn for acceptance, security and surety that their quality of life and that of their families will be enhanced and protected. As society evolves, the increasing trend to question our traditional foundations has continued unabated. From the outset, I want to make it clear that I consider this process of questioning and debate to be positive. It is always good to review, discuss and examine issues. From this process, we then have the potential to help deliver a renewal of values which can in fact help shape and, indeed, strengthen our community into the future. Regrettably, the opportunity for the civic renewal of values is often tempered by the ever increasing threat, advocated by the vocal minority, of moral equity. This vocal minority espouse the notion that as a society we should not uphold a particular set of values. Rather, they say we should acknowledge equally all sets of values that exist regardless of their genesis, merit or, more importantly, their morality. This push for so-called moral equity has implications not just for societal institutions such as marriage but also for political and
legal institutions such as parliaments and the courts.

As the member for Aston I rise today to strongly argue for and to defend the institution of marriage. Without question, the widely accepted Australian understanding of marriage is that it is an institution between a man and a woman to the exclusion of all others. The Marriage Legislation Amendment Bill 2004 has three key provisions: the first relates to the definition of marriage and the second and third provisions uphold that definition in relation to the recognition of marriages conducted overseas and adoptions proposed under an international agreement or arrangement. I strongly support all three provisions.

Given that it is the first provision which guides the others, it is this provision that is paramount in this debate and sits above the others. In considering this bill, it is important to recognise why it has come before the House at this time. As many Australians would be aware, marriage in Australia is regulated by law, as it is in many countries that share our legal traditions. Whilst this is nothing new, recently there have been increasing attempts by those opposed to current marriage laws to aggressively seek to have those laws changed by judicial interference. Of particular concern, courts in Canada and the US have recently ruled in favour of the recognition of same-sex marriages under law. The judicial activism reflected in these judgments is not unique or isolated to these countries alone. It is exactly this kind of judicial activism that must not be countenanced in Australia. It is therefore paramount and necessary that the Australian parliament acts to uphold our marriage laws in the face of potential judicial activism and interference.

In doing this, it is important to note that the parliament is fulfilling one of its most important tasks: the task of reflecting the values of our society. So, when people hear some parliamentarians and others questioning the need for this bill, they should consider one crucial question: is the institution of marriage worth upholding and, indeed, reinforcing? I believe, as most Australians do, that the answer is a crystal clear yes. So with the understanding of why this parliament must act now to strengthen the institution of marriage, let me now turn to the benefits that will flow.

In modern Australia, marriage as an institution is becoming less popular and less successful in producing happy and healthy families. The question is: should we accept this decline as inevitable or are there changes that we as a community can make that might reverse the downward spiral by encouraging more successful and enduring marriages? The fact is that during the past 40 years the dynamics of Australian families have changed dramatically. A recent report by the Centre for Independent Studies revealed increases in the rate of divorce, the number of children living in single parent families, the percentage of children living apart from their natural parents and the number of births outside marriage.

In fact, the proportion of married natural parents raising children together as a family is now at the lowest level in our entire history. The social ramifications of these changing characteristics have included increasing rates of depression and suicide, lower levels of educational achievement, greater behavioural problems among children and rising levels of parental neglect and abuse. At the same time, a US research report titled Why marriage matters has identified definitive benefits that marriage provides for all members of the family. The report reveals that children who live with both their natural married mum and dad enjoy better physical health on average than children in other fami-
ily structures. Furthermore, the report shows that marriage reduces the risk that children and adults will be either perpetrators or victims of crime.

Not only does strengthening marriage support the individuals involved, it also has the potential to underpin broader societal improvements. An area of great concern is the decline in the birth rate over the past four decades. With the close correlation between the declining birth and marriage rates, encouraging more longer-lasting marriages can help address these fast-approaching demographic challenges. Given these potential social, economic and health impacts on adults and children, governments have a responsibility to act in the best interests of the nation. This means supporting the institution of marriage. Importantly, whilst initiating and supporting practical policy measures, the government should always be careful not to be intrusive or authoritarian in their approach. Governments must achieve a sense of balance in this regard. I believe that the necessary balance can best be achieved by promoting marriage through positive policy initiatives and law-making as the ideal.

The SPEAKER—Order! It being 2 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour and the member for Aston will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Health: Child Obesity

Mr LATHAM (2.00 p.m.)—My question is to the Prime Minister. What action is the government taking to address Australia’s most concerning community health problem, the growing incidence of childhood obesity? Will the government now adopt Labor’s policy of a $25 million investment in community based programs to improve dietary habits and exercise levels for Australian children through the involvement of local GPs, schools and sporting clubs? Prime Minister, has the government been approached by national sporting codes—such as the AFL, the Australian Cricket Board and Netball Australia—to introduce a bipartisan initiative to address the problem of childhood obesity? Will the Prime Minister now join with Labor in a bipartisan approach?

Mr HOWARD—I have already indicated to the House our position on this, and I have indicated that I will be making a more detailed announcement later this month—and that remains the case. I indicated that a couple of weeks ago, and I think the Australian public will like what we say.

Environment: Water Policy

Mrs DRAPER (2.01 p.m.)—My question is addressed to the Prime Minister. Has the Prime Minister’s attention been drawn to comments made by the South Australian environment minister regarding the forthcoming COAG meeting which will discuss water policy? What is the government’s response?

Mr HOWARD—I thank the honourable member for Makin for that question. My attention has been drawn to the statements made by the South Australian minister and reported in today’s Adelaide Advertiser. The minister said:
The time to talk is over, and immediate action is needed to secure environmental flows to the Murray.

I totally agree with the South Australian minister, and this issue is listed for discussion at the COAG meeting on 25 June. That meeting is a very important meeting for water in Australia and for restoring the health of the Murray River. The Commonwealth government has worked extremely hard, particularly through the good offices of the Deputy Prime Minister, who has done an outstanding job on this issue. He has been trying to secure two intergovernmental agreements—
first, on a national water initiative which will set out the framework which will drive water reform for the next decade and beyond, and second, the Living Murray initiative, which will unlock assistance of up to $500 million to restore health to the Murray-Darling Basin. If the states of Australia are genuinely committed and willing to forge a visionary cooperative arrangement at the meeting on 25 June, then we can achieve a historic breakthrough. But the 25 June meeting is a make or break meeting. We cannot go on talking about this issue forever, and I can sympathise with the views of the South Australian minister, who wants the talk to end and some action to start.

It will require a level of agreement between the different states of Australia that has not so far been forthcoming. The Australian public want this fixed. They do not want further delay, they do not want further procrastination; they want this issue fixed. I hope that everybody who comes to the meeting on 25 June will do so not for the purpose of giving forth further delay and procrastination but to actually reach a final decision so that the governments can sign off and we can promise—particularly to the people of South Australia—some real reform, some real expenditure and some real dealing with many of the issues relating to the Murray-Darling Basin that have waited far too long for a Commonwealth-state agreement.

**Health: Child Obesity**

Mr LATHAM (2.04 p.m.)—My question is to the Prime Minister. Does the government support the continued advertising of junk food and sugary drinks during children’s television programs? Prime Minister, given the influence advertising can have on children, and the importance of this issue, will the government now join with Labor in supporting a ban on junk food advertising during children’s television programs?

**Government members interjecting—**

The SPEAKER—Order! The Prime Minister has the call and he is being denied it by those behind him.

**Mr HOWARD**—I have to say to the Leader of the Opposition: I think that is something for parents. I thought the Leader of the Opposition was interested in parental responsibility. There has got to be a limit, you know.

**Mr Sidebottom**—What about cigarettes?

The SPEAKER—The member for Brad- don! I expected that the Prime Minister should have been able to answer the question without interruption from those behind him, and he is certainly entitled not to be interrupted by anyone in the House.

**Mr HOWARD**—We have a lot of advertising bans in this country—

Opposition members interjecting—

**Mr HOWARD**—Not enough, say some people opposite—and I think governments have to be very reluctant to embrace too willingly the nanny state in banning this, that or the other. The question of what children eat is ultimately the responsibility of their parents, and it is about time that the Leader of the Opposition stood up for parental responsibility instead of trying to throw everything over to the government. We will never build a nation of independent, proud, self-reliant people until we reinforce—indeed revive—the notion of parental responsibility for their children.

**Mr Tanner**—But they’re not allowed to see lesbians on TV!

Fran Bailey interjecting—

Miss Jackie Kelly interjecting—

The SPEAKER—Order! The member for Melbourne! The member for McEwen! The member for Lindsay!

**Mr Tanner interjecting—**
The SPEAKER—Order! If no other language is understood by the member for Melbourne, I will take action against him.

Budget 2004-05

Mr PEARCE (2.07 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the family benefits which are reaching Australian families from today? Has the Treasurer seen comments which indicate that the ongoing provision of these benefits is under threat?

Mr COSTELLO—I thank the honourable member for Aston for his question. I can inform the House that as a result of the most recent budget the government announced an increase in carers payment and carers allowance. Over 400,000 Australians who look after others will be receiving that increase. The payment of the increase to carers will start being received by them, in their bank accounts, as of today. In addition, nearly two million Australian families will be receiving an increase of $600 in respect of the family tax benefit for each child per annum. That is not just for this year but every year thereafter. I can inform the House that the number of families and carers that will receive their payments in their bank accounts today is expected to be 613,000, with the remainder going out over the next few days.

This is being paid electronically, so I urge people to have a look at their bank accounts and check that the payments have been made. The government will be following up with notices in the newspapers so that people know they have received this money. I urge anybody who has not received their entitlement to contact Family and Community Services. It is important, of course, that they know they get this payment, because if there were a change of government these payments could well be taken away from Australian families. No doubt the Australian Labor Party would prefer it if people did not know that they were eligible for an additional $600, because under the Australian Labor Party there is no guarantee at all that these payments will continue. Indeed, the member for Fraser has said that you could expect your payment in 2004-05 but will give no guarantee that the payment will continue thereafter.

We await with great interest the release by the Australian Labor Party of their tax policy. Remember this: their tax policy is going to give broad tax relief to everybody; it is going to fund an intergenerational fund, it is going to leave a bigger surplus and it is going to enable the Australian Labor Party to spend more. They will take less, spend more and have more left over at the end of it. The whole of Australia now breathlessly awaits this tax policy. There is now a concerted campaign by the Leader of the Opposition to hide his policies from the Australian public. Why do I say that? I say that because the Leader of the Opposition promised that he would release Labor’s tax policy in the week of the budget.

Mr Albanese—When?

Mr COSTELLO—I thank the honourable member for Grayndler. If he goes to the ALP web site he will find a transcript that has not yet been airbrushed. Could somebody log in, because they normally start changing these things at this point.

Mr Swan interjecting—

The SPEAKER—I warn the member for Lilley!

Mr COSTELLO—It was an interview with Jon Faine on radio 3LO, 774 ABC in Melbourne. The Leader of the Opposition said that in Labor’s first term in government they will be giving tax relief. He said:

... for PAYE tax payers as they go into higher brackets there is an ongoing argument for relief.

Faine asked:
So you would change the bracket limits? The thresholds?
Latham answered:
You will find these things out in budget week.
He could not have been clearer than that. It is in the transcript. It is now five weeks since the budget reply was given, and every day that the Leader of the Opposition comes in here and thinks he can divert public attention by talking about the advertising of junk food or through some such stunt is a day when he keeps his policies hidden from the Australian people. The Australian people were promised Labor’s tax policy in budget week. They want to know how it is you can spend more, take less, have more left over and fund an intergenerational fund. I was very interested to see that in the Financial Review today, in an article by Mike Davis about Howard’s FTA, a Labor figure is quoted as saying:
If an election was called tomorrow, we could release our policy.
Why not do it now? Why not let the Australian public in on this great secret?
Ms Gillard interjecting—

Mr COSTELLO—I love the way the member for Lalor comes in on target—on time and on target and hopelessly off the mark, over and over again. I remind the Australian Labor Party that the reason they elected the member for Werriwa as their leader is they did not want to follow the small target strategy.

Mr Tanner—Tell us about 1996.

Mr COSTELLO—Tell us about 1996, they say. They did not want to follow the small target strategy. He was going to be big and bold and ambitious: almost Whitlamite in the scope of the policies which he was going to lay before the Australian people. And yet we see him shrivelling and hiding and cutting and running. Access Economics has now delivered costings to the Australian Labor Party. The senior Labor figure now says the policy is prepared. John Faine was promised the policy in budget week. This is going to be the mother of all policies, and the only people who are not let in on the secret are the Australian people. They want to know what Labor stands for and they deserve to know now.

DISTINGUISHED VISITORS

The SPEAKER (2.15 p.m.)—I inform the House that we have present in the gallery this afternoon the Deputy Speaker of the Parliament of Croatia, Ms Vesna Pusic. On behalf of all members of the House, I extend to her a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Agriculture: Dairy Regional Assistance Program

Mr GAVAN O’CONNOR (2.16 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry and concerns the Dairy Regional Assistance Program. Can the minister confirm that he has received advice from the Department of Transport and Regional Services that it will not be able to establish appropriate administrative mechanisms for round 10 of this program until 1 July, that the closing date for application should be 30 September and that the assessment of applications should not be completed until 12 November to enable proper due diligence checks? Has the minister rejected this departmental advice and proposed a timetable that would see applications close on 10 August and successful applicants announced on 25 September?

Mr TRUSS—I thank the honourable member for his question, because it gives me an opportunity to announce to the Australian people that there will be a round 10 of the Dairy Regional Assistance Program and so a significant number of dairy communities will
again be able to benefit from this program, which has provided significant help through dairy restructuring. While Labor at state level has refused to do anything to help dairy farmers through their current difficulty—refused to do anything to help dairy communities facing the problems of restructuring—this government has provided significant funds to help those communities open new industries and recover from the impacts of dairy deregulation.

There is some funding available because some projects did not proceed, so we have decided to have a 10th—and hopefully final—round of the Dairy Regional Assistance Program. We want that money to work as quickly as possible. I can most certainly confirm that I have asked the department to take whatever steps it can to get this money to communities as quickly as possible. Therefore, applications will be called for soon. They will be considered promptly so that this money can work for Australian rural communities and deliver real outcomes.

**Trade: Free Trade Agreement**

Mr TOLLNER (2.18 p.m.)—My question is to the Minister for Foreign Affairs, representing the Minister for Trade. Is the minister aware of claims that intellectual property and medicine costs are likely to rise under the recently announced Australia-United States free trade agreement? What is the government’s response to these claims? Is the minister aware of other views?

Mr DOWNER—I thank the honourable member for Solomon. I know that he and many of his constituents understand the tremendous benefits that Australia will reap from a free trade agreement with the United State—as we will from free trade agreements with Thailand and Singapore, neither of which are apparently a subject of debate or controversy.

I am indeed aware of reports of a yet to be publicly released study by an ANU academic called Philippa Dee, who claims that the free trade agreement with the United States will delay generic medicines entering into the market and thereby increase the cost of pharmaceuticals in Australia. She also argues that a copyright term extension from 50 years to 70 years in the agreement will result in a long-term $700 million cost to the Australian economy.

Both of these conclusions are false. First, there is no provision in the free trade agreement for a delay in the introduction of generic drugs. There is only provision for a greater transparency of process. There are no additional intellectual property rights granted to patent holders and there is nothing in the agreement that would change the price of drugs. Secondly, because it is a separate point, the claim of $700 million as a cost to the economy as a result of the extension of the copyright term from 50 to 70 years is based on completely unrealistic assumptions. Most copyright material is out of circulation well before the 50-year period is up. Books, CDs, DVDs and computer software are hardly likely to still be in circulation after either 50 or 70 years and therefore the copyright provisions are not going to be terribly relevant once these particular products are redundant. Dr Dee’s apparent failure to allow for the real diminishing value of copyright material inevitably produces her completely unrealistic results.

The honourable member asked whether there were any other views. Yet again I bring to the House the views of the Leader of the Opposition. I bring yet again to the House another example of the Leader of the Opposition misleading the Australian people in a very deliberate way. The Leader of the Opposition was on The World Today program this Monday and he said:
The advice going through to the Senate committee... indicates that Australia would have to pay $700 million in royalties as a product of the trade agreement—that is, the free trade agreement with the United States.

These are royalties that come out of our pharmaceutical schemes. $700 million extra cost to pharmaceuticals in Australia is a big amount.

Not even Philippa Dee is claiming that the $700 million relates to pharmaceuticals. It relates to copyright—to DVDs, to CDs, to books—not to pharmaceuticals. That is what the $700 million is about. We repudiate that figure—but it is about copyright; it is not about the patents of pharmaceuticals. The Leader of the Opposition has picked up a $700 million figure that relates to copyright and has pretended to the Australian people that that $700 million would be the increase in the cost of pharmaceuticals. That is a disgraceful, dishonest and misleading thing to have told the Australian people.

The ABC is not normally—if I may say so, Prime Minister—a great supporter of the Howard government, but the ABC reporter on The World Today said that Mr Latham:... clearly hasn’t actually read the report and he’s been poorly briefed on its contents.

That is what the ABC said. For the ABC to suggest that the Leader of the Opposition is misleading, he must have been very deeply misleading. The fact is, though, that the ‘2UE troops out’ policy of the Leader of the Opposition is misleading, there is deception and there is dishonesty associated with the articulation of that policy. And here we have seen it yet again on the free trade agreement with the United States, where what has been revealed is not only the dishonesty of the Leader of the Opposition but also his visceral anti-Americanism.

The SPEAKER (2.24 p.m.)—I am indebted to the members for Fraser and Perth, who have pointed out to me that a fellow presiding officer, the Hon. John Cowdell, the President of the Legislative Council of Western Australia, is in the gallery. I extend to Mr Cowdell a particular welcome as well.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Agriculture: Dairy Regional Assistance Program

Mr GAVAN O’CONNOR (2.25 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry, and I again refer to the Dairy Regional Assistance Program. Can the minister confirm that his office has already held discussions with the members for Maranoa and Paterson and staff of the member for Richmond about allocating funds from this program to their electorates? Isn’t this a clear example of putting the survival of coalition politicians ahead of the survival of struggling dairy communities?

Mr Pyne—Mr Speaker, I rise on a point of order. In 1978 Speaker Snedden ruled that questions should not suggest an answer—which you will find at page 527 of House of Representatives Practice. I put it to you, Mr Speaker, that the words ‘isn’t it’ in the last sentence suggest an answer and that that part of the question should therefore be ruled out of order.

The SPEAKER—The question stands.

Mr TRUSS—As I mentioned earlier, this has been a very popular program, and a lot of members, particularly from this side of the House—and, I might add, some from the other side of the House—have argued strongly that funds should be spent in their electorates. It would not surprise me in the least if the three members mentioned by the honourable member for Corio have been
amongst those who have been lobbying to have money spent in their electorates, because they are all good, faithful, hardworking local members.

Labor are always against providing any assistance to rural and regional areas. In their budget reply there was no response whatsoever to the needs of regional areas. The only commitment we have got so far out of the member for Corio in relation to agricultural policy is a promise to slash the funding for ABARE and to abolish the BRS. There are no commitments from Labor to help regional and rural communities. This government have demonstrated their willingness to support dairy farmers and indeed others facing difficulties. We will continue to do everything we possibly can. When the round is advertised, there will be opportunities for anyone who believes they have a worthwhile project that meets the criteria to have that project properly considered on its merits.

Law Enforcement: Policy

Mr HUNT (2.27 p.m.)—My question is addressed to the Attorney-General. Would the Attorney-General advise the House of the role to be taken by the Australian government in preventing corruption? Is the Attorney-General aware of any alternative policies? Are they acceptable to the Commonwealth?

Mr RUDDOCK—I thank the honourable member for Flinders for his question. The member for Flinders, who is a Victorian member, has been very concerned about issues relating to corruption as they have been raised in Victoria. The Commonwealth has today made clear its approach in relation to allegations of corruption in police services. Insofar as any allegations of corruption might arise in relation to the Commonwealth, we have said that we will establish an independent national body with appropriate powers, including telephone intercept powers if required, to address corruption if such allegations are made.

I want to stress to the House that there have been no allegations of systematic corruption within any Commonwealth agency. That relates to the Australian Federal Police or any other Commonwealth law enforcement agency. In relation to the Australian Crime Commission, which is a joint agency of the Commonwealth and states, the only suggestion that I am aware of is that those about whom it has been suggested that corruption is being raised have been officers of state police forces seconded to that agency. The government have determined that, should such allegations arise, they are to be dealt with. For that reason, we sought to improve the accountability and anticorruption capacity of both the ACC and the AFP. We see the establishment of a national anticorruption body as a further demonstration of a commitment to deal with such issues if they arise.

I have been asked to address the broader question in relation to police corruption. This is a serious issue in Victoria, as I think all members are aware. In response to that, I have received from the Victorian Premier a request to give interception powers to the Victorian Ombudsman. I might say that that request was received after the Victorian Premier had announced that he intended to give the Ombudsman such power without any awareness that, under the Telecommunications (Interception) Act—which I am sure all members of this parliament are familiar with—that power resides in the Commonwealth. Members of this House and of the Senate have taken considerable interest in the way in which that power is used, and they have been anxious to ensure that there are appropriate accountability arrangements in place to ensure that the interception power is not used abusively.
In relation to his request, I have given an undertaking to the Premier of Victoria that, if Victoria is prepared to establish an effective, independent commission to deal with police corruption, it will have that power. That is the point I have made. I have made it very clear that such powers have been given to independent commissions in Western Australia, New South Wales and Queensland and that, if a request were made for a like body in Victoria, that request would be acceded to. But the request in relation to an ombudsman ought to be understood as a very significant widening of the power of telephone interceptions to what is in effect an administrative body. The one body that is charged with the responsibility of ensuring that interception powers are not used abusively is in fact the Ombudsman. The Ombudsman has to test whether or not police with telephone interception powers use them correctly, or, if an anticorruption body gets them, the Ombudsman tests whether or not the powers have been used appropriately. Here we have in Victoria the suggestion that we should give to the Police Ombudsman, who is the same person as the Victorian Ombudsman, the power to intercept telephones and that that person would also be the person charged to ensure that the power was used appropriately.

It would undermine the credibility of the supervision of telephone interception powers if we were to accede to that Victorian request. For that reason, we are not prepared to do so. But those people who think you can charge the Commonwealth with not being interested in the issue of police corruption ought to understand that we would give an independent body that power and assist fully in ensuring that the powers are implemented expeditiously. If the Victorian parliament could come back before September, we would work to ensure that that happened. Let me say that, if any allegations are seriously going to be raised in relation to the Commonwealth, it ought to be known that the Commonwealth would act expeditiously to deal with those matters. We have made that clear by indicating that we are working to establish a framework in which there would be such a body if allegations were raised.

**Agriculture: Dairy Regional Assistance Program**

**Mr GAVAN O’CONNOR (2.33 p.m.)—**

My question is to the Minister for Agriculture, Fisheries and Forestry, and again I refer to the Dairy Regional Assistance Program—a very popular program, according to the minister’s previous answer. Can the minister confirm that over 20 per cent of total funding under this $65 million program was allocated to his seat and to the seat of the Minister for Trade, making them the major political beneficiaries of the program? How can the minister seriously expect the dairy industry—

**Mrs Bronwyn Bishop**—Mr Speaker, I rise on a point of order. I cite standing order 153, which says that questions shall not be asked which reflect on or are critical of the character or conduct of persons whose conduct can only be challenged by way of substantive motion. What the member opposite is doing, by imputation, is reflecting on the character of the minister and those associated with him. I ask that the imputation be withdrawn.

**The SPEAKER**—The member for Mackellar has made her point of order. The question stands.

**Mr GAVAN O’CONNOR**—How can the minister seriously expect the dairy industry to have confidence in this program when the minister intervenes to bring forward announcements, ignores departmental advice, discusses funding with selected coalition members and directs most of the money to himself and his colleague in The Nationals, the Minister for Trade?
Mr Abbott—Mr Speaker, I rise on a point of order. Under the standing orders—

Mr Tanner interjecting—

The SPEAKER—I warn the member for Melbourne!

Mr Abbott—the question asked by the member for Corio amounts to an allegation of improper conduct. It is clearly out of order and should be ruled impermissible.

The SPEAKER—as I indicated to the member for Sturt earlier this week, I have checked the Hansard for precedents in a number of these instances. No precedent has been created by the question just asked.

Mr TRUSS—the answer to the first question from the honourable member for Corio about the proportionate distribution to particular electorates is no. The figures are wrong; that is not the percentage that has gone to particular members. The honourable member is clearly endeavouring to suggest that somehow or other the money has been distorted in a way that does not provide the maximum benefit to the dairy communities affected. Before this money was distributed, criteria were outlined—

Mr Zahra interjecting—

The SPEAKER—I warn the member for McMillan!

Mr TRUSS—as to where the priority areas would be for the Dairy Regional Assistance Program. It was very clearly stated that the areas to receive priority were those where there would be the greatest impact as a result of dairy deregulation. An independent report was prepared by the Australian Bureau of Agricultural and Resource Economics which went through each of the dairying areas in Australia and identified the areas of disadvantage that would be created though dairy deregulation. It so happens that three out of the five shires most affected by dairy deregulation are in my own electorate. The other two are in New South Wales. It also happens that, of those three in my own electorate, one has now been redistributed into the electorate of the honourable member for Hinkler. But, putting that aside, the reality is that the funds were always to be targeted to those areas that were most affected by dairy deregulation. It is also self-evident that the states of Queensland, New South Wales and Western Australia were going to be more affected by dairy deregulation because of their high dependence on the market milk sector and that states like Victoria, which had by far the biggest proportion of production but had production directed to the manufacturing sector, were going to be less affected. It was always intended that the funding would be targeted to the most affected areas.

The final point I want to make, and this is very important, is that the decisions in relation to the particular projects chosen went through a rigorous process. Firstly, they had to be approved by the local area consultative committees as meeting the priorities and as being the targeted types of projects which we intended to support. They were then independently evaluated by the Department of Agriculture, Fisheries and Forestry, which went through each of the projects, looking at their relative merits and ensuring that they were commercially viable and likely to achieve their objectives. There is no instance where I have sought to overrule the department in relation to the priorities that it set, and certainly not in any case which affected my own electorate. You will find that all of the records on this are completely above reproach and honourable. Indeed, audit reports et cetera have confirmed that the management of this program, very substantial as it was, met the highest possible standards.

Defence: Military Involvement in Iraq

Mr BARTLETT (2.40 p.m.)—My question is addressed to the Minister for Foreign
Affairs. Would the minister inform the House of the role of Australia’s C130 Hercules aircraft deployed to the Iraq theatre of operations? Is the minister aware of any of alternative policies?

Mr DOWNER—First, can I thank the honourable member for his question. I appreciate the interest he has in the Australian Defence Force personnel serving in Iraq. The Australian C130 Hercules aircraft contingent there has about 150 personnel involved. They are performing vital tasks—not, as the Leader of the Opposition suggested some time ago, symbolic tasks. The C130 aircraft are the lifeline for the Australian representative office, the Australian Embassy, in Baghdad. They transport the troops who guard the Australian Embassy. They transported the equipment, including armoured vehicles, and they transport supplies. In fact, those aircraft, between February 2003 and March 2004, have transported 4.5 million kilograms of supplies. They also transport Australian officials engaged in rehabilitation operations. In 400 missions, they have moved 9,300 people.

I think the House will be interested, and I know many members will be proud, to hear that our aircraft have been involved in 925 aeromedical evacuations of wounded coalition personnel. That demonstrates that they are not doing a symbolic job but doing a real and very important job. They are vital—and the Prime Minister is very aware of this—because they have advanced countermeasures against shoulder launched missiles. The Prime Minister’s experience on one of these aircraft was of an emergency because of fear of a missile being launched. I would remind the Prime Minister that I had the same experience myself. These are very good aircraft, with that sort of capability. Obviously, if civilian aircraft were used to perform the same tasks they would be unarmed, they would not have this kind of advanced countermeasures capability and they would be deeply vulnerable flying in and out of Baghdad airport.

Are there any alternative policies? As usual, there is the Leader of the Opposition’s policy. He has his 2UE ‘troops out’ policy. He intends to have the troops home by Christmas, he said in his 4 June press release—but he is considering leaving half of the troops there. He has obviously been telling the truth in the 4 June press release. He plans to leave the Australian representative office security detail there, the P3Cs and HMAS Stuart. The Leader of the Opposition says ‘We want to play a role in the reconstruction of Iraq but we’ll do that through economic, humanitarian and civilian aid’ and leave half of the troops there apparently as well. But the shadow minister for defence said in a speech on 21 May that Labor intends to withdraw the C130 Hercules detachment. So the Hercules are going under Labor. That is part of the ‘troops out by Christmas’ component of the 2UE ‘troops out’ policy. In which case, how would a Labor government supply the troops left, how would it conduct rotations and how would it get advisers in and out of Iraq? Would a Latham Labor government use commercial flights?

Mr Howard—They would ask the Americans.

Mr DOWNER—Don’t spoil all my lines!

Would they use commercial flights? The DFAT travel advice says:

Due to the risk of surface-to-air attacks ... Australians are advised against air travel over Iraq ... without self-protection capabilities.

A Labor government, surely, would stick to the DFAT travel advice. Perhaps they would use the road. The DFAT travel advice says:

Travel by road in Iraq remains hazardous and is not recommended, as underlined by recent incidents of convoys of vehicles coming under fire.
It appears that the Leader of the Opposition’s ‘troops home by Christmas’ policy is going to be ‘troops stranded by Christmas’—86 troops guarding the Australian embassy and officials left stranded without Hercules support. Could it be that, having promised to cut and run from Iraq, the Latham Labor government will go to none other than the United States of America and say, ‘Please could you help us?’ I hate to think that the Leader of the Opposition on becoming Prime Minister would go on his knees to the White House asking for support for Australians in Iraq, having cut and run! The fact is that all of this demonstrates a serious point: nothing has been properly thought through by the opposition. It has just been blurted out on 2UE by the Leader of the Opposition, and the shadow ministers have had to try and piece together the shambles left by the Leader of the Opposition—a Leader of the Opposition who to this very day has still not had a briefing on what our troops do in Iraq.

**Environment: Policy**

Mr KELVIN THOMSON (2.46 p.m.)—My question is to the Minister for the Environment and Heritage. Can the minister confirm that he put forward a submission to a cabinet subcommittee which proposed an increase in the mandatory renewable energy target to five per cent—Labor’s target—which was rejected by the Prime Minister?

Dr KEMP—I thank the member for Wills for his question. That question reveals that the Labor Party is prepared to push and promote policies which are quite irresponsible in terms of their job-destroying impact on the Australian economy. The member for Wills has indicated before and is now trying to imply in the question that somehow or other the government might support the Labor Party’s policy. Let me assure him: the government will not and never would have supported such a policy to impose $11 billion in costs on Australian households and Australian businesses. It is a policy that is designed not to target the specific problems that renewable energies have in coming into the marketplace, as we have done in yesterday’s energy statement; it is a policy to give a completely undifferentiated, massive, cost-raising, job-destroying subsidy that is without justification.

It is quite clear after yesterday that the government and the opposition are going down two completely different tracks in relation to putting Australia in an environmentally sound energy position. The government has shown that it is possible to put in place win-win policies: low-cost policies that will achieve outstanding environmental outcomes for Australia and policies that will create jobs. The Labor Party, on the other hand, is committing itself to high tax policies that will put up prices. Let me illustrate some of this. The Labor Party wants, as we know, to ratify the deeply flawed Kyoto protocol and impose a national emissions trading system, which is in effect a carbon tax. The Labor Party believes that the best way to move the Australian economy ahead and to create jobs is to impose new taxes, in this case a carbon tax.

**Mr Kelvin Thomson interjecting**—

Dr KEMP—We have recently had an analysis of the impact of such a tax which Allen Consulting prepared for the Victorian government, probably as a report secretly prepared for the Australian Labor Party. The effect of the tax is to raise annual electricity prices. That is what the report said—it could raise electricity prices by up to 27 per cent. That is $193 for every household in Victoria, $209 a year in New South Wales, $224 a year in Queensland, $270 a year in the ACT, $289 a year in Tasmania and $303 a year in South Australia. That is what the Labor Party’s approach is—to put up people’s elec-
tricity prices, to impose costs on households, to impose costs on businesses and to claim at the same time that this is necessary to create a clean Australia. It is not, and we have demonstrated that in our energy policy.

Mr Kelvin Thomson interjecting—

Dr KEMP—The New Zealand government, who have moved down the emissions trading track, have come clean in a published document showing what the costs of emissions trading would be in New Zealand. They estimated that this scheme, which the Labor Party is committed to, could raise electricity prices by 16 per cent and—listen to this—could raise petrol prices by 6c a litre. So on top of the increased electricity prices we now have increased petrol prices as a result of the carbon taxes that the Labor Party is proposing.

Mr Kelvin Thomson interjecting—

Dr KEMP—A wide gulf has now opened up between the irresponsible, foolish policies on the other side of the House and the smart policies that this government have put forward to give Australia a sustainable, low emissions energy system into the future.

The SPEAKER—Let me that remind the member for Wills that, had I treated him as I treated the member for Lilley, he would by now have been warned. He has done nothing but persistently interject, even though he knew that it was outside the standing orders.

Roads: Funding

Mr McARTHUR (2.51 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the government’s policy in relation to road funding in Victoria? Is the Treasurer aware of any threats to projects being implemented?

Mr COSTELLO—I thank the honourable member for Corangamite for his question. I can inform him that, as part of the AusLink announcement which was made last week, Victoria will receive $1.4 billion, including a 118 per cent increase in its construction budget for roads under the AusLink program. Can I also acknowledge that, as part of that, a ring road or bypass will be built around the city of Geelong and that will be funded for $186 million by the Commonwealth government. I want to pay tribute to and acknowledge the work that the member for Corangamite did in lobbying for that road—ceaselessly lobbying the Treasurer, lobbying the Deputy Prime Minister and lobbying the Prime Minister. I can honestly say that, if it had not been for the member for Corangamite, the government would not have seen the necessity and been able to commit to that road.

Opposition members interjecting—

Mr COSTELLO—I am rather interested by the interjections because some in the Labor Party seem to be suggesting that the road was not required. I give them the opportunity to now put their interjections on the record against the Geelong ring road or the Geelong bypass.

The SPEAKER—The Treasurer will respond to the question.

Mr COSTELLO—I can inform the discontents on the Labor back bench that no sooner had Stewart McArthur won the ring road for Geelong than the member for Warriga hotfooted it down there to say, ‘Me too,’ and to actually agree with the proposition. So it ill behoves the Labor Party to be interjecting.

In addition to that, the Labor Party also followed the government in its commitment to the Calder Highway and in relation to the Deer Park bypass. But there is actually one road that we have never heard a Labor Party commitment on; there is one road that the Labor Party in Victoria ominously stays very silent about. It is a road that is very dear to the hearts of the member for Aston and the
member for Deakin and the member for Dunkley and the member for Casey—in fact, the people of the eastern suburbs. Dare it speak its name? It is the Scoresby ‘Free’-way.

The reason I raise the Scoresby Freeway is that the Scoresby Freeway is a road of national importance, just like the Geelong ring road. It is under an agreement for fifty-fifty construction. Here is the agreement for the Scoresby transport corridor. I think I have probably tabled it in the House before. Clause 3(a) states:

...Victoria agrees to provide 50% of Government costs for the construction of a freeway...

Clause 3(d) states:

Victoria undertakes to ensure that users of the Scoresby Freeway will not be required to pay a direct toll.

And clause 5(a):

Implementation of the Freeway project is the responsibility of the Victorian Government.

In the AusLink proposal, we have set aside $445 million for the Scoresby Freeway to honour this agreement, but I am yet to hear any announcement from federal Labor as to what Labor’s policy is on the Scoresby Freeway. There is absolute silence.

The member for Batman, who is responsible for these matters, was actually asked by the Sunday Age what the position of federal Labor was on the Scoresby Freeway. On Sunday, 13 June, he was asked his view and Labor’s policy on the Scoresby Freeway. He had lots to say about Deer Park, he had lots to say about Geelong and he had lots to say about Calder, but he was asked by the press about Scoresby, and he was struck by an awful silence. It was most uncanny—a bit like the silence enveloping the House now. He was struck by an awful silence. He was asked if Labor will come clean about their plan in relation to Scoresby. According to the article, Mr Ferguson ‘said Scoresby is a dispute that should be resolved between the federal and state governments’.

Labor wants to be the federal government. Wouldn’t Labor actually tell us how it could be resolved? There are two ways of resolving the dispute about the Scoresby Freeway. Steve Bracks can honour his word, Labor can observe the agreement, Victoria can spend the $445 million and the people of the eastern suburbs can have a freeway—or it can be resolved Labor’s way: Steve Bracks breaks his word, Victoria rips up this agreement, the people of the eastern suburbs do not get a freeway and every single day of their lives, as they drive down those roads, they will pay a toll as the price of Labor’s broken promise. It can be resolved one of two ways, but the extraordinary thing is that federal Labor has no position in relation to this. Federal Labor sits ominously silent. It will not guarantee the money. It will not say that it will abide by the agreement. It will not condemn the Bracks government. It will not come clean about their plan in relation to Scoresby. All it says is that it should be resolved one way or the other.

I make this point for another reason. Labor promised a freeway in Scoresby before a state election, it took the money away and it now wants to put a toll on. Why should Labor be believed on any of its other road promises? If Mr Ferguson, the member for Batman, cannot condemn the Bracks government for walking away from funding, how can Labor be believed on any other road promise? How do we know that the promises that Labor makes on Calder or Deer Park are not Scoresby promises? How do we know that? Until Labor has the decency to honour this agreement, to repudiate the Scoresby promise, Labor cannot be believed and Labor stands absolutely condemned. Labor Party members ought to get some steel in their spine and stand up for the people of the eastern suburbs, who ought to know this—that it is only the Liberal Party that is interested in the eastern suburbs of Melbourne.
Health: Child Obesity

Mr LATHAM (2.59 p.m.)—My question is to the Prime Minister. I refer to his earlier answer in which he said that the dietary habits of children are solely the responsibility of parents. Why does the Prime Minister disagree with his own Minister for Children and Youth Affairs, who said in July last year:

Advertisers have a social responsibility to bear given their influence over children, particularly in regard to promoting healthy lifestyles.

He said the government expects the advertising industry:

... to take a leading role in educating our children and parents to support healthier nutrition and lifestyle choices.

Prime Minister, given the social responsibility of the advertising industry, isn’t it appropriate to ban junk food advertising during children’s television programs?

Mr HOWARD—I remember very well the statement that was made by my colleague, and it has been made very clear by him and the government that we do not favour an advertising ban. Nothing that he has said in any way alters what I said—that is, that the overwhelming responsibility for the dietary habits of children belongs to parents. The Leader of the Opposition can drag out press statements and he can ask questions as often as he likes about this, but I know that the overwhelming majority of the Australian people would agree with me when I say that, when it comes to the behaviour of children, when it comes to the sporting activities of children, when it comes to the dietary habits of children, when it comes to the learning habits of children, the people overwhelmingly responsible are the parents of those children.

This government, as distinct from the Australian Labor Party, will never see the state or the government standing in the shoes of parents. We believe that parents have the overwhelming right to shape the lives of their children. When government starts saying to parents that it is no longer as much your responsibility but that it is rather a community responsibility, it sends a signal to the parents of this country that governments have a different view about their role. There is nothing more important in the relationships of this country than the relationships of trust between parents and children. You only reinforce that relationship of trust if you recognise that it carries with it the responsibility of teaching, nurturing and, above all, loving their children.

Environment: Policy

Mr FARMER (3.02 p.m.)—My question is addressed to the Minister for the Environment and Heritage. Would the minister please advise the House how yesterday’s energy statement will produce solar cities and maximise the use of renewable energy? Is the minister aware of any alternative policies? How might this affect Australian industries, jobs and hardworking families in my electorate of Macarthur and indeed throughout all Australia?

Dr KEMP—I thank the honourable member for Macarthur for his question. I know how interested he and his constituents are in a cleaner future for Australia. Securing Australia’s energy future, the far-reaching statement that the government issued yesterday, prepares Australia for a lower emissions future, using a range of new technologies from power generation and transport, and it does so in a way that recognises Australia’s unique circumstances and the unique opportunities that this country has in terms of power generation. It looks for win-win solutions, reducing taxes and regulation, encouraging jobs and unapologetically promoting economic growth together with environmental sustainability, showing that these two can be entirely compatible—something that
those on the other side of the House have great difficulty grasping.

This vision for a cleaner and sustainable energy sector creates unprecedented opportunities for all cleaner energy sources, whether they be clean coal or gas technologies, or abundant renewables such as the wind and the sun. One of the most exciting policies to come out of the government’s statement is the $75 million solar cities project, which has the capacity to identify and overcome the major barriers to the installation of this renewable and distributed energy source. One of the most important features of the solar cities project is that it is going to tackle the planning and regulatory obstacles that presently exist to the widespread installation of solar power.

I noticed that the headline of the Adelaide Advertiser earlier this week described the city as ‘sun city’. Of course, Adelaide is a city which has got the sunshine and will benefit greatly from this particular program, because householders in cities like Adelaide will have the opportunity to experiment with new technology and new metering techniques—time-of-use meters on both households and commercial premises—that will allow us to have energy prices reflect the full and real costs of the distribution of energy provision. During peak load, when solar energy output is often at its highest, electricity from the grid can be a hundred times the average price. These meters will allow consumers to adjust their energy use to when it costs less and to realise the full rewards of becoming more energy efficient.

Now, I am delighted to say that this project has really excited people in the solar energy industry, and I noticed on PM last night that Andy Hughes of the Australian and New Zealand Solar Energy Society said, ‘the $75 million solar cities trial is a big step forward’. He went on to say:

I’m very excited about the solar cities program and money for PV’s, photovoltaics on roof can only be a good thing, and any money spent on energy efficiency in the home is also money well spent. Every dollar spent to save energy is two dollars saved in infrastructure.

While this statement is completely neutral as to the different energies, I also want to draw attention to the statement today by Green Pacific Energy, which reaffirmed its commitment to an $800 million investment program in renewable power generation across Australia, following the Prime Minister’s energy statement. Green Pacific Energy said, ‘We believe that the outlook for clean green energy is extremely positive and that the government’s policy initiative provides a sound long-term environment to encourage the take-up of renewable energy.’

These are good strong endorsements and they contrast with the destructive policies—the high-cost, high-tax, new regulatory policies—that the Labor Party is proposing, which are going to damage this country and in fact undermine the possibility of a sustainable environmental future.

Education: Overseas Students

Ms MACKLIN (3.07 p.m.)—My question is to the Minister for Education, Science and Training. Does the minister recall telling Sydney ABC radio listeners last Thursday that the reason the University of Sydney is closing its undergraduate nursing degree has nothing to do with financial issues? Why then is the University of Sydney planning to continue to offer, and possibly expand, undergraduate nursing places to international students who pay $19,000 a year? Minister, does this not show that teaching Australians to become nurses does not pay under the Howard government?

Dr NELSON—I thank the member for Jagajaga for her question. The initiative by Sydney University is one that it has taken
upon itself. What it wants to do in the middle of Sydney is to transfer undergraduate nursing across to the University of Technology Sydney and the Australian Catholic University. In the words of the Vice-Chancellor of the university, Professor Gavin Brown, in an article in *obiter dictum* which is yet to be published, ‘The total number of undergraduate nursing places available in metropolitan Sydney would increase.’

The other point that ought to be made here is that Sydney University, along with another 37 universities in this country, is offering full fee paying places to international foreign students. There are 136,000 foreign students paying their own way fully through Australian universities. One of the proposals Sydney University is proposing for postgraduate nursing, which it wants to consolidate, is that international students would be able to pay full fees. The Labor Party’s plan, should it get into government, is to ban Australians who are eligible for entry into their own universities from paying full fees through Australian higher education. Apparently under Labor, the only way that an Australian could pay their own way in an Australian university—even with expanded HECS places—would be to go overseas, sell their passport and come back as a foreigner.

I might also point out for the benefit of the opposition that the member for Jagajaga in the *Australian* newspaper today is reassuring Sydney University that it will be fully compensated not only for the $30 million in additional HECS it will attract over the next four years but also for the additional $20 million that it would receive from Australian full fee paying students.

*Ms Macklin interjecting—*

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

**Dr NELSON**—That means the universities will be compensated $350 million for banning Australians from paying full fees in their own universities, but we cannot find it anywhere in the costings for Labor’s policy.

**Small Business: Growth**

**Mr RANDALL** *(3.11 p.m.)*—My question is addressed to the Minister for Small Business and Tourism. Would the minister inform the House how the Howard government is helping small businesses in Australia to grow and prosper? Is the minister aware of any threats to the continued growth of Australia’s 1.2 million small businesses?

**Mr HOCKEY**—That is a good question from the member for Canning. It is a question about small business. I am still waiting for my first question about small business from the Labor Party in three years.

*Government members interjecting—*

**Mr HOCKEY**—I am sorry. I have been asked one question about small business by the Labor Party in the last three years, but a number have been asked by the member for Canning, because he cares about small business, particularly in Western Australia. Today in Western Australia—and this will dismay the member for Canning—the Industrial Relations Commission had a submission put to it by the trade union movement to extend redundancy payments to Western Australian awards. Under current arrangements, redundancy payments are not mandatory for small business but, under the proposal put forward by the industrial wing of the Labor Party, every small business will have to provide 16 weeks of redundancy payments to employees. That could be $15,000 for a senior tradesperson or $9,000 for a shop assistant who is made redundant. Where is a small business going to get that sort of money? Under the Labor Party proposal, every small business could potentially be slugged between $9,000 and $15,000 under certain circumstances.
This follows a trend in Western Australia under the Labor Party—a trend that applies to parental leave; a trend that applies to casual employment; a trend that applies to AWAs; a trend that applies to the entry of union representatives into workplaces without notice. It is no surprise that under the industrial regime of the Labor Party in Western Australia more than 100,000 Australian workplace agreements have been lodged by Western Australian employers since April 2002. Understand that. There has been a movement of 100,000 employers from the state system in Western Australia, run by the Labor Party, to the federal system seeking a safe refuge from the Labor Party’s industrial laws. There are only 126,000 small businesses in Western Australia, and in the last two years 100,000 businesses have moved from the state system to the federal system.

If there should happen to be a change of government at the next federal election, there would be no safe haven for business or its employees. It will be coast to coast labour laws and coast to coast industrial laws set by the union movement and enacted by the Labor Party—coast to coast! There will be no safe haven for employees or employers who want to negotiate in good faith, because the federal Labor Party want to abolish the Australian workplace agreements that are part and parcel of the everyday life of 100,000 Western Australian small businesses. It says everything about the Labor Party that they want to close down small business; they want to close down the relationship between an employer and an employee. Under Labor in federal government there would be no safe haven for anyone who wants to cut a deal with their boss.

**Calare Electorate: Programs and Grants**

Mr ANDREN (3.15 p.m.)—My question is to the Prime Minister. In light of the government’s $50 million Adelaide jobs and industry assistance package in the wake of the Mitsubishi cutbacks, would the government consider a request for similar assistance from the Orange community, following the announcement of Electrolux’s proposed closure of its small refrigerator manufacturing plant, to be replaced by equivalent products from China and Thailand and costing 200 jobs?

Mr HOWARD—Can I say in reply to the member for Calare that I will examine the details of the impact on the local community of that particular decision. I would have thought, off the top of my head, that there were some differences in the size of the redundancies involved in the two cases and the relevant impact.

Could I take the opportunity, while I am on my feet, of saying something about labour market conditions in the honourable member’s electorate. The unemployment rate in Calare stood at 5.1 per cent at the end of last year. That is an improvement from the rate of 6.7 per cent that obtained in March 1996, and there had been a peak of 8.4 per cent in June 1993. There have been a number of recent government announcements which are of benefit to the honourable member’s electorate. The unemployment rate in Calare stood at 5.1 per cent at the end of last year. That is an improvement from the rate of 6.7 per cent that obtained in March 1996, and there had been a peak of 8.4 per cent in June 1993. There have been a number of recent government announcements which are of benefit to the honourable member’s electorate. For example, the government committed $10 million to assist with the upgrade of the Mount Panorama motor racing circuit. The total upgrade of that circuit is worth $24 million, and it recognises the important contribution the Bathurst 1000 makes to the regional economy.

Calare will also be a significant beneficiary of the recent Roads to Recovery program and also the broader AusLink program. Since 1996, $130 million of road funding and local government grants have been directed to the electorate of Calare, and over that time another $10.6 million has been directed to various natural disaster relief programs in the electorate. It is also worth remembering that the government has in place a $300 million...
Regional Partnerships program to assist with structural adjustment. The government has also provided for all regional business—I do not mean just in the electorate of Calare—an extra $77.6 million in the budget to respond to those programs. I would have thought, being very candid and direct with the member, that off the top of my head there were differences in the intensity, but I will look at the honourable member’s proposal and I will write to him about it.

Employment: Job Network

Mr SCHULTZ (3.18 p.m.)—My question is addressed to the Minister for Employment Services. Would the minister update the House on the latest performance figures of the Howard government’s successful Job Network? How has this contributed to record low unemployment rates? Is the minister aware of any alternative policies?

Mr BROUGH—I thank the member for Hume for his interest in unemployment and for the question. As was announced last week by the ABS, Australia now has a 5.5 per cent unemployment rate—the lowest in 23 years. The long-term unemployment rate in April comprised just 1.1 per cent of the entire labour force. This is the lowest level of long-term unemployment ever recorded: just 1.1 per cent of the entire labour force. It is the lowest level ever recorded. Youth unemployment is down from 14.9 per cent to 11.9 per cent. Mature age unemployment has more than halved—from eight per cent under the Labor Party to 3.5 per cent today. The Howard government has created 1.3 million jobs since 1996. More than 630,000 of those jobs have been full-time jobs.

Importantly, 68,000 full-time jobs have been created in just the last six months. That compares with some 53,000 full-time jobs during the last six years of the Labor government. There were 53,000 full-time jobs in six years of a Labor government and 68,000 full-time jobs in the last six months of the Howard government. By any measure, employment is up, unemployment is down, mature age unemployment is down, long-term unemployment is down and youth unemployment is down—a very, very good situation for families, individuals and the country. The Job Network and job placement organisations are averaging 42,000 job placements per month and, in the month of May, they contributed a record 50,000 job seekers into the labour market—50,000 Australians placed into jobs by the Job Network and by the job placement organisations.

The real measure is how many people are going into long-term jobs. May was a record for the Job Network. Some 13,700 Australians achieved at least a three-month period off benefits and in full-time work—the best ever result. That is a proud record of the Job Network and I congratulate them for it.

On the back of eight years of economic growth and solid policies, this government, the Howard government, has been able to drive unemployment down. But I am asked whether there are any alternative policies. There are, and they are all of high risk to Australian families, the Australian economy and to Australian business. We have the proposal to abolish youth wages. We have the increase in the cost of casual labour. We have the deputy leader on the other side of the chamber saying that a casual or a part-time job is not worth having. This says a lot about the attitude of the Labor Party. We have a reduction in workplace flexibility, with the removal of AWAs being proposed. We have the return of unions being able to put their noses into businesses where they want and when they want—any time of the day or night. This is not conducive to ensuring that Australians get off welfare and into work.

Just have a look at what Labor does in government. Yesterday the Queensland gov-
The government had more than $2 billion in surplus. It is the only government in this country that does not support its unemployed through transport subsidies. Yesterday it remained steadfast by saying not one cent was to help Queensland’s unemployed on the public trains, on the public ferries and on the public buses. This is a disgrace. Look at the New South Wales Labor government. When it gets itself into crisis and has to have a mini budget, what does it do? It removes the mature age program for the unemployed. How heartless can you get? In Queensland, Labor is no help whatsoever for those needing assistance on public transport to get to jobs in the most decentralised state and in New South Wales Labor is abolishing assistance to the mature aged. Look what Labor does. Labor is bad for employment, bad for business and bad for Australia.

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

QUESTIONS TO THE SPEAKER

Senate: Biographical Dictionary

Mr PRICE (3.23 p.m.)—Mr Speaker, I have a question of you. Has your attention being drawn to the launch today of the second volume of the Biographical Dictionary of the Australian Senate? Have you given consideration for a similar publication to be made of the House of Representatives? If not, would you investigate it and perhaps report to all honourable members?

The SPEAKER—Let me reassure the member for Chifley that, yes, my attention has not only been drawn to the launch; I will, on behalf of the House, be attending the launch as the Speaker and I expect other members will join me. Of course I have given consideration to the production of a similar tome on behalf of the House of Representatives. The cost, however, I think would make it quite impossible to deliver.

Senate: Biographical Dictionary

Mr LEO McLEAY (3.24 p.m.)—On the same matter, Mr Speaker, would you inquire and maybe report back to the House how much the Biographical Dictionary of the Australian Senate has cost, and is it a fact that they are only up to 1930 so far?

The SPEAKER—I think perhaps that would best be dealt with as a question on notice. I will report back, at least initially, to the member for Watson.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (3.25 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:

That the House take note of the following papers:

Sydney Airport Demand Management Act—Quarterly report on movement cap for Sydney airport-1 January to 31 March 2004.

Debate (on motion by Ms Gillard) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Education: Nursing Shortages

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

The closure of the undergraduate nursing degree at the University of Sydney and its impact on the shortage of nurses facing the Australian health system

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

More than the number of members required by the standing orders having risen in their places—
Ms MACKLIN (Jagajaga) (3.26 p.m.)—
The University of Sydney’s decision is all about a dash for cash being facilitated by the Minister for Education, Science and Training and the Howard government. The University of Sydney’s decision to dump undergraduate nursing from its course offerings shows that the national interest under this minister and the Howard government comes a very distant second to the dash for cash under this government’s university changes. The closure of the University of Sydney’s nursing degree is all about money—pure and simple. The minister for education and the Howard government have to take full responsibility for their decision because it is as a direct result of their policies that the University of Sydney has decided to close its undergraduate course for nurses.

There are 858 undergraduate nursing positions for Australians at the University of Sydney who are now going to leave—all because the University of Sydney says it does not pay to educate Australians to be nurses. That is the University of Sydney’s view. What a shocking state of affairs this minister has got us into. We know that this is all about money and nothing more because the university, as we have just discovered, is going to continue to offer undergraduate nursing to overseas full fee paying students. The education minister, at the table, likes to rant about how important it is to make sure we offer full fee paying places to Australians as well as to international students. That is not going to happen at the University of Sydney. Under this minister’s policy, it is only international students who will be able to do undergraduate nursing at the University of Sydney. No Australian will be able to pay full fees or be a HECS student in this course. The University of Sydney is basically saying, ‘Unless you’re a full fee payer from overseas, don’t bother coming to the University of Sydney.’

There are about 140 overseas full fee paying undergraduate nurses at the University of Sydney. This year, the university took an extra 40 from overseas. The Dean of Nursing at the university, who does have the national interest at heart, says she could have taken more international students but she wanted to make sure she kept enough clinical places for Australian students because she knew that that was in the national interest.

Let us have a look at the numbers. We know this minister loves playing around with numbers: he can have a look at these. Overseas full fee paying students pay $19,000 a year for nursing. Over three years they pay $57,000. The university gets $13,500 a year for a nursing HECS place; for three years it gets $40,500. The difference is $5,500 a year—$16,500 over three years. Do you think it might have something to do with money? That is $16,500 for every overseas student who does a degree at Sydney university. But, of course, it is getting rid of all the HECS undergraduate places. All of the students who wanted to study nursing at the University of Sydney will not be able to do so anymore. Instead, this minister is going to allow that university to offer undergraduate courses only to foreign students; and the minister has gone on the radio and has said, ‘It doesn’t have anything to do with money.’ Pull the other leg.

No wonder the University of Sydney is in the paper today claiming that it is going to get an extra $20 million a year from full fee paying students. That money will come from students who will be paying up to $150,000 for a medical degree—maybe a little less for a veterinary science degree. You can just see this minister standing in front of the University of Sydney with dollar signs ringing up in his eyes. It is all about money and charging students as much as possible; and then, of course, it can do away with HECS courses—especially the courses that the University of
Sydney plainly does not think are very prestigious, like the nursing course. The University of Sydney is dumping its national responsibility to train Australian students to be nurses. Why is the university doing this? It is doing it because it has been told by the Howard government, by this minister, that it is not allowed to put up HECS fees for undergraduate courses in nursing and teaching.

There are only two courses at the University of Sydney that will not face a 25 per cent fee hike. What is the response of the University of Sydney? It says, ‘If you won’t let us put up our fees, we are going to get rid of them.’ How many other universities are going to do that? How many other universities are going to say, ‘You didn’t let us put our fees up for nursing’? Some universities are saying that they are going to give up teaching next. The direct result is that universities will walk away from these critically important nursing degrees. I must say that I am very concerned that the same may be true for teaching. This is simply outrageous. It is outrageous that a university—in this case the University of Sydney—is allowed to cherry-pick the students who yield the most cash. That is what this is all about. That is what this minister’s higher education policy is all about. It is about saying to universities, ‘You can decide which courses get you the most money, and those are the courses that you can teach.’ They are telling Australian students that they do not bring the same dowry to their universities, they do not bring enough cash, so they are not going to get an education at the University of Sydney.

I am sure there is not a person in this parliament or in the Australian community who is not fully aware that Australia faces a critical shortage of nurses—and we can only expect that the decisions of this government on nursing education are going to compound that shortage. We have had the first university decide that it is going to get out of nursing education. We can expect to hear that other universities have also decided that nursing is not prestigious enough and that it does not bring in enough cash. Contrast that with Labor’s approach. Labor have announced that we will fund universities properly—that is the first thing—and that more than 3,000 new nursing places will be created by a Latham Labor government.

The minister does not seem at all concerned about the nursing shortage that Australian hospitals face, so I will tell him a couple of facts. We know, from the national review of nursing, that there will be a shortage of 40,000 nurses in our hospital wards by 2010. And what does this minister agree to but the closure of a nursing faculty at one of the biggest universities in the country. There is currently a shortfall of 1,500 nurses in Sydney hospitals alone. This minister cannot guarantee that the places will not be lost. He has no capacity to do that. How do we know that even more universities will not decide to follow Sydney University’s lead and also get rid of their nursing faculties? I have a copy of a letter that the College of Nursing and the New South Wales Nurses Association have sent to the Minister for Education, Science and Training. They are pretty horrified by what this minister is doing. The letter says:

The nursing profession is appalled at the potential loss of the Bachelor of Nursing (BN) at the University of Sydney. Nurses across Australia are raising their voices in protest blaming the Federal Government’s changes to university funding for opening the way to such a move.

The College of Nursing has got it right. They have got it dead right. They know where the blame lies. The letter goes on:

At a time of acute nursing shortage leading to closure of beds, lengthy waiting lists and disgruntled consumers, this is but one more blow … Increasing the intake into nursing at undergraduate level is therefore even more urgent. The need to
retain students in the courses is also a critical issue.

The College of Nursing have made their point very plain to the minister, but of course he is not listening. In the end, once again, it is all about money. That is all that the minister’s changes to higher education are about: money—nothing more. The New South Wales Nurses Association have been protesting about this change outside Sydney Hospital today. They have issued a press release in which they say:

If Sydney University is allowed to get away with this then a whole list of other universities will try to do the same. That would be a disaster for NSW and the rest of Australia, which already face a serious nurse shortage.

They go on to say later in their press release:
As for the argument that the places are going to other universities, the NSWNA does not agree that all undergraduate nursing courses should be consolidated at a few universities. I must say I strongly agree with this next point:
Diversity is important for student choice—and for making sure that we have nurses able to be educated in a range of different places. One of the worst things about this decision is that the Minister for Education, Science and Training and the University of Sydney are sending an extraordinary signal to those people who want to become nurses that the oldest university in Australia no longer want to teach nurses. They do not want to teach those young Australians who want to become nurses. They, like the minister for education, do not care about this issue. They are mostly interested in making sure that they get as much money as possible out of this minister’s changes.

There is one other very important issue I want to touch on. Maybe the minister could enlighten us in his reply to this matter of public importance. The University of Sydney’s nursing faculty offers Australia’s only Bachelor of Nursing in Indigenous health—a vitally important course. One of the questions I hope the minister might respond to in this debate is whether or not this course will be transferred to another university. The minister is nodding, so I hope he tells us where, because nobody at the University of Sydney knows. This is a course that has been five years in the making by the people at the University of Sydney, and I can tell you that they are not impressed about it being handed off somewhere else. I would also like to know from the minister whether or not it will be the case that, as with other undergraduate nursing courses at the University of Sydney, this Indigenous course will be available to overseas students but not to Australian students. If we could have some answers to those questions, that would be extremely helpful.

As I said before, we know that the University of Sydney has very big plans when it comes to full fee payers because this minister has said to them, ‘If you want to make money for your university, the only way you are going to do it is to charge Australian and foreign students as much as you possibly can.’ Access to university will no longer be on merit. The University of Sydney want to make that the case for more and more students, whether they are doing medicine or veterinary science or whatever it might be. The University of Sydney are saying they want to be right up the front in this dash for cash. They plan to get an extra $20 million out of the pockets of Australian undergraduates. That is the reality of this minister’s policy.

Just think where the money is coming from. The money is coming out of the pockets of Australian students and their families, students who will be paying $50,000, $60,000, $70,000, $100,000 or $150,000 for a university course, entirely because this
Dr NELSON—The Vice-Chancellor of the University of Sydney says: If the plan is accepted then each of the universities—that is the University of Sydney, UTS and the Australian Catholic University—will have an increased number of government subsidised places. In the case of the University of Sydney this is particularly important as we are experiencing enormous pressure of demand for our programs and cut-offs for entry in both Arts and Science are being driven to unrealistically high levels. What is being considered will allow us to increase commencing places in Science, Arts and Liberal Studies by something approaching 250. This would incorporate an exciting new three year Liberal Arts and Sciences degree which would admit units from Law, Economics—and so on. The Vice-Chancellor says:

We would also introduce more than 150 extra commencing places in Health Sciences, including a big expansion in Pharmacy, a new Oral Health program and a strengthening of postgraduate and specialised Nursing. There would be scope for additional places in Education, Business and Economics and the Visual Arts. All of this will make Sydney much more accessible in our fields of greatest strength and gives the lie to any suggestion that the whole scheme is a financial manoeuvre.

The Vice-Chancellor goes on to say: The total number of undergraduate nursing places available in metropolitan Sydney would increase and we seek to explore double degrees where the full range of our offerings could be combined with nurse training at our partner universities. I will table that.

All of this is possible is because very shortly on behalf of the government I will be announcing the distribution of 25,000 of what are currently marginally funded university places to Australian universities. Sydney university is asking that 525 of those be
transferred across to Sydney university. Then it would transfer something like 500 places across to UTS and to the Australian Catholic University. So the end result of it would be that the number of places available for undergraduate nursing in the middle of Sydney would not only not drop but in fact, by the time we distribute these new places, actually increase.

Ms Macklin—They are not new places.

Dr Nelson—The member for Jagajaga says they are not new. These are 25,000 overenrolled places that are currently attracting one-quarter of the public funding that places up to the enrolment target do. The universities have been and are in the process of taking them out of the system for very good, quality reasons. At a cost of $543 million to the Australian taxpayer, the government is now fully funding these places. And by the way: the Labor Party voted against those 25,000 places being funded.

In addition to that, in relation to nursing there are 574 regional nursing university places. There are 1,435 national priority places in private universities, half of which will go into nursing. In addition to that, the government is putting on the table over the next four years an additional $50 million specifically to support clinical attachment or clinical practicum for nurses—in other words, to increase their funding. While the government is not allowing them to increase HECS—and it is interesting to hear the Labor Party arguing for some reason that it ought to be increased in nursing—it is increasing the funding available for the training of nurses.

In the recent budget there was also some $33 million available to fund 1,094 extra registered nursing places. There was some $56 million made available to fund 15,750 aged care workers to fully upgrade to be enrolled nurses. There was also funding of $7.5 million for 5,250 aged care nurses—or attendants in nursing, if you like—to attend a specific medication course. We are also going to fund some 8,000 nurses in the aged care sector to do workplace English literacy and language programs.

The average taxpayer, who is often forgotten in all this, driving down the Broadway and then onto Parramatta Road to go and work as a shop assistant in Parramatta at Westfield—the Deputy Leader of the Opposition laughs—or the apprentice who is going out to do his second-year apprentice in boiler making, having faced a 300 per cent increase in up-front TAFE fees thanks to the New South Wales government—

Ms Macklin—What are you doing about it?

The Deputy Speaker (Hon. I.R. Causley)—The member for Jagajaga is warned!

Dr Nelson—looks at Sydney university on one side and wonders what the hell is going on in there for a start but also then looks at UTS on the other side of the street and wonders why the taxpayer is having to fund exactly the same course in both institutions. What this is about is making sure that we rationalise course offerings across Australian universities. We are 20 million people. We have 38 publicly funded universities. The most important thing that we face in higher education is quality. In order to get quality we need to get a lot more money into higher education—which is what the government is doing, with $2.6 billion in minimum public investment over the next five years—and we have to change the way in which the universities are regulated and run. Rationalising course offerings is a significant part of that.

In terms of nurses, the Deputy Leader of the Opposition referred to the National Re-
view of Nursing Education. When it reported, it said this:
The current difficulties in attracting and retaining nursing staff need to be addressed immediately. A major investment in the retention of the existing workforce, recruitment of nurses not currently employed in nursing, recruitment from overseas and investigations about how work could be better organised are necessary.

The problem is, as Professor Mohamed Khadra—who is the Pro Vice-Chancellor of the University of Canberra—said in the Canberra Times on 6 January last year:
About 20 per cent of nurses left the profession after their first year.

He went on to say:
One problem is that while we can train them, we can’t fix the conditions under which they work.

Similarly, the chief nurse for the state of New South Wales, Professor Mary Chiarella, told the Sydney Morning Herald on 13 January last year:
Nurses leave for two reasons: they don’t feel able to give the quality of care they love to give, and they don’t feel valued.

While the government is increasing by a minimum of 1,000 over the next two years alone the number of nursing places in Australia, the Labor Party is saying that the solution to the problem is to get the taxpayers’ hose, which is full of money—hard-earned money, I might add—and spray it at the universities until they are happy. There is no sense in this. If Sydney university’s proposal would under any circumstances result either in nursing education being not available in metropolitan Sydney or indeed simply in a reduction in nursing training opportunities, under no circumstances would the government even consider it. Obviously, it is not proposing that.

In fact, I am advised that Sydney university has advised my office that it has no intention of taking any new international fee paying undergraduate nursing students from next year. In other words, they are going to be offshore. So the Deputy Leader of the Opposition is misleading the House. It is quite clear that that is the case. If not, I would be very interested for the Deputy Leader of the Opposition to table the advice upon which she has advised this House that Sydney university is going to be taking undergraduate international fee paying students at the same time as transferring undergraduate nursing across to UTS and the Australian Catholic University.

The substantive issue about university funding is what I would now like to address. Under this government’s policies, the universities will receive a minimum $2.6 billion in public funding over the next five years, with $1.8 billion additional funding over the next four years. In addition to that, the universities have two other sources of revenue as a result of these reforms. Firstly, the universities, if they choose to, can increase HECS from the current level to no more than 25 per cent above what it currently is. In fact, HECS in some cases is going down to zero.

To put that into perspective, the Labor Party say that the current arrangements today are terrific. So, if you do a three-year science degree, you can pay back $16,100 through the tax system when you are working and earning more than $36,000 a year. They have no trouble with that. The taxpayer pays for three-quarters of it and then the student, once they have graduated, pays back a quarter through the tax system—a $16,000 three-year science degree. Under these changes, if the university increases it to 25 per cent, the student pays back $20,500. So apparently the
world is going to end because an additional $4,400 is going to be paid back by the student. By the way, every last dollar of that $20,500 over the three years of the science degree goes to the university to employ more staff, to buy more equipment and to build more buildings. At the same time, the chip-pies, the tilers, the gasfitters, the welders and the boilermakers are the people who are paying for three-quarters of the cost of the education.

The second revenue stream are full fee paying Australian students. These are Australian citizens who work really hard and they miss out on the HECS cut-off and the course they want, even though HECS places are expanding. At the moment, there are 11,000 Australians paying their full way through Australian universities—and the Labor Party want to ban them. They have said that under a Latham Labor government no Australian will be allowed to go to university unless they are subsidised by the taxpayer. What kind of nonsense is that? At the same time, we invite 136,000 foreign students to Australia—whom we welcome—to pay full fees in Australian universities. On the ABC this morning in Adelaide, Matt Abraham said:

You either are going to have to compensate the universities once they’re used to spending that money or they will reduce their service, courses and so on.

In other words, if you ban the HECS increases and you ban the Australian fee payers, the universities need to be compensated.

In fact, today in the Australian newspaper, under the headline ‘We’ll be worse off under Labor: unis’, the University of Sydney Vice-Chancellor, Gavin Brown, was quoted as saying that Labor’s plans to abolish some fees would cost his institution $50 million a year in lost revenue. The article went on to say that the Deputy Leader of the Opposition responded to this by saying:

The University (of Sydney) is assuming $30 million from HECS increases by 2008 and $20 million from full-fee places. By then, the full impact of Labor’s generous policies will have taken effect and they certainly will not be $50 million out of pocket.

That means that, if they are not going to be $50 million out of pocket, they are going to be compensated for the money they would have received from increasing HECS and the revenue that would come from the full fee paying Australian students. The article went on to quote Professor Brown as saying:

(Labor’s extra public money) could not be remotely in the ballpark of the amount we stand to lose with the abolition of fees.

Why would he say that? Let us just look at the situation. Over the next four years, the 20 universities that have chosen to increase HECS will collectively receive $700 million in additional revenue as a result of increasing HECS and, at the same time, will receive $350 million from Australian domestic fee payers—so $1 billion.

Labor says that it is going to compensate the universities for that. When you look at Labor’s policy, Aim Higher—the title of Tony Blair’s policy—and you look at the costings on page 25, what do you find? Under ‘Oppose HECS increases’ you find not $700 million but $15 million. Then Labor starts to cannibalise its own policy. It says, ‘The money is there in indexation,’ or, ‘The money is in the “university of the 21st century” fund’. Even if you assume all of that, that is $700 million, and the Labor Party is still more than $300 million short. There is a $1 billion funding hole in Labor’s document—not just according to me or to the federal Department of Education, Science and Training but also according to at least three university vice-chancellors. It should be of increasing concern to the Leader of the Opposition, because somebody is being deceived here. Either the universities are being
deceived or the taxpayer is being deceived. Which is it? (Time expired)

Ms PLIBERSEK (Sydney) (3.56 p.m.)—It always surprises me when the Minister for Education, Science and Training talks about the average Australian and how much they resent people who get a university education at public expense. He forgets, I suppose, that a large proportion of Australians actually do attend a university at some stage in their life. He also forgets that most people who do not go to university would hope that their children at least have the opportunity to do so if they want. In the instance of nursing in particular, obviously the minister forgets that every Australian at some time in their life is likely to come into contact with a nurse and would certainly hope that nurses have the best training and education available. I certainly do not think any Australian would begrudge universities money—taxpayers’ dollars, certainly—to train Australian nurses to do the work that they do for the whole of the Australian community.

Mr Martin Ferguson—They would gladly pay for it.

Ms PLIBERSEK—They would gladly pay for it, as the member for Batman says.

The DEPUTY SPEAKER (Hon. I.R. Causley)—I am sure the member for Sydney does not need the help of the member for Batman.

Ms PLIBERSEK—We have known for some time that there is a looming crisis of nursing shortages. According to the national review of nursing, the shortfall might be as high as 40,000 places by 2010. We know that nurses are trusted in the Australian community. They are always in the top four of the most trusted professions. We also know that the number of full-time nurses is declining as patient numbers rise. According to the Australian Vice-Chancellors Committee, between 1997 and 2002 nearly 9,000 people were turned away from nursing courses and denied the opportunity to train as nurses due to funding cuts—when the pressure to find nurses to fill the shortfall is ever increasing. In New South Wales alone we have a shortfall of about 1,700 nurses. In 1994 there were 24,569 nursing places in Australian universities and the figure has been dropping. In 2000, the figure had dropped by 12½ per cent to 21,459 places.

This government has given nothing but lip-service to the idea of training more nurses to assist our ageing population. The minister mentioned that pay and conditions are significant concerns for nurses—and of course this is very true. The New South Wales government has taken steps, and New South Wales nurses are now the highest paid in Australia, with fully funded increases exceeding 25 per cent over the past 2½ years. Increased wages have seen more nurses returning to employment. Nursing numbers in New South Wales have increased by 8.9 per cent since January 2002.

There are still shortages but the Nurses Reconnect program, along with wage increases, is attracting nurses back into nursing. It has so far attracted 1,062 nurses back into New South Wales hospitals, with a retention rate of over 75 per cent. That means the state government is doing what it can to attract and keep nurses in the New South Wales system. But, with the looming shortages that I have spoken about—up to 40,000 places nationally—the federal government must also play its part. It is fair to say that, by winding down the course at Sydney university for purely financial reasons, the federal government has abrogated its responsibility when it comes to doing something about the shortage of nurses in this country.

The Sydney university college of nursing is an absolutely first-rate facility. The minister talks about duplication, but it seems...
It is very plain that this decision is purely financially based. The minister has a grand view of education reform that seems to suggest that the only philosophy that universities should aspire to is that the institutions that can compete for and charge student dollars should do so and that an efficient education system is one that generates the greatest number of private sector and overseas student dollars. It is very plain that, when he approved changes to the college of nursing at Sydney university, this minister was not at all interested in the national interest. He is saying that it might fit in with the government’s view of how education should be run for as few public sector dollars as possible, but that certainly has not taken into account at all what this means for the future of nursing in this country.

The decision is purely financial; there is no other explanation for it. Sydney university will find that overseas full fee paying students can bring in $19,000 a year over the course of a three-year degree. That is $16,500 more than HECS funded places. As I said, a number of Sydney university degrees are four-year degrees because they are combined degrees. The head of the college of nursing, Judy Lumby, sees it in similar terms. In the Canberra Times on 10 June, she said:

Nursing’s not seen as a money-making venture within universities.

She has picked it for what it is. This is a way for universities to squeeze as much cash as they possibly can out of overseas students. The Labor Party, in contrast, have promised over 3,000 new nursing places. Because of the nursing crisis that is facing us, we have said that we will provide an extra $38.3 million to fund an additional 3,125 new full-time and part-time undergraduate places over four years; create 550 new full-time and part-time nursing places in 2004; create 1,100 new full-time and part-time places from
2005 onwards; create 500 postgraduate nursing HECS places from 2005, at a cost of $17.9 million over four years; and provide an additional $43.4 million for clinical training to manage the transfer from university to working in a modern hospital.

The increased cost of HECS means that nursing is becoming unaffordable for many undergraduate students. They are looking at a HECS debt of $37,800 and a starting salary of $34,000; they will have a HECS debt that is bigger than their whole first year’s salary. These measures make it even harder to attract people to nursing. I am sure that members will agree that this will certainly set back the cause of finding enough young students to take up nursing to fill the looming nursing shortage that this country faces.

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (4.06 p.m.)—The shadow minister, the member for Jagajaga, says that this issue of nursing is all about money. Obviously, it is not all about money. In any event, the Australian government is investing plenty of money where it needs to be invested to ensure that the workforce issues in relation to nursing are improved. As the Minister for Education, Science and Training, Dr Nelson, has already told the chamber, 30 of 38 publicly funded universities offer courses for nurses. As I have moved around my electorate, where there are private hospitals as well as the Royal Adelaide Hospital and the Women’s and Children’s Hospital, I have been told that the real issue is about retention. Despite the fact that I have heard these things myself, I think it is important to perhaps remind colleagues that Professor Mary Chiarella said:

Nurses leave for two reasons: they don’t feel able to give the quality of care they love to give, and they don’t feel valued.

Greater professional status will give nurses a sense of their own value and the legitimate authority to be able to influence clinical practice.

She said that incentives such as the Nurse Practitioner Project were going some way to ease the current staffing crisis. She went on to say:

My view is that there is a wave of strategies coming into place that will help.

There certainly are a wave of strategies coming into place. University of Canberra Pro Vice-Chancellor Mohamed Khadra said:

About 20 per cent of nurses left the profession after their first year.

He said that, world wide, there was a nursing shortage of some 70,000. He continues:

One problem is that while we can train them, we can’t fix the conditions under which they work.

It is quite clear that this is not just about the University of Sydney. My colleague the Minister for Health in South Australia, Lea Stevens, said:

What has happened is that the nurses come in and then they leave, so we really have to make a huge effort to keep them in the workplace.

Ms Stevens said that, aside from the initial marketing campaign that she was involved with to get nurses, the next step was to implement measures to ensure that graduates remained with hospitals for the long term and that:

This involves making rosters more flexible and creating a better career path for nurses so that they stay and do not move off into other areas.

I do agree with her on a number of things, and I certainly agree with her on this. She is not the only one. The head of nursing at the Australian Catholic University, Maria Miller, said that the treatment of nurses also needed to be improved so that fewer left the profession in their early careers.

The proposal to close the undergraduate nursing degree at the University of Sydney will not result, as we have heard, in a loss of
nursing training opportunities. The opposition is playing politics with this issue and is not looking at the proposal in its entirety. The University of Sydney has explained that its proposal to transfer its undergraduate nursing program to other New South Wales universities will reduce inefficiencies and overlap between those universities. The Australian government would not accept the proposal if it meant reducing nursing training opportunities. All the places will be taken on by the University of Technology, Sydney, and the Australian Catholic University, both of which already have well-regarded nursing undergraduate courses.

Nobody denies that there is a shortage of nurses in Australia, and I have given examples of some of the reasons for that. This is a serious issue facing both the Australian government and the state and territory governments. The Australian government is committed to addressing this shortage where it can. This commitment was confirmed in the higher education reforms contained in Our Universities: Backing Australia’s Future, a plan where nursing was identified as a priority area. These reforms included increasing the number of nursing places at regional campuses.

In response to the findings of the national review of nursing education, and as part of the Australian government’s reforms to higher education, nursing is identified as a national priority area. As a national priority area, student contributions to the cost of nursing places will not be increased under the HECS arrangements. In 2004 an additional 210 nursing places will be allocated at regional campuses. This will rise to 574 places by 2007, at a cost of $17.1 million over four years. Additional funding of $600 for each nursing place will begin in 2004 and over four years will result in an increase of $40.4 million in additional funding which will be directed toward the costs associated with clinical practice in nursing.

In addition to investing in education, the Australian government are committed to building and maintaining programs that address work force issues in areas where they have a lead role, such as in aged care, general practice and getting services into rural and remote areas. In the area of aged care, under the recently announced $2.2 billion package Investing in Australia’s Aged Care: More Places, Better Care, the Australian government is providing funding to allow some 1,600 additional students to begin aged care nursing studies over the next four years. This package delivers on the Australian government’s commitment to ensuring a strong, well-trained nursing and care work force. The package includes $33 million for 400 additional undergraduate higher education places in aged care nursing each year, allowing some 1,600 additional students to begin aged care nursing studies over the next four years, and $56 million for up to 15,750 aged care workers over the next four years to obtain or upgrade their qualification, up to the enrolled nurse level.

In the area of general practice, the new Medicare package includes funding of $139.1 million over four years to assist general practitioners in urban areas of work force shortage to employ practice nurses. This initiative will support more than 1,600 full-time equivalent practice nurses by 2007. A significant aspect of the MedicarePlus package was the creation of new MBS items for specified services for wound management and immunisation that can be provided by a practice nurse without a GP being present. The two items were introduced on 1 February 2004 and have been well received by the profession, with uptake of the items remaining high.
As part of the package, $5.7 million over four years is available to support formal training programs for practice nurses and accredited re-entry training for nurses who are not currently working. This training is designed to ensure that those nurses who are employed in general practice are effective in their role. The government committed $500,000 to establish the metropolitan nurse re-entry scheme in 2003-04. This scheme provides 80 scholarships at up to $6,000 each to enable nurses to return or enter into the practice nurse workplace. This scheme complements the rural and remote Re-entry and Upskilling Scheme. The Royal College of Nursing, Australia is the fund administrator for this package.

But nurses do not always like to work in hospitals, as I have already alluded to, so it is important that we find other areas where there are work force needs to be met and give them the skills that they need so that they are gainfully employed. The Australian government’s Rural and Remote Nurse Scholarship Program is one of the range of long-term strategies to increase the number of registered and enrolled nurses in rural and remote Australia by removing some of the barriers to undertaking nursing studies, professional development and skills training. Four rural and remote nursing scholarship schemes now make up the scholarship program: the Undergraduate Scheme, the Enrolled Nurse to Registered Nurse Scheme, the Postgraduate and Conference Scheme and the Re-Entry and Upskilling Scheme. More than 2000 of these scholarships have been awarded since 1998. The Australian government is committed not only to increasing the size of the nursing work force but also to making the best use of the current work force.

The states and territories are responsible for addressing work force issues within public hospitals. One of the main issues prohibiting qualified nurses from practising currently, as I have already explained, is pay and conditions. I remind colleagues of the additional GST funding that has gone to the states. As the Treasurer often reminds us, this is to pay the salaries of teachers, nurses and police. I urge state and territory ministers around Australia to improve the conditions of nurses so that 20 per cent of nurses do not leave in their first year to go off and do something else. The issues are complex, as I have explained. (Time expired)

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! The discussion is now concluded.

COMMITTEES
Selection Committee
Report
Mr CAUSLEY (Page) (4.16 p.m.)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 21 June 2004. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 21 June 2004

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 21 June 2004. The order of precedence and the allotments of time determined by the Committee are as follows:

COMMITTEE AND DELEGATION REPORTS
Presentation and statements
1 SCIENCE AND INNOVATION — STANDING COMMITTEE:
Science overcoming salinity: Coordinating and extending the science to address the nation’s salinity problem.

The Committee determined that statements on the report may be made — all statements to conclude by 12.40 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

2 TRANSPORT AND REGIONAL SERVICES — STANDING COMMITTEE:
National road safety — Eyes on the road ahead.

The Committee determined that statements on the report may be made — all statements to conclude by 12.50 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

3 TRANSPORT AND REGIONAL SERVICES — STANDING COMMITTEE:
Ship salvage.

The Committee determined that statements on the report may be made — all statements to conclude by 1 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

4 PROCEDURE — STANDING COMMITTEE:
Arrangements for joint meetings with the Senate.

The Committee determined that statements on the report may be made — all statements to conclude by 1.10 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

5 Parliamentary Delegation to the twelfth annual meeting of the Asia Pacific Parliamentary Forum:

The Committee determined that statements on the report may be made — all statements to conclude by 1.20 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

6 AGRICULTURE, FISHERIES AND FORESTRY — STANDING COMMITTEE:
Getting water right(s) – The future of rural Australia.

The Committee determined that statements on the report may be made — all statements to conclude by 1.30 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

7 ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION — STANDING COMMITTEE:

The Committee determined that statements on the report may be made — all statements to conclude by 1.40 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

8 Parliamentary Delegation to the 110th INTER-PARLIAMENTARY UNION ASSEMBLY:
Parliamentary Delegation to the 110th Inter-Parliamentary Union Assembly, Mexico City and the ANZAC Day Ceremony, Mexico City, 15-25 April 2004.

The Committee determined that statements on the report may be made — all statements to conclude by 1.45 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Member speaking = 1 x 5 mins]

9 FOREIGN AFFAIRS, DEFENCE AND TRADE — JOINT STANDING COMMITTEE:
Australia’s maritime strategy.
The Committee determined that statements on the report may be made.

Time allotted — 10 minutes.
Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

10 COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS — STANDING COMMITTEE:

From reel to unreal: Future opportunities for Australia’s film, animation, special effects and electronic games industries.

The Committee determined that statements on the report may be made.

Time allotted — 10 minutes.
Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

11 COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS — STANDING COMMITTEE:


The Committee determined that statements on the report may be made.

Time allotted — 10 minutes.
Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

12 ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS — STANDING COMMITTEE:


The Committee determined that statements on the report may be made.

Time allotted — 10 minutes.
Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

13 FOREIGN AFFAIRS, DEFENCE AND TRADE — JOINT STANDING COMMITTEE:

Report of the Parliamentary Delegation to the Gulf States.

The Committee determined that statements on the report may be made.

Time allotted — 10 minutes.
Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

PRIVATE MEMBERS’ BUSINESS

Order of precedence

Notices

1 Mr ALBANESE to present a Bill for an Act to remove discrimination against same sex couples in respect of superannuation benefits. (Superannuation (Entitlements of Same Sex Couples) Bill 2004).

Presenter may speak for a period not exceeding 5 minutes — pursuant to standing order 104A.

2 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 Rules Amendment Bill 2004).

Presenter may speak for a period not exceeding 5 minutes — pursuant to standing order 104A.

ASIO, ASIS and DSD Committee

Report

Mr JULL (Fadden) (4.17 p.m.)—On behalf of the Parliamentary Joint Committee on ASIO, ASIS and DSD I present the committee’s reports entitled Review of the listing of the Palestinian Islamic Jihad, and Annual report of the committee’s activities 2002-2003.

Ordered that the reports be printed.

Treaties Committee

Report

Dr SOUTHCOTT (Boothby) (4.17 p.m.)—On behalf of the Joint Standing Committee on Treaties I present the commit-
tee’s report, incorporating a dissenting report, entitled Report 60—Treaties tabled on 2 March 2004: Consular agreement with Vietnam; World Tourism Organization; Constitution and Convention of the International Telecommunication Union; and Withdrawal from the International Fund for Agricultural Development, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Dr SOUTHCOTT—by leave—Report 60 contains the findings of the inquiry conducted by the Joint Standing Committee on Treaties into four proposed treaty actions tabled in the parliament on 2 March 2004. The committee considered and supports the consular agreement between Australia and Vietnam as it will provide a practical and valuable framework for consular relations between the two countries.

The committee also supports Australia’s accession to the World Tourism Organisation statutes. The World Tourism Organisation plays an important role in promoting the development and implementation of responsible and sustainable tourism practices. The committee understands that Australia will receive a number of benefits from membership, such as an increased capacity to respond to global events that impact on tourism and the generation of export revenue for Australia’s tourism services sector. The committee also supports the 2002 amendments to the Constitution and Convention of the International Telecommunication Union. The ITU, amongst other things, provides an international framework for the operation of the communications industries. The 2002 amendments will enhance the procedures and flexibility of the ITU.

The committee also carefully considered Australia’s proposed withdrawal from the agreement establishing the International Fund for Agricultural Development. IFAD is a small, specialised agency of the United Nations. In its deliberations the committee conducted public hearings with AusAID, representatives of IFAD—which is based in Rome—and the local IFAD support groups. The committee carefully considered the options available to Australia, including any impact on Australian individuals and businesses.

AusAID’s concerns were that IFAD did very little work in the South Pacific, had poor donor relations and focused on small projects with no comparative advantage. No member of the committee proposed that Australia contribute to IFAD 6. The committee adopted a recommendation that Australia withdraw from IFAD. However, within the committee there was a range of views on whether Australia should withdraw now, wait until after the independent external evaluation or wait until 2007-08, when our contribution will be exhausted. There was also a dissenting report which said that a decision should be deferred.

On behalf of the committee I would like to thank the organisations, individuals and government departments that participated in the committee’s inquiry; their contributions are greatly appreciated. I would particularly like to thank those individuals who travelled internationally and interstate to give evidence at the committee’s public hearings. I would also like to thank all members of the committee for their consideration of the proposed treaty actions. I commend the report to the House.

Mr WILKIE (Swan) (4.21 p.m.)—by leave—Senators Andrew Bartlett, Linda Kirk, Gavin Marshall and Ursula Stephens, along with the members for Lyons and Bonython and me, agree with the findings of report 60 in relation to the consular agreement with Vietnam, the World Tourism Organis-
tion and the Constitution and Convention of the International Telecommunication Union. However, regarding the proposal to withdraw from the agreement establishing the International Fund for Agricultural Development, we do not agree with certain sections of the report and recommendation 5 and therefore put in a dissenting report.

The dissenting committee members believe that, while there have been notable concerns about IFAD, most of the evidence gathered during the committee’s inquiry supports Australia remaining a member of the agreement. The dissenting members therefore recommend that Australia remain a non-contributing member pending the completion of the independent external evaluation of IFAD in the first half of 2005 and that Australia’s position, including on the merits of future financial contributions to the replenishment process of the fund, be reassessed at that time.

The dissenting members were persuaded by the following arguments in particular: Australia’s role on IFAD’s governing bodies, the financial implications of withdrawal, the lack of consultation prior to the government’s announcement of withdrawal, and IFAD’s recent active re-engagement with the Pacific. Firstly, the committee understands that Australia is a member of IFAD’s executive board and therefore has the ability to influence the management of the fund. The dissenting committee members were subsequently concerned to learn that from the time Australia notified IFAD of its decision to withdraw in April 2003 it has not attended any of IFAD’s executive board meetings. The dissenting members believe it is important to remain an active member of IFAD’s governing bodies so as to contribute to the development of IFAD’s Pacific strategy, the process and direction of the independent external evaluation and the management of Australia’s current and future financial contribution of $9.7 million up until 2007-08.

Secondly, the dissenting members were concerned that withdrawal from the fund would have a negative impact on Australian stakeholders and contractors. Following withdrawal, it is estimated that there will be an annual loss of revenue of approximately $US4.12 million to Australian businesses as they will no longer be able to tender for goods and services with IFAD. Furthermore, AusAID estimates that current and future engagement with IFAD will cost Australia an average of $100,000 per year. The dissenting members therefore question the feasibility of withdrawing from the fund to save $100,000 at a significant expense to Australian consultants and contractors and removing our ability to influence how our ongoing contributions are spent.

Thirdly, the dissenting committee members are aware that stakeholders and Australian staff members of IFAD were informed of the decision to withdraw from the agreement after Australia notified IFAD of its intended action. The dissenting members were subsequently concerned that AusAID had not demonstrated a commitment to the consultation process with Australians directly affected by the proposed withdrawal. Lastly, the dissenting members believe that IFAD’s recent activities to develop the Pacific strategy are indicative of the fund’s renewed commitment to the region.

For the reasons outlined, the dissenting committee members believe that it is in Australia’s national interest to remain an active, non-contributing member of IFAD at this time. Further, the dissenting members believe that Australia’s position, including the merits of future financial contributions, should be reassessed following the conclusion of the independent external evaluation of IFAD. That is also the view of a number
of government members, who have submitted additional comments which suggest that they question the view that Australia should not remain a member and have a say in how its contributions are spent. The members for Flinders and Wentworth, and Senator Tchen, have put their names to those additional comments.

In conclusion, I would like to extend my thanks to the organisations, individuals and government departments for their submissions and assistance during the committee’s inquiry. In particular, I would like to express my sincere gratitude to the individuals who travelled some distance to participate in the committee’s public hearings. I would also like to thank my committee colleagues for their continued commitment to Australia’s treaty making process, and the secretariat for their ongoing efforts. I commend the dissenting report to the House.

Dr SOUTHCOTT (Boothby) (4.25 p.m.)—I seek leave to move a motion in relation to the report.

Leave granted.

Dr SOUTHCOTT—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

AGE DISCRIMINATION BILL 2003
Consideration of Senate Message
Message received from the Senate returning the bill and acquainting the House that the Senate has agreed to the amendment made by the House.

BILLS RETURNED FROM THE SENATE
The following bills were returned from the Senate without amendment or request:

Tax Laws Amendment (Personal Income Tax Reduction) Bill 2004
Customs Tariff Amendment (Fuels) Bill 2004
Excise Tariff Amendment (Fuels) Bill 2004

POSTAL SERVICES LEGISLATION AMENDMENT BILL 2003
Consideration of Senate Message
Message received from the Senate returning the bill and acquainting the House that the Senate does not insist on its amendments Nos 6 to 9 disagreed to by the House and has agreed to the amendment made by the House in place of Senate amendment No. 9.

TAX LAWS AMENDMENT (2004 MEASURES No. 1) BILL 2004
Consideration of Senate Message
Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

MARRIAGE LEGISLATION AMENDMENT BILL 2004
Second Reading
Debate resumed.

Mr PEARCE (Aston) (4.27 p.m.)—In continuation of my remarks prior to question
time today, while it may seem disconcerting to some to point out an ideal which people may choose to avoid or, indeed, fail to achieve, we cheat our children and for that matter the whole of society if we do not do everything we can to encourage and realise our ideals. And while the law needs to take account of realities, the law also has an important role in supporting the ideals and fundamental values that our society aspires to.

To be upheld as an ideal, the institution of marriage requires social as well as legal support. Marriage must share a consistent and universal meaning and not be subject to redefinition for individualistic reasons. Marriage is one of our longest standing traditions and, as part of our Judaeo-Christian heritage, has provided the social bedrock for the development of Australian society. As a Christian, my own personal values and beliefs have been, and continue to be, strongly shaped by this traditional concept of marriage. And, despite the modern trend away from religious affiliation, I believe the majority of Australians continue to share these values and beliefs.

Marriage is a union between a man and a woman, and it is the dynamics of that specific relationship which is so important for children. We need to have more children to sustain the future of our great nation and we need to do more to support the upbringing and development of our children. The time-honoured institution of marriage is the best way to achieve these goals. Marriage—the institution between a man and a woman to the exclusion of all others—is a fundamental pillar in our society. It is a pillar that has stood strong for generations and is a cornerstone of the Australian way of life. The decision by the government to introduce this bill will serve to protect, reinforce and honour marriage. In doing so, this will strengthen Australian families, which, in turn, will strengthen Australian society. This outcome—a stronger and more connected community—will be good for all. It will be good not only for those of us here today but, most importantly, for generations to come.

Mr ALBANESE (Grayndler) (4.30 p.m.)—It is the Australian way that all people should be treated equal. I too was raised as a Christian—as a Roman Catholic—and my upbringing taught me to give respect to each and every individual, and to give particular respect, in the Christian tradition, to those who were discriminated against, to those who were minorities. I believe you judge a society not by how it looks after the majority but by how it deals with and gives respect to minorities. That is why I believe the Marriage Legislation Amendment Bill 2004 is an extraordinary bill and I rise to support the Australian Labor Party's very important amendments to this bill.

The previous speaker, the member for Aston, spoke about the importance of marriage. I got married a few years ago and indeed it was a wonderful occasion, with my family, the family of my wife, Carmel, and our closest and dearest friends. But we had been in that relationship for some time before the marriage, and the relationship between us as a de facto couple was as significant as it has been since we got married. Ceremony is important, but we should not pretend that marriage is an institution that has been around forever, because it has not. It is an institution that has evolved, just as relationships evolve and just as today it is recognised that couples in de facto relationships should have the same rights as married couples. That was not the case decades ago; that is something that has historically evolved.

There are many relationships, both heterosexual and homosexual, that are committed, loving relationships. It is not up to me to judge whether the relationship between a particular man and a woman is more impor-
tant, more significant or more loving than a relationship between a man and another man or between a woman and another woman. It is certainly my experience that some of the most committed, loving relationships are those of gay and lesbian friends.

This bill is about what this government is always about: dividing Australia—bringing in a wedge between a perceived majority and a perceived minority. Why is there a need to affirm what is a common-law definition of marriage? The Marriage Act 1961, it is true, has no specific definition of marriage, but in section 46 it prescribes that celebrants must use the following words, ‘that marriage is a union between a man and a woman’. It is there. The Family Law Act 1975 says the court must have regard to:

… the need to preserve and protect the institution of marriage as the union of a man and a woman to the exclusion of all others …

I believe that this is a bill which is not necessary and one which has caused great distress in the community, and I want to read some quotes from constituents of mine who feel offended by this government’s actions. Lachlan Murray of Newtown wrote:

These changes are a step backward towards a more discriminatory, less tolerant society.

Grea Korting of Stanmore wrote:

Belgium and the Netherlands have legalised gay marriage. Germany, Denmark and France have legislation allowing for state-recognised civil unions. Clearly no damage has occurred to these more progressive societies as a result of their basic support of civil rights.

Graham Ware of Petersham wrote:

The Bill sends a strong message that same sex relationships are second class relationships and suggests that gay men and lesbians are not good parents. This flies in the face of all credible research that suggests that it is family processes, not family structures, that determines a child’s health and well being.

Marj O’Callaghan of Sumer Hill wrote:

I support the institution of marriage but fail to understand how allowing gay and lesbian couples to gain legal recognition through marriage is any threat to it.

Irene Gale, not a constituent but from Kensington Park in Adelaide, wrote:

What sort of craziness suggests that banning ‘gay’ marriages will strengthen “the Family structure”? Is it thought that ‘gay’ people will suddenly say, “Oh! I must find someone ‘straight’ to marry!”

Alternately, is it suggested that that ‘straight’ people will suddenly begin marrying ‘gay’ people?

It is quite clear that legalising ‘gay’ marriages will make absolutely NO difference to “the Family structure”.

Indeed, there has not been a considered debate in this country about gay marriages. The Gay and Lesbian Rights Lobby and other organisations that I have consulted over the last eight years have not said to me: ‘I want you to do something about gay marriage.’ It has not been a priority for them. Their priority has been to achieve equal rights. There is no consensus within the gay and lesbian community about the marriage issue, but what has caused offence is why the government has rushed in this legislation in what is possibly the last fortnight of parliamentary sittings. This bill is a result of 30 bigoted backbenchers who want to press buttons out there in the community.

I am of the view that what is needed as a priority is the policy which Labor adopted last year. I pay tribute to the former shadow Attorney-General, the member for Barton, for the work that he did in developing that policy and now to the member for Gellibrand for carrying it on. That policy has three key components to it. The first principle is that Labor believes that Australians are entitled to respect, dignity and the ability to participate in society and receive the protection of the law regardless of their sexuality or gender identity. The second principle is that Labor in
government will work with all groups to re-
form federal laws to recognise the diversity of legitimate relationships in the Australian community. The third principle is that Labor will not be redefining marriage but will work to eliminate discrimination against Australians in same-sex relationships across a range of federal laws, including taxation, superan-
nuation, immigration, family law, industrial relations and government benefits.

That early policy development in consul-
tation with the community made our re-
response to this government action very easy, because we had had the debate internally and we had had the consultation with the community. We want to move forward to a situa-
tion whereby upon coming to government—
and it is recognised in the amendments moved—we will have a full audit of all gov-
ernment legislation so as to remove dis-
crimination so that gay and lesbian couples have the same rights as de facto heterosexual couples. That is our position, and Labor made it clear when we adopted that position that we would not be making any changes to the Marriage Act. Indeed, it was accepted by the community that that was not a priority. I stand by Labor’s principled position on that issue in moving the debate forward, because it is important in areas of social change that the community moves forward as one. And the community has changed. The community has indeed moved a long way, to the point where the government is now saying—it is not doing it, but it is saying—that there will be some change made on the superannuation issue. That is quite remarkable. It is an ex-
ample of agitation inside and outside this parliament to convince people of the need for change.

I first raised the issue of equal entitle-
ments for same-sex couples with regard to superannuation in a speech in December 1996. I raised it again in 1997 and through-
out that year. In April 1998, I wrote to the Prime Minister asking for a bipartisan ap-
proach to this issue. I did that with, to their credit, the support of some of the members opposite, including the member for North Sydney and the member for Bradfield, who supported equality on this issue. On 25 May 1998, the Parliamentary Secretary to the Prime Minister, Mr Chris Miles, the then member for Braddon and a member of the Lyons Forum, wrote back. He said:
The government is not inclined to amend the superannuation and taxation legislation at this time to recognise same sex partners as dependants and spouses for the purpose of superannuation death benefits.

So on 22 June 1998 I introduced into this House, for the first time, the Superannuation (Entitlements of same sex couples) Amend-
ment Bill. It lapsed when the election came around, so I introduced it again on 7 Decem-
ber 1998. Again the government would not allow debate on it but, thanks to the support of the then whip, the member for Watson, we actually got to a second reading stage on that occasion. That was on 7 June 1999. We in-
troduced it again on 22 November 1999, and last week, on 2 June, we tried to introduce it into this House again.

I have raised this issue in the House of Representa-
tives 21 times. Suddenly, when the Prime Minister is asked whether entitle-
ments to superannuation for same-sex cou-
ples will happen, he says, ‘I wouldn’t do it if I didn’t believe in it.’ It took a long time for that conversion. However, there is a problem with how the government has done it, be-
cause it is not actually changing the defini-
tion of spouse, which is the appropriate way to do it. What it is doing is moving to inter-
dependency, which will continue to have a discrimi-
natory impact. Same-sex couples will be required to prove financial interde-
pendency and emotional interdependence. They will also be excluded from some bene-
fits of superannuation in the tax system, such
as the spouse contribution rebate, because, whilst the government said that this was the other side of the equation, it was not prepared to make the acknowledgment that same-sex relationships can be as legitimate as heterosexual relationships. It was not prepared to do that.

I will be giving the government that opportunity. I foreshadow that I will be moving the following amendment to this bill, under schedule 3 of the Superannuation Industry (Supervision) Act 1993:

1 Subsection 10(1) (definition of dependant)
   Repeal the definition, substitute:
   dependant, in relation to a person, includes the spouse, de facto partner, and any child of the person or of the person’s spouse or de facto partner.

2 Subsection 10(1) (definition of spouse)
   Repeal the definition.

3 Subsection 10(1)
   Insert:
   de facto partner, in relation to a person, means a person who, whether or not the same gender as the person, lives with the person on a genuine domestic basis as a partner of the person.

4 At the end of subsection 52(2)
   Add:
   (i) not to discriminate, in relation to a beneficiary, on the basis of race, colour, sex, sexual preference, transgender status, marital status, family responsibilities, religion, political opinion or social origin.

I intend doing that to give the government the opportunity to really grant the same rights to same-sex couples as heterosexual couples have. The government has had those provisions for six years as part of my private member’s bill. Not only has it not voted for it; it has failed to even allow a debate on it—much to its shame.

Labor will also be moving amendments to exclude the provisions in this bill which seek to ban intercountry adoption by same-sex couples. We do that because that is a change in the law. We think it is best left to states and territories to look after provisions relating to adoption issues. What message does the government want to send? It sends the message that gay parents are bad parents.

I believe very firmly that the best parent is a loving parent; that it is best for children to grow up in a caring, loving environment regardless of whether they have a single parent, a father and mother, two men, two women, or whether the child has been adopted. Whatever the situation, surely the critical issue is whether someone grows up in a loving environment. I want people on the other side to really think about who is hurt by the message that is being sent out. It is the children who are hurt.

I was raised by my mother in an incredibly loving environment. My mother essentially gave up her personal life to raise me—as a lot of women do. A special bond exists between a mother and her child. I certainly agree that the ideal circumstance is for a child to have a male and female person to relate to. I think that is the ideal in an ideal world. But I do not pass judgment, because I know what the most important factor is. There are so many bad parents out there doing terrible things to their children. Most sexual abuse occurs within the family between fathers and young girls. And the government comes in and lectures us about the morality of people who have made a conscious decision to have a child. They really want to love and cherish a child—and they do.

I have seen a lot of bad parents. I have not seen bad same-sex parents. I do not know very many, but every same-sex couple I know really wants their child and loves their
child. That should be respected—not this supposed moral nonsense. Fancy the marriage bill being debated in the House of Representatives of all places! This is a place where divorce is more common than marriages sticking together. Yet we have people here attempting to lecture this nation about the appropriate structure of the family. (Time expired)

Mr DUTTON (Dickson) (4.50 p.m.)—I rise this afternoon to support very strongly the Marriage Legislation Amendment Bill 2004. I open my remarks by saying that, if anybody ever wishes to see a demonstration of hypocrisy in action, all they need do is come to the House of Representatives and watch the member for Grayndler making one of his hypocritical speeches—and this afternoon was no exception. In listening to the member for Grayndler’s speech, you would have thought he was going to oppose and vote against this bill. But, in all the nonsense and rubbish that was spoken during the speech of the member for Grayndler, what he did not tell this House was that he is going to vote for this bill when it is put to a vote.

The hypocrisy that has been demonstrated this afternoon by the member for Grayndler, representing the Australian Labor Party, is really breathtaking. It has to be put on the public record this afternoon that, if the member for Grayndler has any shred of decency in this place, if he is about what he says he is about this afternoon, he will vote this bill down. He is no different from the member for Werriwa, who has one view on one day and a different view on another day; he has one view for a particular audience and a different view for the second audience that he addresses the following afternoon. It is a disgrace for the member for Grayndler to come into this parliament this afternoon to talk down this initiative by this government and then turn around when the vote comes and vote for this piece of legislation. The Australian people and those in the member for Grayndler’s electorate should recognise that he has embarrassed himself this afternoon and exposed the Labor Party for the hypocrisy that it continues to demonstrate on this bill.

One of the reasons that the bill has come before this House is that the Howard government believes very strongly that the definition of marriage should not be left to the High Court or to the other courts of Australia to determine. There is a very real prospect that because the definition does not exist in the current Marriage Act 1961 a test case could be taken, and quite probably will be taken, to the High Court, and the definition of marriage would then be left to the judges. In my view, the Australian people want very strongly for the legislators, for their elected representatives in this country, to implement the laws that apply to the Australian people. By and large, they do not want the High Court, the Federal Court or the other courts of this nation to impose court-made law on them. So we are in the position where we want to provide strong leadership and strong government to the Australian people, and this is another demonstration of the way in which we will do this.

This government make no apology for the fact that we strongly support the very solid institution of marriage in this country. That is not to say that we exclude those people who may be in same-sex relationships or people who determine that they wish to partake in same-sex relationships. That is a matter entirely for them. What we say today is that the institution of marriage, the cornerstone of Australian society, does need to be protected. If the Australian Labor Party is not prepared to stick up for the majority of the Australian people, then once again the Howard government will do it. In this country, according to the 2001 census, 0.5 per cent of marriages were of same-sex couples. In my own elec-
torate, in the 2001 census 53 couples were identified as being in a same-sex relationship. I do not take issue with those people. I do not suggest to them how they should run their lives, and I do not suggest to them that this government should do that. Certainly, that is not what we are doing through this legislation. What we are saying to the Australian people is that we believe the government need to enshrine the definition of marriage in legislation.

Quite rightly, in my view and in the view of this government, we need to represent the current, as well as the historical, legal understanding of marriage in Australian law. This will become the formal definition of marriage in legislation governing all marriages in Australia, including for those married overseas. This will ensure that the marriage of a couple of the same sex will not be possible in this country. Australian law generally recognises marriages entered into under the law of another country. However, under this bill, marriages between people of the same sex are not recognised as valid. The government proposes to amend the Marriage Act 1961 to ensure that marriages between people of the same sex, including those married under the law of another country, are not recognised in Australia—and that is an important point to emphasise as part of this debate. This will stop the courts extending the definition of marriage to same-sex couples. Importantly, the bill also amends the Family Law Act 1975 to make it clear that the adoption of children from overseas by same-sex couples, under either bilateral or multilateral arrangements, will not be recognised in Australia. All other things being equal, children have the right to have the opportunity to be raised by a loving mother and a loving father, and it is for this reason that the Howard government is fundamentally opposed to same-sex couples adopting children.

Another one of the disgraceful representations made by the member for Grayndler this afternoon was that the highest incidence of sexual assault perpetrated on children in this country is by natural fathers. That is a lie; it is a misleading of the parliament, and it is a deception of the Australian people that needs to be highlighted as part of the debate today. One of the very clear facts out of the tragedy of child abuse, which nobody in this place or any right-thinking person in the Australian community would ever condone, is that there is a misnomer that natural parents, biological fathers, are responsible for the majority of sexual abuse towards their biological children. In actual fact, the point that the member for Grayndler quite necessarily glossed over in his speech was that most of the sexual assaults that sadly occur within family units are perpetrated by males introduced into relationships. That is a sad fact of the debate, but it is one that needs to be highlighted as part of today’s discussion because of the deception perpetrated and the deliberate misleading, in my view, by the member for Grayndler in this chamber this afternoon.

To the extent of its direct responsibility under the external affairs power, the government has decided that it will legislate to prevent adoptions by same-sex couples under these international arrangements being recognised in Australia. It is important to note as part of the debate today that under the Constitution the Commonwealth does not have the ability to restrict state-made law in relation to same-sex couples adopting children. It is interesting to note that over the last weekend, during its Labor Party conference, the Beattie government ruled out that Queensland would be introducing legislation to allow same-sex couples to adopt children—as the Labor Party has done in other states and territories, including the Australian Capital Territory. From my perspective, the Beattie government should be congratulated
for that position. In that particular debate, I think that they represent the views of the majority of Australians.

Part of the balance of this bill will see amendments made to both the Income Tax Act 1986 and the Superannuation Industry (Supervision) Act 1993. Same-sex couples who reside together and are interdependent, but who may not be recognised under the current rules, will be eligible to receive superannuation benefits tax-free upon the death of their partner.

My view is that that is an important measure within this bill. I do not think that a government of any persuasion has the ability to dictate to people how they should bequeath their assets or some benefit of a financial nature which is given to the estate of a particular person. It does demonstrate, as part of this debate, that the Howard government has a commitment to families and to people in relationships, but it does not believe that same-sex couples should enjoy the same recognition that marriage between heterosexual couples has enjoyed over generations.

Importantly, this change will also include other interdependent people such as two elderly sisters living together or mentally handicapped people who might not have lived with the deceased but whose relationship was interdependent in its nature and who would not have been eligible for the tax-free death benefit. This proposal will provide greater certainty for the payment of death benefits between adults in an interdependent relationship, including members of same-sex relationships. However, amending the definition of ‘dependent’ will not alter the definition of ‘spouse’ and will not specifically recognise same-sex relationships. This proposal will provide people with greater scope to make a binding death nomination and determine who will receive the superannuation death benefits. However, the Howard government will recognise only heterosexual relationships with relation to the institution of marriage, as I alluded to a moment ago.

By amending the Marriage Act, the Howard government is demonstrating its continuing strong ongoing commitment to the institution of families in this country. The last 8½ years that this government has been in power certainly stand in stark contrast to the 13 years when the Labor Party were in government. The Howard government has been about providing support for Australian families wherever possible to let them succeed and achieve—supporting them in any way it possibly can. When we examine the way in which this government has continued to support families—and, in my view, it will continue to support families for decades to come—it stands in stark contrast to the Labor Party and people like the member for Banks, who sits at the table thinking that this debate is quite funny as if we talk about the support of Australian families in some sort of jest. I think it reflects on the member for Banks and, indeed, the Labor Party in general for their failure in relation to Australian families over the last 20 years or so.

In my view it is appropriate in this debate today that we look at the support that this government has been providing to families. The recent budget is one demonstration of that support. This government is committed to protecting, securing and building Australia’s future. To achieve this the coalition has consistently demonstrated a willingness to put Australia’s national interest first. Families are the basis upon which our Australian society has been built, and that is the basis upon which the Australian community will continue over many decades to come.

In the recent budget this government announced that the family assistance package would be the largest package ever put in place by an Australian government, being
worth an estimated additional $19.2 billion over five years. It includes more generous family tax benefit arrangements, which will significantly help families with the costs of raising children and improve the rewards from working. Two million families will benefit from an increase of $600 a year in the maximum and base rates of family tax benefit part A for each dependent child, and each family receiving FTB part A in 2003-04 will also receive a lump sum payment of $600 per child before the end of this month. That is a demonstration, as this bill is, of the government’s commitment to continue to support Australian families. The budget did not stop there, because, in addition, the withdrawal rate between the maximum and base rates of FTB part A will be further reduced from 30 per cent to 20 per cent. Families receiving FTB part B will benefit from a reduction in the income test withdrawal rate. There is a new maternity payment, and the expansion of outside school hours child care and family day care places will assist families balancing work and family commitments. The changes to FTB will help women re-enter the work force after having children.

The Howard government also wants to enhance the superannuation co-contribution scheme and reduce the superannuation surcharge, boosting incentives to save for retirement and continuing the theme of supporting families. Another demonstration of the lack of support that the Australian Labor Party has for families is its intent to block that legislation in the other place. The Howard government has provided ongoing reform in Australian family assistance and the tax system. More Help for Families is a further major instalment to this reform. It is helping Australian families raise their children, helping them to balance their work and family responsibilities and improve the rewards from work.

The opposition recently admitted that the top-up FTB payments delivered to Australian families would be scrapped under Labor. It is important as we approach the election—whenever it may be in the coming months—that we recognise the fact that Labor have every intention of scrapping that particular measure. We need to recognise that and highlight to the Australian people and Australian families whenever we can that that is what Labor intend to do. Under Labor 500,000 families would lose $848 in payments. They admitted that they would abandon many payments and refused to guarantee that Australian families would not receive less family benefit under Labor. Where are the Labor policies that we keep hearing about? Of course, we have received the details of none. We have received the details of none because, like Labor economic policy in the past, we know that they are unfunded—they are incapable of being paid for—and Australian families would have more of the same. The coalition government believes in supporting families because they are the most important building block in society. The coalition government will continue to deliver to Australian families.

The shadow Treasurer claims that Labor will collect less tax, spend more money and have a bigger surplus at the end, as well as set aside an intergenerational fund to fund tomorrow, but in some way, strangely, it will still have more money in the pot at the end of the day. It is a fraud. It is another Labor fraud. It is another Labor Latham fraud on the Australian people—like the support for this bill by the Labor Party in this place at this point in time. Make no mistake about it: the Australian Labor Party may voice support at this time for this bill, but it is fundamentally opposed to the introduction of this legislation. For its own cheap political points it has decided at this point in time to back this bill, and—as the member for Grayndler
said before—it would be of a mind to repeal the legislation if it were ever voted into government.

If we are to continue about the government’s belief and support for families, I think we need to look at the benefits that the Howard government has provided over the last eight years in terms of the economy. The member for Banks can scoff and look in amazement at the way in which this government has been able to provide support for families, because he knows that this government has been able to keep inflation low. The Labor Party knows that the federal coalition government has been able to keep unemployment below six per cent, the lowest it has been in 23 years.

Let us face it: if we were going to help families in this country, how would we do that? We would put the families, wherever they were able to do so, back into work. We would have people support their families. We would have them assist their children through good education. We would have them assist their families with good food, clothing and housing. And that stands in complete contrast to what the Labor Party would offer Australian families.

It must be said that by the end of the current financial year a total of $70 billion of Labor debt will have been repaid. That is only $26 billion shy of the $96 billion that they left us when we arrived here in government in 1996. It is very important to highlight again, as part of this debate, that the sad state in which the Australian Labor Party left the economy when they had governed for 13 years would be the same way that they would leave it if they were ever given the economic keys to this country again.

I want to conclude my speech today by saying that we as a government—the Howard government—continue our very strong support of Australian families. We have demonstrated that through this bill today. We in this parliament, in this country, are not about discriminating against people who are in same-sex relationships, but we are about preserving the institution of marriage. We are about saying to the Australian people that we believe that marriage should be between heterosexual couples and that, if we are about providing a solid future for the children in this country, we should identify the need to support that institution. As I say, that is what we are doing today. But the Labor Party stand in stark contrast to that, because they say that they support this bill, but the fact of the matter is that if they had any political guts they would vote against it. (Time expired)

Mr STEPHEN SMITH (Perth) (5.11 p.m.)—Today I wish to speak briefly on the Marriage Legislation Amendment Bill 2004. My starting point is that the Prime Minister has caused this legislation to be introduced, but his intention is not a public policy intention. His intention here is not to improve the public policy framework; his intention here is a cynical one, to seek to achieve a cynical political purpose, and it should be treated in that fashion.

I accept that it is certainly the case that there would be strong views on this matter—strong views, genuinely held, in the community; strong views that are firmly put in different directions. Where strong views are firmly put and genuinely held they are entitled to be respected, just as we—as individuals, as a community, as a parliament and as a nation—should respect the genuine choices of life and lifestyle that people make. There
is no monopoly, no mortgage, on the model by which people choose to live their lives together in a stable, long-term, caring, loving relationship, whether it is marriage in accordance with the Marriage Act, whether it is a bona fide, domestic, de facto relationship between a heterosexual couple or whether it is a loving, long-term, stable, caring relationship between a homosexual same-sex couple. There is no mortgage or monopoly on it. On that basis, it is my view that, as individuals, policy makers, parliamentarians and members of our local and general communities, our approach should respect that that is the case.

I also believe, and believe strongly, that marriage in Australian society has traditionally been recognised as an exclusive heterosexual institution: the union between a man and a woman. The Marriage Act 1961 reflects that, whilst it does not necessarily define it as such; the Family Law Act 1975 reflects that, whilst it does not necessarily define it as such; and it is unquestionably the case, in my view, that the common law reflects that. So I agree that, from an institutional point of view, there is no difficulty with defining marriage—if you want to—as an exclusive institution for a relationship between a man and woman. I have no difficulty with that. As a consequence, I have no difficulty with that part of the legislation, even if one puts to one side the motives of the Prime Minister in this matter.

Equally, I have no difficulty with the vital role that the institution of marriage has played in Australia in our history since European settlement; in our history, formally as a Commonwealth since Federation; or indeed in the modern Australia which started with our post-World War II migration program. Marriage has been a vital institution in our society—initially, exclusively, largely for childbearing, but also for other genuine community purposes; for stability in the community and stability in society.

While on one hand marriage as an institution has always been exclusive in the way in which I have described it, it has also been the cause of discrimination. Perversely, in some respects, it has been the cause of discrimination because either you are in it or you have been outside it. Because you may have been within the institution of marriage, the causes of discrimination are probably not generally appreciated. It has been those discriminations that have flowed from being outside the institution that have been more widely recognised and have seen changes in state and Commonwealth law in the last 20 years or so.

In historical terms, it was not all that long ago in my own state of Western Australia that if you were a woman and you were employed by the education department of Western Australia as a teacher to further the educational interests of children and you decided to get married, you were compelled to resign your position. So a woman in Western Australia who was employed by the education department as a teacher, who was bettering the educational interests of children, was compelled to resign and cease being employed in that vital capacity merely upon entering the institution of marriage. That is discrimination for being within the institution. Fortunately, that was removed a number of years ago.

More generally appreciated is the discrimination which comes from not being within the institution. Historically, that has been recognised as the discrimination which is attended to a woman who has been a de facto, rather than a de jure, spouse—that is, a woman who has been in a bona fide domestic heterosexual relationship with a man. As a consequence of not being within the institution, discrimination has flowed.
nation has flowed in a property sense, in a will and probate sense, in the administration of a deceased estate’s sense and in a social security sense. So a number of discriminations flowed to a woman for being a de facto spouse—a relationship not recognised by the nation state, as was the institution of marriage. Fortunately, it has been the case since the seventies that most of those discriminations which were almost invariably state based, or based in state legislation, have been systematically removed by the enactment of antidiscrimination legislation at the state and Commonwealth levels.

If you had been a child of a bona fide domestic heterosexual relationship—a de facto relationship rather than one recognised by the institution of marriage—all forms of discrimination attended you. It has not always been the case that the phrase, ‘You bastard,’ has been a term of endearment. The mere fact of being outside the institution of marriage has been the cause of discrimination mostly against women but also against children—boys or girls—and men. Fortunately, we have removed most of those discriminations from state and Commonwealth statutes.

One of the discriminations which used to attend to men was only removed last year in my own state. If you were a man in Western Australia and were in a bona fide domestic relationship with a woman, if you had all the trappings of marriage—a joint mortgage and children—but you were not within the institution of marriage, and if you were unfortunate and your wife predeceased you prior to your children becoming 18 or 21, as the case previously was, you were obliged to approach the Supreme Court of Western Australia and secure an order from that court to give you custody of your children, whether or not that custody was disputed. That was only recently—in 2003—removed from the law of Western Australia. Whilst the institution of marriage has been a vital institution in Australian society, the fact of being in it or the fact of being out of it has caused gross discriminations against men, women and children in the history of our nation.

More recently, as these discriminations against heterosexual de facto couples have been removed, we have moved to the discrimination against homosexual couples or same-sex couples. That is why in this case I make the removal of discrimination not only my starting point but also my end point: it is the first and last public policy priority. If you look at the discrimination which has been attended to homosexual couples, same-sex couples, in recent years, as parliamentarians, individuals and members of the community we have come to appreciate the discrimination which is attended upon those people in the long-term, stable, loving, caring relationships that they choose. To his great credit, my good friend and colleague the member for Grayndler has harassed this chamber to seek to remove the discrimination in the superannuation area which is attended upon same-sex couples. To its credit, the previous Labor administration in a number of areas sought to relieve the discriminatory burden. In my current shadow ministry portfolio, we have seen the introduction of interdependent spouse visas to enable same-sex couples not to be discriminated against when it comes to the migration regime of our nation.

Because of my priority—the removal of discrimination—I absolutely and strongly support paragraphs 2 and 3 of the second reading amendment which state:

(2) notes Labor’s strong stance against discrimination on the grounds of sexuality, and, in particular, Labor’s;

(a) recognition and acknowledgement of same sex couples and their right to be full and active members of our community, free from discrimination and vilification;
(b) commitment to an audit of all Commonwealth legislation following which legislative measures that are discriminatory on the basis of sexuality will be removed, thus ensuring equivalent status for same-sex couples and de facto heterosexual couples;

That will remove the discrimination which as a community we have become more appreciative of in recent years and which was attended upon de facto heterosexual couples in previous years.

So far as the issue of adoption is concerned, it is so well-known these days that the number of adoptions is so small that I see no reason to remove adoption from the case-by-case assessment of our state and territory jurisdictions. What the Prime Minister is doing in this case is straining to find a Commonwealth head of power to inveigle the Commonwealth into an arrangement in that area, not to better the public policy framework but to make a cynical political point.

I think it is incumbent upon us as individuals, members of our own communities—local and national—and members of this parliament to accept that there are different models for long-term, caring, loving relationships. Some of those relationships have been and can be recognised by the state. Some of those relationships have been, can be and are recognised by the church or churches. Some of those relationships are recognised by the community in a formal or informal sense. I think it is absolutely important, whether one of those relationships is or is not recognised by the state, that it is not the vehicle for discrimination—that its presence or absence is not the vehicle for discrimination. That is why it is incumbent upon us, in my view, to make our highest public policy priority the removal of those discriminations, and the vast bulk of that discrimination now attends to same-sex couples.

Once this parliament and the state and territory parliaments have done that then, from a personal point of view, I have no objection to those people who say, ‘We’d like to have a conversation about some form of civil recognition of same-sex couples who want to publicly show that they are in a long-term, stable relationship outside the institution of marriage.’ From a personal point of view I have no objection to that, if only because it might actually be helpful as a point of evidence as to the existence of a long-term, stable, bona fide domestic relationship. But the highest priority in this issue is from the standpoint of a sensible public policy framework, not from the standpoint of a cheap, cynical political manoeuvre. The priority in this issue is to stand up and say that the institution of marriage—both being in it and outside of it—has, historically in Australian society, whilst serving us well as a vital institution, advertently or inadvertently been the cause of discrimination against people who happen to choose a different model of the relationship that they want to share with a long-term, loving partner. In my view, the obligation is upon us to remove those discriminations without fear and without favour.

Mr WAKELIN (Grey) (5.25 p.m.)—Marriage is a special event and, in a changing world, the Marriage Legislation Amendment Bill 2004 simply attempts to recognise that. Marriage is an important symbol to the wider community as well as to the two people involved. It is a statement of two people’s intention to be together for the whole of their lives, and that is the way that most people in Australia see marriage. As the member for Grayndler reminded us, with social change all about us and with a community that has moved, in his own words, ‘a long way’, it is entirely appropriate that we should bring into this place an endeavour to make the primacy of the parliament ahead of the courts. That is, it is our responsibility as elected members to
be the voice of the people. I believe the people have a very clear view about this, and their view is that marriage is a very special event between a man and a woman. To leave it to future judgments of successive courts means the people do not have a say—that is, their only say is through us in this place.

I am quite delighted to have the opportunity to speak on this bill. But I think it is even more remarkable that society has come to this and feels the need to state what marriage actually is. The legislation deliberately does not attempt to define biologically a man or a woman, and I think that is prudent. So, the sole purpose, as far as I am concerned, is to recognise marriage as an important symbol and as a special event. It states to the community the intention of two people, with the hope of family and community, to have children and continue the generations.

I am somewhat amazed at the opposition's position. As the member for Dickson advised us, if you were to listen to the speeches you would believe that Labor is actually opposing this legislation. But of course it is not. I find it quite remarkable that I can listen to those speeches and think, ‘I am sure that they are opposing it,’ knowing that opposition members are actually going to vote for it. As I say, I find that quite remarkable.

Perhaps it is worth mentioning that the word ‘marriage’ in the English language is in itself an adequate description. I agree with the wording in the legislation about how we attempt to define marriage, but a relationship between a same-sex couple is—not denying in any way the legitimacy or the genuineness of those relationships—a different form of relationship. There is a fundamental difference in that kind of relationship. You can call it something of equal status if you must but, to my mind, it is certainly not marriage.

If we look at our society over the last 25 years, we see, for instance, the new Family Court regulations from the Lionel Murphy days and the increase in the marriage breakdown rate. We have had many debates in this place, and many parliamentarians have participated, through the parliamentary committees, in discussions about the Child Support Agency. If ever there was a state intrusion into relationships between individuals—particularly men and women in this land—there is nothing more intrusive than the Child Support Agency and the Family Court. To say that this parliament should not be bothered about defining marriage is something that I find quite remarkable.

I suppose that some people might argue that the rate of marriage breakdown in our society questions, in itself, the state of marriage. But the really interesting thing to me is that people, once having married, can go on and marry two or even three times. So there is something very special, and people start with great ambitions in their relationships. But fundamental to those relationships and the children that may follow is stability, love and the support that every young person and every child is entitled to. I do not think anyone is going to try to argue or deny that, within the institution of marriage, within the relationship and the responsibility of a mother and a father, there is no stronger way of expressing those responsibilities than through marriage.

In supporting the legislation before us today, can I quickly sum up by saying that marriage is special, it is an important symbol, it is about family, and it is about nurturing family and the stability of our society. It is important that we recognise the stresses and pressures that are on marriage. With this debate in the parliament we are reinforcing the value of marriage and what marriage is, and I think it gives clear leadership in a way which is very much needed. As I said, I am disappointed that the Labor Party cannot be more direct in supporting this legislation.
They sound like they are opposing it, but in fact they are going to support it. I believe that the vital thing that this parliament should never forget is that this is the only voice that the people have. The High Court does not give the people a voice, the Federal Court does not give the people a voice, but this place does—as inadequately as it might do sometimes. This place is the only place the people of Australia will have a voice, and I am absolutely delighted and proud to give voice to those people who I know will welcome this legislation in support of marriage.

Mr BEVIS (Brisbane) (5.34 p.m.)—To listen to the contributions from members opposite, those who are listening would believe that there is a long queue of legal cases about to be determined by the High Court and that this is going to intervene in the traditional definition of marriage and somehow turn on its head the common law as we know it. Or they would believe that there have been rallies of same-sex couples throughout the country—as we have seen in the United States on our TVs—and that we have, at the moment, unlawful or unauthorised marriages. Of course, none of those things is the case.

I support Labor’s amendments to the Marriage Legislation Amendment Bill 2004. In particular, I am pleased that I have been able to second Labor’s second reading amendment. There are two parts to that amendment, and time will probably not allow me to go into them in full, but I do think it is important that Labor’s second reading amendment acknowledges the view of this side of the parliament that there should be no discrimination on the grounds of sexuality and that it should be recognised and acknowledged that same-sex couples have the right to a full and active involvement in our community, free from discrimination and vilification. I think it is also important that we note at this time the need for legislation to remove the discrimination against same-sex couples in the area of superannuation—something that I will return to shortly.

This bill would not be here at all if we were not at the starting blocks for an election in which the Liberal government is in some trouble. There have been no Australian same-sex marriages as there have been in the United States. The number of Australian same-sex marriages recognised at law today, before this bill is passed, is a grand total of zero. If this bill were never introduced and we were discussing this issue in a year’s time, the grand total of same-sex marriages recognised in Australian law would be zero. This is not a piece of legislation to deal with an issue of public policy. This is, as we have seen so often from this Prime Minister, a tactic in the lead-up to an election, for political gain. This is another piece of wedge politics.

The Prime Minister in his period in office has sought so many times to divide this nation, not to unite it. He did so in 2001 before the election. We all recall the ‘children overboard’ saga, which we now know to be the truth overboard. This Prime Minister and this government have sought to vilify minorities, to marginalise those who hold different views and to attack those who disagree with this government as unpatriotic or un-Australian. These are the tactics of the United States far Right. These are also the tactics of John Howard’s Liberal Party. That is the genesis of this bill, brought to you by John W. Howard in association with George W. Bush. When John Howard goes to Washington he should talk to Vice-President Cheney on these things, not to President Bush. He would get a different picture.

Interestingly, this bill has not only been introduced for, clearly, political and tactical reasons on the verge of an election but it has been given priority over a number of other
bills from a very long list of legislation that this parliament is unlikely to deal with before the election is called. And some of those bills are important. For example, there is legislation on our books about money laundering that I doubt we will get to deal with—that is, measures designed to combat terrorism by cutting off the funds for criminal and terrorist organisations. There is a bill that we should be debating on improvements to the Australian passport system. That does not have priority before the parliament today. That is designed, as is the anti-money laundering bill, to ensure the security of our borders and our nation, something that the Prime Minister wants to campaign on in the media and with the public. But here, where it matters, he does not provide any priority for those bills to come before the parliament and rather brings forward a piece of legislation that is more about the games of politics than about any serious issue of substance.

I commented before that the total number of same-sex marriages recognised at law in Australia today is zero. That stems from the existing act and the common law. Australia’s common law is based on the British determinations in the 19th century. Those determinations include that by Lord Penzance, who in 1866 said:

... marriage, as understood in Christendom, may for this purpose be defined as the voluntary union for life of one man and one woman, to the exclusion of all others.

That definition has held pretty constant since then. When this parliament first looked to legislate in this area in its 1961 debate, the question was also raised about defining marriage in the act. In fact, the act did not define marriage, as such. The common-law definition was regarded as appropriate. At that time there was an amendment moved which sought to insert the words:

‘Marriage’ means the voluntary union of one man with one woman, for life to the exclusion of all others.

That is effectively the same wording as the common law decision from 1866, repeated nearly 100 years later in 1961 in an amendment in the Senate. Under a Liberal government, that amendment was defeated in the Senate by 40 votes to eight. The Liberal senator who had carriage of the matter in the Senate was one John Gorton, later to become Prime Minister. He commented in relation to these matters:

... in our view it is best to leave to the common law the definition or the evolution of the meaning of ‘marriage’ as it relates to marriages in foreign countries and to use this bill to stipulate the conditions with which marriage in Australia has to comply if it is to be a valid marriage.

That was the view of the Menzies government. It is strange that our Prime Minister, who likes to model himself on old Ming, has chosen on this occasion to depart from 140 years of common-law practice and the views of a former Liberal government.

It is also interesting that both of those definitions, including the one from 1961, refer not just to the union of a man and a woman, to the exclusion of all others, but to ‘for life’. I notice that is a convenient omission by a number of people on the other side when they debate this now. Apparently for them marriage is not defined as something that is ‘for life’; I have heard nary a word of it. In fact, when the first speaker on the government benches omitted it I took the opportunity to interject, asking the question. The government member decided, obviously, not to respond. I suppose that is because, when you look at the statistics, sadly it is a reality that a very high proportion of marriages end in divorce. In 2001, the last year for which figures are available, there were 55,300 divorces. I have listened to people on the other side talk about how mar-
riage provides stability, and I think that has a degree of truth in it. But the facts make clear that that is not so for many Australians.

I think I am in a minority in this place, probably in a number of respects but in particular in terms of this debate. I am very happily married. I am not divorced or separated and not in my second marriage or my third. I am in my first marriage and I have been very happily married to the same person for more than 30 years. So I suspect I am in something of a minority. One of my colleagues suggested that, if we were fair dinkum in this debate, given some of the hubris we have heard, maybe we should say that the only people who can speak and vote on this debate are those people who are in fact in a marriage and have been able to establish that marriage for some length of time. If you listened to some of the rhetoric of people in this debate, you would think there is a great deal of mystery about the institution of marriage—and I guess in some respects there is.

One of the things that has struck me in this debate as someone who has been very happily married to one person for 30 years is that the thing that establishes that loving relationship is not gender and is not sexuality. Love, respect and tolerance for one another and honesty with one another are keys to that lasting loving partnership. I know a number of people, people I have worked with and people who are friends of mine, who are gays and lesbians in longstanding relationships who I believe have that same love and respect and tolerance and open honesty with one another that I identify in my relationship with my wife.

It is a pity that they have been drawn into this vortex of politics of division; this vortex of divide and conquer. The Prime Minister has very effectively over the years adopted the Bismarck approach to foreign policy: you divide your enemies and then you seek to conquer them. The Prime Minister has been good at that. He was pretty good at that internally within the Liberal Party. He has demonstrated as Prime Minister that he is pretty good at doing the same thing to the Australian population. That is the game that is being played here. Sadly, those people in Australia who are gay or lesbian or in same-sex relationships find themselves dragged into this debate as victims of this political charade.

Those people I know who are gay and lesbian have not raised with me as an issue their desire to be married. It is not something that is high on their agenda, it seems to me. They do expect to have respect; they do expect to be free from persecution; they do expect to have the same rights as other people in a relationship. But the actual institution of marriage is not an issue that has been something that they have pursued with me over the years I have been involved with that community.

However, what the Prime Minister has done by drawing them into this vortex is to say to them very publicly that their rights are to be demonstrably heralded as second class. The Prime Minister does that and gives this bill priority over far more important pieces of legislation that do affect our lives—indeed, affect our national security—because he and this government believe there is some short-term political benefit they can gain from it. It is obvious so far that that has not been the case, but it is a mark of the low level of public life that this government exhibit that they have been willing to play this card.

When the Prime Minister made his announcement about these matters he referred to a package. That package included providing superannuation rights to same-sex couples. Unlike every other piece of the an-
nouncement, this one area did in fact impact on people’s lives. The other things that are in the bill will have little or no practical effect on the daily lives of anybody. There are not people lining up to get married in same-sex relationships. There are none at law in Australia at the moment. It is pretty much the same thing when it comes to overseas adoption by same-sex couples. I would be interested to know if the minister for immigration or somebody could actually tell us how many same-sex couples have adopted children from overseas. The number would be very small—if indeed there are any.

But there is one thing of concrete reality, and that is that today people in same-sex relationships are discriminated against when their superannuation entitlements are determined. If a superannuant dies, the beneficiary should be their partner. But same sex couples are not necessarily accorded the rights which would apply were they heterosexual partners. That is wrong. The Labor Party has tried to correct that and, as the member for Grayndler has said, on 21 occasions he has introduced a private member’s bill to correct that problem.

The Prime Minister in the public relations exercise for this matter sought to put a sugar coating on the pill by saying that he would legislate to correct that problem. In fact, he has not. There is nothing in the bill before the parliament to correct that discrimination against same-sex couples, nothing at all. So of all of the things the Prime Minister indicated he would pursue in relation to this matter, he has pursued all of the ones that are political wedges but do not in fact alter the operation of the law of the land. But the one thing that would have changed the law to the benefit of same-sex couples he has not brought forward. That is the level of hypocrisy that the government has displayed in this matter. That is the duplicity. That is the dishonesty.

I have a view that this bill could sit around and wait until the government brings in the legislation to provide same-sex couples equal rights at superannuation. Then we will vote on it. That would suit me fine. But clearly the parliament is not going to hold up this bill and play John Howard’s game of wedge politics. However, the one reform that should be here is not here.

Just this last sitting fortnight Labor again sought to have its private member’s bill to correct that anomaly introduced into the parliament and the government voted it down again. The government have in fact used their numbers to prevent this parliament debating and voting on the elimination of that discrimination on a number of occasions over the course of the 21 times that the member for Grayndler has introduced the private member’s bill into the parliament. The member for Grayndler deserves to be congratulated firstly for writing the private member’s bill and presenting it and secondly for his tenacity in not letting things go.

This bill will no doubt pass the chamber. It will go, I suspect, to a Senate inquiry. I imagine there will be a number of people from the public on all sides of the argument who would want to make submissions to that inquiry. I would urge all the people with an interest in this matter, though, to step back and look at the bigger political picture of which this is a small part. The bigger political picture of which this is a small part is that we have at the moment a desperate government and a desperate Prime Minister seeking any means by which they can cling to authority, including by dividing the population and setting Australian against Australian. It is well past the time when that sort of politics should be behind us.

Instead of this parliament in its final weeks devoting hours of debate to this matter, we should be putting in place a more
secure passport system—the legislation for which is in the line waiting outside this door. We should be putting in place legislation to fix the corruption in the financial system. That is probably not going to get here either. These are the things that the Australian people deserve to have their parliament dealing with, not the games that the Prime Minister has played here. This is a shameful exercise that the government has engaged in in this debate.

I wonder how members opposite can rationalise their involvement in this. We are all politicians and we know there is an election around the corner, but I really do wonder how some members opposite—who have, I think, quite genuine personal liberal views about these matters—can lie in bed at night and go to sleep having been a party to these games. It is a shameful exercise, and the government should be condemned for the way in which it has played politics over this issue. I say to the in excess of 500 same-sex couples in my electorate—who identify themselves as such in the ABS survey—that I look forward to the opportunity to talk to them about these matters. I look forward to the day when they do not have to find themselves being some sort of political football in games like this where government leaders, instead of leading and uniting the nation, seek to divide it and attack minority groups as this bill does.

Mr BRUCE SCOTT (Maranoa) (5.53 p.m.)—I rise this evening to support the Marriage Legislation Amendment Bill 2004. Having listened to the contribution from the member for Brisbane, I might preface my remarks by saying that, like him, I am married—although I have been married a little bit longer than the member for Brisbane. In fact, I have been married to my wife for 37 years and we have three lovely children. But I do not speak tonight just because I have been married for 37 years and have three beautiful children. Like the member for Brisbane, I speak tonight to give genuine support to an issue that I think is overwhelmingly important to the nation. I have had strong support not only from my electorate but also from outside my electorate, from people who have known me or are perhaps part of an organisation and have felt that it was important to lobby not only their own member but also members in other electorates around Australia.

This bill seeks to amend the Marriage Act 1961 to define marriage as the union of a man and a woman to the exclusion of all others, voluntarily entered into for life. Whilst these words represent the current as well as the historical legal understanding of marriage in Australian law, it is important that the formal definition in the legislation will govern all marriages in Australia. I think historically we have seen marriage as being between a man and a woman. It is interesting that section 46(1) of the Marriage Act already requires that a marriage celebrant who is not a minister of a religion or a recognised denomination must say to the parties to a proposed marriage in the presence of the witness:

Marriage, according to law in Australia, is the union of a man and a woman to the exclusion of all others, voluntarily entered into for life.

I have had some people ring my office on that very point. These people were interested in the fact that, whilst we are bringing forward this legislation, marriage celebrants had already been required under the Marriage Act to use those words that we want to insert into the Marriage Act to ensure that that is the definition of marriage within Australia.

I guess there are many of us in this place who understand that there are people of the same sex who seek to live together—and that is their wish. But I think it is of fundamental importance that, at a time when we live in a
more globalised village, we know that if people of the same sex entered into a marriage situation under the law of another country, under our existing Australian laws, as I understand it, they would have been recognised in Australia. This bill will clarify the situation, and they will not be recognised under Australian law when this bill receives royal assent.

The important message that we send to the community is that we are supporting families and, importantly, we are supporting children. I think the basis of any successful nation is that the family is the rock on which we survive and, without that, the nation heads down into a situation of decay. The success of any community is strong family involvement in the community. By introducing this legislation, we are giving support to children and allowing them the opportunity to grow up with a mother and a father in their family. As the member for Brisbane said, not all marriages are happy and not all marriages are, as the Marriage Act says, entered into for life. I acknowledge that, but I think it is terribly important in the complex world in which we live that we give children the opportunity to grow up in a situation where they have a mother and a father.

If we were to see a situation where people of the same sex were to marry overseas, under a law that we recognise in Australia and then come back to Australia to adopt children, that would send the wrong message across this nation and, importantly, to young children, who need guidance and the opportunity to grow up with a mother figure and a father figure and use them as role models for building their own lives. I would like to read into Hansard a couple of comments from letters from my constituents in Maranoa. One constituent said:

I am writing to you as a member of your electorate to ask if you will be supporting the Prime Minister when he wants to amend the Marriage Act to make the definition of marriage as being between a man and a woman only.

I think this is the important comment. It is one that is reflected over and over by the people I have met, the people who have rung my office and the people I saw on my recent rounds in the western part of my electorate. The letter continues:

This is a most important issue for the country of Australia and the stability of society itself and should not be subjected to party politics.

Contrary to what the member for Brisbane may have been asserting, we have done this in the best interests of this nation. We have recently seen in the United States that certain states are allowing under their laws people of the same sex to be married. If Australians of the same sex travelled there and were married in those states that allowed it under their law, they would have been able to return to Australia and be considered as married under our existing law. That is what this legislation will address. I can ensure my constituents that what we are seeking to do will address that very issue. Another of my constituents said:

Marriage is the bedrock of stable families, strong communities and a healthy society … The government must and needs to support, strengthen and uphold the institution of traditional marriage.

Whilst I represent a very conservative electorate, I think those comments are reflected broadly across the community, and I certainly concur with them. The proposed amendment to the act will ensure that it is the parliament—and that is important—that determines the legal definition of marriage and that it will not be left to a court at some time in the future. It was one of my concerns—and I am sure that it is one of the government’s real concerns—that, if we did not clarify this in law, perhaps at some time in the future we will see a court trying to determine this. We have seen this in a number of instances in the past. I think that, without
this legislation, at some time in the future we could see a court determining that there could be marriage between same-sex couples. This will clarify the situation and make sure that the parliament is the determiner of the law regarding the marriage of two people.

Marriage is a highly valued institution in Australia, and I am very proud to be part of a government that seeks to further preserve the sanctity of the union of marriage. The amendment reinforces the long-term nature of this government’s commitment to marriage and guarantees that marriage will remain a stable institution and not a concept which, in a modern sense, can be updated or toyed with. The amendment has my strong support. I thank the parliament for the opportunity to speak on a very important piece of legislation which I know has overwhelming support across my constituency and, I suspect, the overwhelming support of the nation as a whole.

Mr DANBY (Melbourne Ports) (6.05 p.m.)—I rise to speak on the Marriage Legislation Amendment Bill 2004, which was introduced by the Attorney-General on 27 May. The bill contains a number of provisions. The first provision is to amend the Marriage Act to define marriage as ‘the union of a man and a woman, to the exclusion of all others, voluntarily entered into for life’. The second provision is to amend the Marriage Act to confirm that unions between same-sex couples that are solemnised overseas will not be recognised as marriages in Australia. The third provision is to amend the Family Law Act to prevent same-sex couples from being put forward as prospective adoptive parents under any international agreement or arrangement relating to the adoption of children to which Australia is a party.

The Attorney-General told the House that the purpose of this bill is to give effect to the government’s commitment to protect the institution of marriage. I think everyone understands that, by introducing such legislation only a few months before a federal election, the government is really trying to protect itself. It is trying to protect its hold on regional seats where it imagined it could exploit social issues like same-sex marriage to divert attention from its record in health, education, child care and aged care, which are the issues Australian families really care about.

I do not believe that this bill responds to any real sentiment in the Australian community that the institutions of marriage and family need protecting against the ‘horrid spectre’ of same-sex marriage. People in my electorate are asking, ‘Protect them against what?’ I have yet to see any explanation of how discriminating against gay men and lesbians strengthens marriage or the family. Families in my electorate do not feel any threat from their gay and lesbian friends and neighbours. They rightly suspect that this bill is a stunt—a diversion from the issues that I have just mentioned, a diversion from this government’s policies which really are damaging Australian families.

Same-sex marriage is not currently recognised by Australian law. If the government’s proposed amendment to the Marriage Act is passed, it will still not be recognised. In other words, the amendment will make no difference to Australian law. The only effect the bill has is to preclude the possibility that the courts may at some time in the future decide to overturn the current common law definition of marriage. Same-sex unions are, however, recognised in the American state of Massachusetts, in three Canadian provinces and in some European countries. No doubt this trend will continue. There is a possibility that Australian citizens in same-sex relationships could travel to these countries and be legally married there. They could then return
to Australia and seek recognition of these marriages through the courts.

Over the past 20 years we have seen a great evolution in the Australian community’s attitude towards marriage and the family. We have seen the widespread acceptance of divorce, of lone parents, of couples living together and having children without being formally married and of blended families. These things are now accepted by most Australians. Attitudes toward same-sex relationships have also changed. From being something that was kept secret, same-sex relationships are now widely accepted in the Australian community. Many well-known people in Australian public life, including members of this parliament, have same-sex partners.

As a result, we have seen a process of removal of legal discrimination against same-sex couples in all of the Australian states and territories—even Tasmania—under governments of both political persuasions. In Victoria, we saw the Bracks government in its first term carry out a comprehensive reform of state law, which had the effect of putting same-sex relationships on the same legal footing as de facto heterosexual couples in all areas except adoption and access to artificial reproductive technology.

These reforms did not happen by accident. Melbourne has a vibrant gay and lesbian community and a dedicated gay and lesbian rights movement. Many of its leaders live in or close to my electorate. Some of them live in the electorate of the member for Higgins, and I think he should pay more attention to them. That movement worked for many years to achieve legal equality at both state and federal levels. I want to acknowledge in this House the work of Jamie Gardiner, Chris Gill, David McCarthy, Lyn Morgain, Adam Pickvance and many others who have devoted so much time and effort to the advancement of their community and to persuading their friends, in a most intelligent, persistent and articulate way.

As a result of their work in educating the Victorian community over a long period of time, the extensive changes which the Bracks government proposed met with almost no public opposition and were passed by a legislative council which at that time was controlled by the Liberal and National parties. We have seen similar changes of public attitudes in other states, most notably Tasmania. As a result of the work of the Tasmanian gay and lesbian rights movement—supported of course by many other people, such as the honourable member for Denison, who is owed great credit for the work he undertook there—there has been a revolution in attitudes in that state, where only a few years ago homosexual acts carried a penalty of 20 years in prison. Talk about going back to the days of Oscar Wilde.

This brings me back to same-sex marriage. Five years ago this issue was not on the agenda of the gay and lesbian rights movement. Many gay and lesbian activists took the view that marriage was a heterosexual, indeed patriarchal, institution which gay men and lesbians should have nothing to do with. There was certainly no consensus that extending the definition of marriage to include same-sex relationships was a desirable thing or an objective which gay and lesbian rights movements should spend their time on.

This has changed over the past few years, mainly as a result of the impact of events in the United States. There has always been more support in the American gay and lesbian community for same-sex marriage than there has been in Australia. Since marriage law in the US is decided at state level, liberal states such as Vermont and Massachusetts began to move towards changing their laws. The American Republican Party then decided
to exploit this issue as a wedge against the Democrats, culminating in President Bush’s suggestion of amending the US constitution to ban same-sex marriages and, indeed, all kinds of legal recognition for same-sex couples across the country. Same-sex marriage has thus become a hot-button political issue in the United States, perhaps as the Prime Minister and some elements in the government would like it to be in Australia. This is why the issue of same-sex marriage is being raised in Australia—because of the political flow-on effects, because some of the people who give the government political advice think this could be used as a wedge issue.

Just because an issue has been raised elsewhere, that does not mean it can or should be acted upon immediately. I do not believe that the Australian community is ready to see the definition of marriage change. This will not change until the gay and lesbian rights movement do the kind of educational work around this issue that they have successfully done around other issues over the past 35 years, starting with decriminalisation in the 1960s. It is not for me to tell the gay and lesbian community what their objectives should be. But, if they have now decided that same-sex marriage is a desirable objective, they need to persuade the Australian people of this.

We are here to represent the people and, while we sometimes rightly seek to lead public opinion, I am not in favour of passing laws which the majority of the Australian people are not ready to accept—or not ready to accept yet—nor am I in favour of major changes to the law being brought about by the courts without the people being able to have a say. This just leads to populist resentment against elitist decision making which ignores public opinion. When the Australian people indicate that they are not opposed to the legal recognition of same-sex marriage, it will be time for their elected representatives in this parliament to change the law accordingly. But I have to say to my friends in the gay and lesbian community that we are not quite in that position yet.

But the gay and lesbian community may yet have grounds to be grateful to the Prime Minister and the Attorney-General, because they have now taken a non-issue and turned it into a real issue. The legal and civic status of same-sex couples is now being debated in the national parliament of Australia, in the media and, presumably, at barbecues all over Australia—weather permitting, of course, at this time of the year. Everybody can see how blatantly the government is appealing to prejudice in trying to use the bogey of same-sex marriage as an election wedge. Australians who did not previously support same-sex marriage may now reconsider, on the grounds that anything the Prime Minister or the government oppose so vehemently must have something going for it.

Let us be clear: there has been no backflip or backdown by the Labor Party on this issue. The legal recognition of same-sex marriage is not Labor Party policy and never has been. The issue was fully debated at our national conference in January and our policy was reconfirmed. This has been our consistent position, as the government knows perfectly well.

The government’s proposed changes to the Family Law Act are another matter. They would have the effect of prohibiting same-sex couples from adopting children from overseas countries under any circumstances. This is in a different category to the amendments to the Marriage Act. While those changes are purely symbolic, the adoption issue affects the lives of real people, particularly children—for whom I would have thought all members of this House would have primary concern in issues like this,
rather than try to make political issues out of them.

It is hard to see why this has suddenly become such an urgent issue that it requires legislation a few months or a few weeks before a federal election. Again the suspicion is raised that this is just another pre-election stunt designed to divide the community and arouse prejudice at a time when the government does not want the electorate thinking about the real issues on which the election will be fought.

Adoption law has traditionally been a matter for the states and territories. Why has this suddenly become an issue for the federal government? What evidence is there that there is a significant issue with same-sex couples adopting children from overseas? The dominant consideration in relation to any adoption should be the welfare of the child. That is a matter that should be determined by the competent authorities, not imposed by a blanket prohibition by the government acting out of crude political self-interest. If it is in the best interests of a particular child that they be adopted by a same-sex couple, what right has the government to prohibit that? We will be opposing this provision in the government’s bill.

Finally, Labor will be voting in the Senate to refer this bill to a Senate inquiry. This will allow all sections of the community to have their say. I hope that this will advance community understanding of the issue of same-sex relationships and their place in the community. I urge everybody who has a stake in this issue to make a submission to that inquiry, which I believe would not have happened without the work of the opposition.

In the recent media and community debate about this bill there has been almost no focus on the fact that the Howard government would also keep in place a range of other discriminatory laws. Labor has made a commitment to a comprehensive reform of Commonwealth laws for same-sex couples. This would involve an audit of all Commonwealth legislation. The purpose of the audit would be to identify where, amongst the thousands of pieces of Commonwealth legislation, discrimination against same-sex couples exists. Labor will then amend the legislation to remove such discrimination.

Labor is also committed to introducing antivilification and antiharassment laws, as well as stronger protection against discrimination on the ground of sexuality. A re-elected Howard government would retain all of the discriminatory legislation and, as we see here today, would be prepared to introduce further discrimination, such as the prohibition of intercountry adoption by same-sex couples regardless of the interests of the children. It would be a blanket ban with no interpretation of individual circumstances, which I think is unconscionable.

Labor have already identified the legislation requiring change, which includes the Workplace Relations Act, the Income Tax Act, superannuation laws, immigration and citizenship laws, the Social Security Act and Defence Force legislation, and we expect that there will be many more pieces of law that will need to be amended once the full audit is completed. I know that some of my constituents are disappointed that the opposition are not opposing the amendments to the Marriage Act, although they have welcomed our opposition to the government’s interference in adoption law and the prospect of a Senate inquiry into all aspects of the issues raised by the legislation. I know they will also welcome the fact that the Labor Party are committed to delivering wide-ranging same-sex law reform.

At some stage I will be moving amendments that are particularly dear to my heart. Since I became a member of this parliament,
the member for Grayndler, Mr Albanese, and I have been insisting that the government pass same-sex superannuation laws, and we are going to call on this government to stand and deliver. When the government first forecasted this legislation they made a great deal of the fact that they were going to amend the superannuation provisions to allow same-sex couples and various other categories of couples to pass their superannuation on to each other. They have advanced the wedge legislation, but there is no sign of the superannuation equality part of this legislation.

We are going to ask this government to drop its political hypocrisy and show some fair standards. I used to think that the Liberal party was the party of property and would insist that people who had accumulated savings, wealth and property be entitled to pass them on to any person that they determined. In my view this is a great piece of hypocrisy which this parliament has allowed to exist for too many years. We still do not see any evidence of the government coming up with the amendments on superannuation that would resolve this issue. A divisive political issue has been advanced but there are none of the proposed amendments on superannuation. I have outlined the Labor Party’s attitude to marriage and to the adoption provisions and I will be appearing later in this debate to make it clear that we are going to hold the government to account on the issue of delivering on superannuation for same-sex couples.

Mr CADMAN (Mitchell) (6.20 p.m.)—I rise to support the Marriage Legislation Amendment Bill 2004. I think it is sensible and timely. Around the world the definition of marriage as the union between a man and a woman for life has changed and courts have taken an adventurous view of what the word ‘marriage’ means. Until now it has meant the union of a man and woman for life, usually for the production of children. It is my view that people should be perfectly free to form other unions, but they should call them something other than marriage. We have an understanding of what the word ‘marriage’ means and we ought to stick to it. If people want to form a legal, social and emotional bond, it is better for them to choose a word that describes that relationship. We do not call de facto couples married; we should not call same-sex couples married. The word ‘marriage’ means the union of a man and woman for the purpose of producing children. It is a very simple fact: it is not discriminatory; it is just being clear on what we mean by one word. There is no discrimination implied. It is about clarity of thinking and it is a definitional process only.

The Labor Party wants to go into all sorts of ramifications about the bill and the definition that we are looking at today. I would be very interested if the member for Lowe endorsed the remarks of the previous speaker, but he must go along with the proposal to comb through legislation should the Labor Party come to government and remove what is described as discrimination. This legislation just proposes to insert in the Marriage Act the words:

...marriage means the union of a man and a woman to the exclusion of all others, voluntarily entered into for life.

The reason that this needs to be done is that the courts in Massachusetts in the United States, in Canada and in other parts of the world have chosen to give a definition to marriage which is different to the one that the government have put forward. The Australian government are saying that we believe that the understood definition should stand and that we do not want courts changing that definition, because that creates confusion. It does not create discrimination; it creates confusion. The relationship between men and women is usually for children and
the advantages of that stable environment for young lives are demonstrated time and time again.

There have been speakers today who have tried to suggest that the worst possible situation in which a person could live is that of a family. That is absolute nonsense. Every study and every piece of documentation presented to us in the House of Representatives Family and Community Affairs Committee indicated that the safest place for children is with their biological parents. The least damage—socially, mentally or physically—is done to children when they are with their biological parents. When there is a non-biological parent present that is when the risk factors start to rise. Biological parents look after and safeguard their children—both fathers and mothers. They look after their kids, they love and cherish their kids and time and time again it has been proven that the safest place for children to be is with their biological parents.

But there seems to be an argument in society that it is a dangerous or unsafe thing for children to be with their families. My colleague across the chamber, the member for Batman, can shrug, but the fact is that one of your own speakers advanced that argument earlier this evening, denigrating the fact that children should be in a stable relationship with their biological parents. The advantages of that to society have been documented time and time again. Somebody that you would not think would necessarily advance these thoughts, because of the time she has been through, is Hilary Clinton. In her book *It Takes a Village* she observed:

The instability of American households poses great risks to the healthy development of children ... More than anyone else, children bear the brunt of such massive social transitions.

In Australia, the social researcher Moira Eastman, in examining the claims of the American sociologist Jessie Bernard, said:

Despite Bernard’s claims, research in a number of countries finds that being married is correlated with markedly better mental and physical health and higher levels of happiness than being never married, separated or divorced and that this is true for both men and women.

So it is a unique and different relationship that we are seeking to define today. It is not a relationship that we are seeking to change; it is a relationship we are seeking to perpetuate, and it is a relationship that I seek to encourage.

I have done some studies to try to measure what the marriage processes have created. I have to say that information about the disadvantages or advantages of marriage is not as readily available in Australia as in the United States. But Barry Maley, writing on divorce law and the future of marriage, has written in CIS policy monograph 58, 2003:

...a ‘fragmented system’ of determining family law issues has developed and has been exacerbated by attempts to interpret constitutional powers in various ways.

This fragmented system—and I think he is referring to the definition and living arrangements that we are discussing today—has potential for incoherence in family policy. At the present time, 72% of couples cohabit before marriage—up from 31% in 1981. Of children under 15, 11% live within cohabiting couple families and 19.6% live with a lone mother or a lone father. In other words, nearly one out of three children under 15 (30.6%) now live in families where the parent or parents are unmarried. Bettina Arndt, quoting research by the Australian Institute of Family Studies, points out that parents of children in de facto relationships are usually from lower socioeconomic backgrounds and more poorly educated than married couples with children. All children have a crucial stake in the stability and character of their parents’ relationship.
Insofar as marriage, or its absence, affects that relationship for better or worse, there is potential to affect children for better or worse.

So the conclusion that Bettina Arndt and the Institute of Family Studies came to is that the married relationship is a very significant factor in the stability of children’s lives. That is why it was established; it was established and named ‘marriage’ for that purpose. It does not mean just any relationship between a man and a woman or any other group. As the classical and traditional definition says, and as it says here in the bill:

marriage means the union of a man and a woman to the exclusion of all others, voluntarily entered into for life.

I would add, ‘and usually for bringing children into the world’. So the researchers indicate that marriage is a very safe place for children and children fare better in a marriage environment than anywhere else.

The process of deciding that children can be moved around between families is something that the parliament is struggling with currently, with changes to the Family Law Act on the non-custodial parent issue. That is something that is before the parliament now. The research that has come from that study and that wide-reaching inquiry strongly endorses the fact that, where it can be achieved, the stability of marriage promotes greater health, greater stability and a greater sense of achievement for men and women and for the children involved.

I do believe that, in this discussion before the House, saying it is a discriminatory process to define marriage is nothing but a furphy and we should ignore it. The Labor Party cast strange words around in their proposed amendment to this bill, on the grounds of sexuality. That has got nothing to do with what is before the House. What is before the House is the issue of what marriage does mean; if we are clear on that, we can call other relationships anything we like. But I think that, for the sake of children and for the sake of the future of this country, we have to be very sure of what we mean by ‘marriage’. It is a man and a woman for life, to the exclusion of others, and it is for bringing children into the world—and to me that is the most critical factor in this whole argument.

The adventurous judges of the northern hemisphere could create problems in Australia. If a couple have married overseas—and we normally recognise marriages of all countries of the world, whatever form those marriages may take—and declare themselves to be married, we normally accept that. But in this instance there are some countries that have changed what we consider to be the definition of marriage. So this legislation will guide the courts in determining what it is that Australians regard as, and wish to have determined as, marriage. What we are really saying to judges is that if somebody should arrive in Australia claiming to be married and they are married to somebody of the same sex then, under Australian law, that is not a marriage. A marriage should only be between a man and a woman, to the exclusion of others, and preferably for life.

I think that everybody in this House has experienced unexpected shocks and surprises when judges have gone off and done things that are completely beyond the realm of this parliament’s consideration—not to the wild extent of the American Supreme Court, where they may in fact invent law, but we have had some unusual decisions. Some have been helpful in clarifying the law, but some have been law making.

I do not care how much I may be in dispute in this place with my colleagues opposite or those on the same side. It is our responsibility to make laws that are as clear as possible, to clearly set out for judges and for courts what the Australian people expect us
to do and what they expect their laws to mean. If we cannot get it right, it is not the role of the courts to interpret. This is one instance where the government have said—and, I believe, rightly; the Prime Minister has been right from day one when he first raised this issue—we need to be sure that we do not get into a mix-up in trying to determine what marriage is because a court has made a preemptive strike. We need to be clear in our own minds what we mean by ‘marriage’, and the definition of marriage. I am pleased to say, in subsection 5(1) of this bill amending the Marriage Act 1961, is this:

marriage means the union of a man and a woman to the exclusion of all others, voluntarily entered into for life.

Mr MARTIN FERGUSON (Batman) (6.35 p.m.)—I rise to speak in this debate on the Marriage Legislation Amendment Bill 2004, which makes amendments to the Marriage Act. In doing so I indicate to the House that, as far as I am concerned, this bill is motivated by the politics of division and hate. It is clear to me that this bill will pass the House, but it is also clear to me that this bill is motivated by the Prime Minister’s affection for the politics of hate and division in the Australian community.

The Prime Minister was at long last driven by the will of the community to fix the blatant discrimination inherent in our superannuation laws. He was driven to concede that gays and lesbians should have the right to nominate the beneficiary of their own hard-earned and accumulated superannuation. I commend him for finally relenting on this issue, albeit a relenting that was long overdue. But I also suggest to the House that, having made that concession, the Prime Minister was so petty and small-minded that he could not make that reform without soothing his own moral conservatism. The Prime Minister could not make a progressive reform for our gay and lesbian Australians without giving them a commensurate kick in the guts. I think it is about time we accepted that gay and lesbian relationships should be recognised.

I take this opportunity as an elected representative of the Australian people to condemn the government for this regressive and unnecessary legislation. I condemn the Prime Minister for not bringing forward a constructive package of reforms for the gay and lesbian community in Australia. In the same way that gay and lesbians now have the right to bequeath their superannuation funds to their partner, so should we move forward legal and community recognition of their relationships. That is an issue that calls for leadership and bipartisanship to remove discrimination, create equal rights and responsibilities and move on to fix problems that genuinely concern Australians. Modern Australia in the 21st century has moved on beyond the gutter politics of the Prime Minister. Do not just think about the bill before the House but think about the motivation of the Prime Minister who brought the bill before the House. I say that because I genuinely believe that Australians in the 21st century do not want a community where the state is peering into bedroom windows, judging the behaviour and free choices of consenting adults. Australians would prefer to see the time and resources of their government spent on fixing problems and healing division, not creating and fuelling them.

This bill enshrines the common law position that the institution of marriage is reserved for heterosexuals, but let us be honest: the bill will have no practical effect on our daily lives except that it acts as a political tool for the Prime Minister to exploit differences and forge division in the Australian community. The bill and all its intended publicity sends the message to gays and lesbians that the law and society will not recognise their relationships under the institution of
marriage or under—and this is an important point—any alternative legal or social framework or structure. That is something that ought to be explored.

To leave this void saddens me. It saddens me because I cannot fathom a reason to continue to deny rights, in whatever form, to decent Australians who are merely after a fair go and a sense of recognition. Australians in same-sex relationships lead normal, regular lives and want to be treated that way by all their fellow citizens. They are not asking for special treatment. In fact, their campaign is simple—it is similar to campaigns that have been pursued by a lot of other groups throughout the history of the Australian parliament. It is simply about removing and avoiding special treatment. Gay and lesbian Australians want to live their lives as valued Australian citizens and to be criticised against the same criteria as all other Australians. That is a fair request in a modern society. I believe that sooner rather than later we as a community and as legislators must cut down the straw men and afford rights and responsibilities to all partnerships, not just straight partnerships as the Prime Minister would define them. In that regard, the work of the Tasmanian and Australian Capital Territory parliaments must be commended by this House, but other parliaments, including our own national parliament, must start to think about biting the bullet and removing discrimination in all its forms against gay and lesbian Australians.

I very much agree that a majority of Australians believe that families are a key fabric of our stable society, but we also have an obligation as members of Australian society to wake up and smell the roses. Australian families come in a massive range of shapes, sizes and constructs. A broad and diverse range of family circumstances is a fact of life and is widely accepted in the Australian community today. It is about time we understood that society today is very complex. Perhaps there are some who have an ideal model in their minds, but who are they, or we, to judge that families that differ from that mould are less valuable, less legitimate or un-Australian? To do so unfairly and illegitimately condemns people on the basis of their personal circumstances. I believe that it is an ignorant stance that causes unnecessary pain to fellow Australians. Loving, respectful relationships and families are to be recognised, valued and celebrated. Sexual preference should not be a ground to deny that celebration and acceptance. There is clearly something very wrong with a society that turns a blind eye and rejects a union on those grounds alone.

I also believe that we as a community must accept that we suffer by not being inclusive and by not being tolerant of others. Therefore, this evening I also call for more acceptance and inclusiveness in our views of parenthood. Parents have a great responsibility to their children to love, nurture, educate and develop them to be great people, great citizens and respectable contributors to the society that we live in—to do the best that they can within their means and circumstances, which are very varied in Australian society, to assist others in the community. I can attest that, along with those responsibilities, parents receive a great learning and pleasure from the experience of parenthood. Yes, it is exceptionally difficult to be a parent, but it is a wonderful opportunity.

I therefore also believe that to adopt children is a very big decision for anyone to make. The state has a great responsibility to protect the interests of children by ensuring that adoptive parents have the means and the wherewithal to meet the needs and aspirations of those children. Australian legislators therefore have a fundamental obligation to ensure that the checks, balances and tests to protect these children are rigorous in ensur-
ing that adoptive parents can provide the best opportunity for the children’s development.

There are many criteria, but it is not a straightforward checklist. It is a highly skilled task to match children with parents and it is best left to the experts. But I am concerned that one criterion on that list must not stand alone, and that is the sexuality of the parent or parents. In my mind, if all things are equal—and that is what that means: they are equal—it means that there should be no room for an unsubstantiated bias, which is really what is in the mind of the Prime Minister and those who support him with the bill before the House this evening. To me, it is unconscionable in a situation where couples A and B have each been assessed to be fully capable, competent and prepared to responsibly care for a child to then say that couple B will be better parents because they are ‘straight’ in the mind of the Prime Minister. Witnessing such blatant discrimination and ignorance offends me to the core and, as far as I am concerned, it is not the Australian way. It is really about the Prime Minister’s desire and the nature of wedge politics to demonise the gay and lesbian community in Australia.

I simply say that gays and lesbians are part of Australian society. They are represented in the highest court in Australia. They are represented in the Australian parliament. They look after us from birth to death. They teach our children. They are in all aspects of Australian society because they are part of what makes up the Australian family. I think it is about time that, on behalf of the gay and lesbian community, this parliament said it is sick and tired of them being demonised by people who are not prepared to come to terms with the nature of Australian society in the 21st century. That is what this debate is about today. It is about wedge politics and a further opportunity for the Prime Minister and the small band of intolerant people who stand with him to demonise the gay and lesbian community. Australian gays and lesbians, whether in relationships or not, should not have been subject to this premeditated act of bigotry from the Prime Minister of Australia. If the Prime Minister and his inner court of social conservatives want to confront their feelings of hatred and intolerance of difference, they should confront them in private and within themselves and not seek to impose that view on the Australian society generally.

We as a community have to continue to move forward. For our success on the multiculturalism front we are held in high regard in the international community, because we move forward and embrace many people from different countries and cultures. In the same vein, it is about time that the legislators in this nation accept that the Australian community needs to keep moving forward towards a more tolerant, diverse and respectful community with respect to the issues before the House this evening. This is about leadership, and that is what the Australian community is expecting from us as legislators in debates concerning the matters before the House this evening. It has to be about an open, constructive dialogue—dialogue on areas of law that single out particular groups in consideration of any legitimate grounds for that different treatment. Surely we are mature enough as a nation to engage in discussion, in a progressive way, to move to foster mutual understanding of difference and further promote families and relationships that further bond our community and strengthen society and community in Australia. But I contend to the House this evening that is not what this bill is about. It is fundamentally opposed to that approach to life. It is fundamentally opposed to what is acceptable in any fair-minded society.

I say in conclusion that only a short time ago the Attorney-General stood in this House
and said the following with respect to the Marriage Legislation Amendment Bill 2004:

This bill is necessary because there is significant community concern about the possible erosion of the institution of marriage.

I simply say that the Attorney-General and the Prime Minister must mix in different circles to the circles that I mix in. He then said:

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

What a load of codswallop. Where is the ‘significant concern’ in the Australian community? It does not come up in the street talks that I have regularly in my electorate. People there are more concerned with talking about health, education, the lack of apprenticeship opportunities and the cost of living. The marriage act is never raised in those community consultations. Where is the demonstrated need to act so quickly that has motivated the Prime Minister to bring this bill before the House?

I am pleased to say that I represent a diverse electorate: the electorate of Batman. It is diverse in age, gender, ethnicity, sexual preference, incomes, ambitions and aspirations. But there is one thing that the electorate of Batman believes in, and that is tolerance and a fair go—which is completely contrary to the intent of the bill before the House this evening. There has been no rush to my office to express concern about the possible imminent erosion of marriage in Australia.

I am one of the few members in this House who regularly travels the length and breadth of the country in my capacity as shadow minister for transport, infrastructure, urban and regional development. During those visits and community consultations I meet with a range of people from a variety of backgrounds in those communities. Never in any of those consultations has there been, as the Prime Minister would have us believe, a growing, imminent fear that the institution of marriage is under attack from gays and lesbians married in other countries or from those choosing to adopt children. Where are the examples, Mr Prime Minister, Mr Attorney-General? Where are they evidenced in your so-called community consultations?

But I tell you what I do hear. I hear the concern that families are struggling because services are continually being eroded, our health system is falling apart, our schools do not have the resources they need, our kids cannot get apprenticeships, and our kids cannot afford to go to universities. They are the issues confronting and undermining Australian families—the pressures and stresses of life. That is what is destroying partnerships and marriages in Australia, not a so-called attack on the Marriage Act in Australia in the 21st century. This debate does nothing about helping those families and the institution of marriage in Australia. In no way will it protect the sanctity of marriage at all.

Let us be honest: when we look at legislation we should never just look at the bill before the House and the second reading speech that is associated with that bill. We have to look at the motivation that led to that bill and that second reading speech. In conclusion this evening, I simply say that the intent of this bill is to attack the gay and lesbian community in Australia, to demonise them and to say to them all that they are second-class citizens in what we fundamentally believe to be a modern, tolerant, forward looking Australian community. I say to our gay and lesbian friends, our colleagues, yes, our neighbours, and the people with whom we sit in the Australian parliament, that to score political points off the back of political division is un-Australian. The Prime Minister must be smarting at his wedge work. All I can say is that I am ashamed of the Prime Minister, and I am ashamed of the motivation that brought this bill before the House. It is about time that this House adopted the
Mr HAWKER (Wannon) (6.55 p.m.)—I rise to support the Marriage Legislation Amendment Bill 2004, and to support it wholeheartedly and commend all those involved in bringing it forward. I must admit that in listening to the honourable member for Batman we were really listening to his talk of division and hate, and I found that very sad. I found it very sad because he was creating a problem that I could not quite see. It was sad because he could not avoid degenerating back into an attack on the Prime Minister, and I found that very sad. I found it very sad because he was creating a problem that I could not quite see. It was sad because he could not avoid degenerating back into an attack on the Prime Minister, and I found that very sad. He was talking about the problems of intolerance, yet throughout his speech it just came across to me as total intolerance of the Prime Minister. While he used lots of colourful language, while he wanted to abuse the Prime Minister, I think he completely missed the point. No-one outside of his own imagination was really demonising any group in the community. He had these colourful comments, but I think they were rather irrelevant. He was creating his own straw man, but not very successfully. Frankly, he was trying to create a straw man where none exists. He talked about denying rights. I could not quite see where this legislation denies people’s rights; I do not see it there.

I do support this bill and I think it is worth just going back to the speech made by the Attorney-General when he introduced the legislation. I certainly supported him when he said:

This bill is necessary because there is significant community concern about the possible erosion of the institution of marriage.

He went on to speak of ‘the fundamental importance of the place of marriage in our society’. He said:

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

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

Those points really do sum up why this is necessary, and it is very important to emphasise them. Marriage is a central and fundamental institution. The place that marriage holds in our society is of fundamental importance, and I think it is important that we reinforce that basis. As the Attorney-General went on to say, that basis is this:

Marriage, according to law in Australia, is the union of a man and a woman to the exclusion of all others, voluntarily entered into for life.

The government believes that this is the understanding of marriage held by the vast majority of Australians.

I think that is a very important point that seems to be overlooked when others are trying to create division. It is interesting that opposition members have been trying to raise what the vast majority want. When you listen to some of the speakers you would think that the vast majority have a very different view. However, a research note that came from the Parliamentary Library talked about the question of same-sex couples. I certainly do not have any problem with same-sex couples; they do not concern or worry me at all, but we are talking about very small numbers. As has been pointed out, almost two-thirds of the electoral divisions in the federal parliament have less than a hundred same-sex couples, according to the 2001 census. I note that in my electorate of Wannon, for example, there are 36 same-sex couples. I have no problem with that but I do not think that we should try to pretend that this is a large number of people who are
somehow being singled out, because I do not think they are.

Mr Tanner interjecting—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Melbourne is in a fairly precarious position. He was warned earlier on.

Mr HAWKER—The other point that I would like to make about this whole debate is that I think it is quite proper that we have this legislation before the parliament, because as elected representatives we have the opportunity to make it absolutely clear where we in the parliament—the representatives of the people—stand on marriage. I think that is very important and it is very proper that we should be able to legislate for that. I do not accept that it should be the role of unelected, appointed members of the judiciary to possibly make changes to the position that Australia holds. If the parliament makes a decision, it is the decision of the elected representatives. I think that is a very important point.

I believe that Australia is a much more tolerant society today than it was a few decades ago, and we do recognise a range of relationships. I would be the first to say that I think that is fine, but I do not think that it means that we therefore have to change what we believe is the definition of marriage. When we talk about tolerance, it is very interesting to see that some sections of the community do not want to display the same level of tolerance that I think just about everyone in this chamber would. I will quote from an article that appeared in the Australian in May, headed ‘No hatred in keeping marriage laws sacred’. It says:

Defending marriage is now vilification.

It goes on:

... a spokesman for the Tasmanian Gay and Lesbian Rights Lobby suggested that George Pell’s defence of traditional marriage and opposition to gay marriage on this page on May 4 incites hatred on the grounds of sexual orientation.

I do not know; it is a free society and people ought to be able to express a point of view. Whether you agree or disagree, you have got the right to say so. It goes on to point out the obvious:

Vilification laws … try to shape a values-free society.

I think that is an important point. When the lobbyists who are trying to push an alternative point of view claim vilification, as has been pointed out in this article, we have really got to see what their motive is. The article goes on:

The gay lobby’s grab for vilification laws in defending gay marriage suggests its agenda is not just gay marriage. It is to take us further down the path to moral relativism, where all lifestyles are seen as equal.

I do not share that view. It continues:

So we are threatened with legal sanctions for stating the obvious …

What is the obvious? The obvious is, despite all the problems and the faults that everyone can see:

Our marriage laws are premised on discrimination because society has always placed a value on linking parenthood and marriage.

That puts it very simply and clearly. I think that, rather than toying about with ideals, we need to talk about reality and what we basically know in our own hearts is still the truth. The article goes on:

The evidence confirms what we know intuitively: children do best when raised within a stable marriage by their natural parents.

I do not think that has ever been doubted, and I will say that you could always find exceptions. We all know we can find exceptions, but that does not alter the fact that this is an ideal that holds up against alternatives. Again, I agree with the article when it says:
Few would challenge the need for parity of rights for gays in certain areas, such as pension rights. But should that translate into parity of rights in every area?

That is really what this debate is about, and I think we have got to come back to that point. Everyone loves to talk about rights, but they are not so quick to talk about responsibilities these days. The article goes on:

Why is a child’s right to a mother and a father of less value than the rights of the gay minority to marry and adopt?

That question hangs on those who want to argue against this piece of legislation. I challenge them to try to find the answer to that, because I am not sure that they have one. I think that their position changes according to the argument they want to muster, and in this case it is one that tries to avoid that question. I come back to the point which I think is quite critical and central to this debate. The article concludes:

We can respect gay relationships without making them the same as marriage. Treating gay relationships as different to marriage should not amount to unlawful discrimination. If it does, we have gone too far down the road of moral relativism.

And I think that is really what so many of the alternative views that are being put in this debate are about. They are not saying it in so many words, but they are trying to argue the question of moral relativism. I think that is wrong and it comes back to the basic point: the reason for this bill is to reaffirm what marriage is, but it is also, most importantly, to recognise that marriage is and has been the cornerstone of the society that we all value so much. If we devalue that cornerstone then, over time, we run a very real risk of undermining the very society that we all value so much. That is why this bill is so important. It is also very important to restate that marriage as defined in this bill, whatever its faults and for all the problems that people can identify—and we have all seen them first-hand on many occasions—is still the best way to raise children. There are examples around the world where alternatives have been tried, and I do not think that, over time, those alternatives stack up as superior.

I support this bill. I believe it is important. As I said earlier, it is very important that the parliament, as the elected representatives of the people of Australia, define quite clearly what we mean by marriage and legislate accordingly and that we do not leave it to appointed but not elected members of the judiciary to choose to make a definition which may change over time. Therefore, I commend the bill to the House.

Before I conclude, let me say I looked at the amendment put forward by the member for Gellibrand and I find quite extraordinary the arguments she has had to muster to put forward her amendment. In the first part, she talks about “unjust interference by the Commonwealth” in an area regulated by the states in relation to intercountry adoption. I thought that was weird. That is complete nonsense. Since when should the states be overriding the national parliament when it comes to matters relating to international law? It goes on. There is a claim about Labor’s:

... recognition and acknowledgement of same sex couples and their right to be full and active members of our community, free from discrimination and vilification.

This bill does nothing to accept, condone or in any way allow discrimination or vilification. Again, the sorts of points that are being made in this amendment really are just nonsense and demonstrate the paucity of argument that has been put forward by the opposition. So I have much pleasure in supporting this bill and I commend it to the House.

Mr BRENDAN O’CONNOR (Burke) (7.09 p.m.)—The Marriage Legislation Amendment Bill 2004 has a bad intent, and I do not think that fact has been lost on gov-
ernment members. The member for Wannon indicated that he cannot see anything wrong with introducing this bill. He raised his arms in mock indignation and said that the intention behind this bill is purely innocent and that it is about the restatement of the sanctity of marriage. I am afraid it is less about the sanctity of marriage and more about the sanctimonious character of the Prime Minister.

This bill has been introduced into the parliament in order to divide the community. It should be noted from the beginning that loving relationships take many forms. No discrimination should exist under Commonwealth law, or any law, to any relationship, be it a marriage, a de facto heterosexual relationship or a same-sex relationship. It should also be recognised that this bill has not been introduced to celebrate the institution of marriage. As I said earlier, the bill has been introduced to divide Australians. It is a quite tragic and brutal furphy contrived by the Prime Minister. There has not been any outcry in the community. There have not been any judicial determinations that have led to the introduction of this bill. This bill recognises an institution already recognised by existing law. It is a superfluous bill, intended to vilify a significant minority of community members.

I have listened to a number of speakers, certainly those on this side, and I think it is fair to say—and I think most people, if they were honest with themselves, would agree—that society has evolved. Relationships and the definition of relationships have evolved. The law has sometimes moved ahead of society, but rarely. The fact is that in this area the law seems to follow public opinion and what is acceptable to the community. I think it is fair to say that public opinion with respect to what marriage is and who is an appropriate partner has changed. It has changed very dramatically in my lifetime.

Less than a couple of generations ago, a mixed marriage, if it was defined as such, would be between a heterosexual couple, one of whom might be a Catholic and the other a Protestant. They were believers in the same God but of different denominations. I can recall people talking about the unacceptable union of two heterosexual people who believe in the same God but are of different denominations. Somehow, that union was not acceptable to many people—not only people from those particular religious institutions but also people from outside those two Christian groups. Since two generations ago, the community has rejected the idea that two people, a man and a woman, from different denominations of Christianity should not marry. Indeed, the bitter sectarianism that used to exist has, thankfully, dissipated and all but disappeared.

One generation ago the community acceptance of de facto heterosexual relationships was equivocal to say the least. It is hard to imagine now, but if you go back to the early eighties it was not acceptable in company, certainly amongst many people, to talk about people living together as an acceptable arrangement. That too has gone by the wayside, thankfully. The fact is that now the majority of people who enter a relationship commence that relationship on a de facto basis, and many maintain that de facto status indefinitely. That has now become a very acceptable relationship, one that most people tolerate. And I am not talking about the inner suburbs of the capital cities of Australia, what I suppose those opposite might term the bohemian enclaves of inner suburbia. I am talking about the outer suburbs, the regional towns and the regional communities where de facto relationships are acceptable. I know that there would be sons and daughters and, indeed, other relatives of members opposite who would be living in de facto relation-
ships—which would be accepted, as they should be, as relationships.

If I can digress for one moment and make reference to an earlier speaker’s comment on the rearing of children, I do not accept that the situation is necessarily that it is important that a child’s parents be married. The best situation for a child being reared by adults is for those adults to be in a loving relationship. Formal state recognition of the relationship, even if that is indeed the preference of most, should not be first and foremost; rather, the household should be filled with love and care for those children. I would certainly rather see children raised in a loving and caring de facto relationship than a dysfunctional marriage. Anybody who is honest with themselves and honest with us in this place would articulate that view.

The fact is, we have moved on. Society has moved on and has accepted relationships. Indeed, I should not just refer to marriage between Catholic and Protestants. What were more controversial at one time were interracial relationships and marriages. Again, that is a blight on our history, no doubt, but there has been an evolution in people’s tolerance and understanding and in what is acceptable to the community. Many relationships that were interracial in nature were not acceptable to many people. Indeed, as we know, in many sovereign states they were not acceptable under law. So we have seen many forms of discrimination, both in terms of the law and perhaps also in terms of community acceptance.

I use those other forms of relationships to draw an analogy to something that is becoming increasingly acceptable to the Australian people. I refer to same-sex couples. The fact is, like interracial relationships and like de facto heterosexual relationships, same-sex relationships are becoming increasingly acceptable to Australians. And that is a positive thing. What is happening here, unfortunately, is that we have a Prime Minister who does not accept the trend. That is not unusual for him. It is also not unusual for the Prime Minister to find reason to create a divide within our community. Unfortunately, what has occurred since the introduction of this bill has been an outcry by the gay and lesbian community, who are concerned that they are being targeted and discriminated against. It also has raised concerns in people in general, who wonder why the Prime Minister and this government spend more time playing politics with people’s private lives than dealing with the public need for better education and better access to health services—those fundamental things people expect government to deal with.

The fact that the Prime Minister has decided to do this says a number of things about him as a character. As I have indicated, it is a sanctimonious and bigoted form of expression, if you like, to introduce this bill for the reasons it has been introduced. It also shows that the government lacks an agenda and is unable to focus on the things that Australians want their government to focus upon. So on one hand it is a sign of bigotry; on the other it is a sign of the desperation of a government that lacks ideas and lacks the wherewithal to fix many of the problems that exist out in the real world.

I live in and represent an electorate that is a cross-section of the Australian community. It has rural and suburban parts to it. I have never had, in all of the conversations and contacts and correspondence with constituents through my office, a local constituent raise with me concerns about the issue of the institution of marriage being undermined by some subversive plan of anybody’s. If we listen closely we might be able to hear something. I believe the Prime Minister is blowing a dog whistle for certain sections of the community. This is not about restating what
we know the institution of marriage to be. This is about looking to divide the community.

It is also important that we look at some of the areas of discrimination that same-sex couples suffer. I suppose if there is one silver lining to this cloud, it is that in raising this matter in this way we get a chance to focus on some of these areas of discrimination. It is important therefore to focus on the amendment moved by the member for Gellibrand, in which Labor has committed to taking a strong stand against discrimination on grounds of sexuality. Indeed, as the second paragraph of the amendment indicates, Labor will commit to an audit of all Commonwealth legislation in order to remove any areas of discrimination.

If we look at some of them we should be a little alarmed. Most people would be alarmed to know what is denied partners in a same-sex relationship. For example, a partner in a same-sex relationship may be denied the right to: make medical decisions on a partner’s behalf when he or she is sick, or to even visit the partner or partner’s child in hospital; take bereavement or sick leave to care or mourn for a partner; share equal rights and equal responsibilities for children in their care; have their partner covered under their health or employment benefits; apply for immigration and residency if their partner is from another country; inherit from a deceased partner if he or she were intestate; choose a partner’s final resting place; or obtain pension benefits if their partner dies.

They are just some of the deficiencies in the law that do not make it clear whether partners in longstanding same-sex relationships are given the same rights as those given to partners in other relationships. I think it is time to look as closely as we can at the Commonwealth laws in order to rectify those levels of discrimination. It is not acceptable, in my view—and indeed in Labor’s view—that we go on accepting that if you are in a same-sex relationship you do not have basic rights.

It is important to note, as members have already indicated, the effort by the member for Grayndler, who introduced a private member’s bill, and has been on the record for a long time, in support of same-sex couples being entitled to superannuation benefits. His private member’s bill should have been accepted by the government. What is telling about this debate is that the government did foreshadow that it was interested in looking at rectifying the deficiency in relation to superannuation, but there is no mention of superannuation in this bill. Indeed, if the government were genuine about wanting to ensure that marriage was defined as being between a man and woman—and restate that, as I think has been accepted—and at the same time wanting to look at removing at least some areas of discrimination in relation to same-sex relationships, it would have incorporated provisions that would have removed discrimination in the area of superannuation.

That has not happened, so we can only conclude that there is no genuine intention to arrest an unfortunate set of laws that deprive partners in same-sex relationships of what could be their retirement benefits. I therefore found the words of the Prime Minister to be false and empty when he said that he was looking to restate marriage as an institution between a man and a woman and to find the means to remove these areas of superannuation. The bona fides of those intentions should be found in the provisions of this bill, but they are nowhere to be found.

Mr Price—Has he left them out?

Mr BRENDAN O’CONNOR—He has left them out. I do not think they just slipped off the page. The fact is that they have been
intentionally omitted. In my view, the Prime Minister has deliberately misled the public by saying that he would be looking at a balanced approach but, when it comes down to the drafting of the legislation and the introduction of the bill into the House, there is no mention whatsoever of superannuation provisions. I think the member for Brisbane said that we should not allow this matter to proceed as it is and that we should be saying to the government, ‘If you are genuine about introducing provisions to rectify discrimination in the area of superannuation, let’s do that concurrently or before we pass this bill.’ That does not appear to be acceptable to the government. We can only conclude that it has never been the intention of the Prime Minister or the government to ever do it.

I think it is very hurtful, on the one hand, to focus on this significant minority and vilify and demonise their relationships and them as individuals—in many ways that is probably the worst thing—and, on the other hand, to give partners in same-sex relationships the hope that they no longer have to suffer the indignity and possibly the economic problem of not being entitled to their partner’s superannuation benefits in the case of their partner dying. That is an outrage. It should never be forgotten that in this matter this Prime Minister has again played loose with the truth and has sought to divide the community—and unnecessarily so. I believe that the community will not forget that this is a Prime Minister who is more about vilifying significant minority groups than improving health and education in this country and focusing on things that people in my electorate and indeed all electorates in Australia are wanting to see fixed. That is the blight on this government and this Prime Minister. This is another effort by the Prime Minister to dog-whistle, to see the worst side of humanity and to play to people’s prejudices. In the end, I do not think it will be acceptable to the Australian community, because this country is about a fair go, tolerating people and tolerating their differences.

ADJOURNMENT

The SPEAKER—Order! It being 7:30 p.m., I propose the question:

That the House do now adjourn.

Chifley Electorate: Queen’s Birthday Honours Recipients

Mr PRICE (Chifley) (7.30 p.m.)—Mr Speaker, you will forgive me for recalling the events of last week, when I asked a question of the Prime Minister and, I think, invoked your wrath because I named Glenn Sargeant, the principal of Plumpton High School. I am more than happy to say that I accepted your invitation to go to your office and, without disclosing the nature of our discussion, I am grateful that we had the discussion. I am even prouder now to stand before you and this parliament and say how thrilled I am that Glenn Sargeant, the principal of Plumpton High School, has received an honour in the Queen’s Birthday Honours List. In my question, I referred to Glenn having said that he regretted that a lump sum maternity payment would perhaps encourage some teenagers to fall pregnant. I think it is just fabulous that Glenn has received the award. He is a real champion.

I am sure that members of the House have watched the fabulous ABC documentary Plumpton High Babies. It was the fabulous story of a principal who said: ‘Teenage mums, students falling pregnant, are my problem, not DOCS’s and not charitable organisations.’ We want to encourage these teenagers back into school.’ It is a matter of fact that a lot of the students in that situation who study at Plumpton High are not from Plumpton and not even from my electorate. I commend Glenn. He is a modest guy, a terrific guy. He has a real rapport with students. He would modestly say, ‘It is not really me...
and my leadership; it is the team behind me.’ I acknowledge that. For those that think he is some sort of sloppy principal who is not capable of getting academic results for the high school, Plumpton High School got the best HSC results of all the comprehensive high schools in my electorate. Six of its students scored in the top 10 per cent in the HSC subjects they attempted last year. Overall, it is a very good high school.

Mr Speaker, I hope you understand my double delight when Bernie Shepherd, the founding principal of St Marys Senior High School, was also acknowledged in the Queen’s Birthday Honours List. I know that you and other members have heard me speak about senior high schools for many years. St Marys Senior High School was the first senior public high school in New South Wales. It has an outstanding reputation. It not only attracts more students from the public sector than there are places available but also attracts students from the private sector. In last year’s HSC, 72 per cent of its students were in the top 10 per cent in their subjects. Perhaps I am biased, but I think it is possibly the best high school in Western Sydney. Others might dispute that.

There is no doubt that both principals have marvellously affected thousands of students who have passed through the gates of St Marys Senior High School and Plumpton High School. Knowing Bernie as I do, he also would modestly say, ‘It is not me; it is my team of teachers and, in particular, my students.’ I congratulate Glenn Sargeant, the principal of Plumpton High School, and Bernie Shepherd, founding and continuing principal of St Marys Senior High School, on their awards, which are so justly deserved. I thank them on behalf of the community of the Chifley electorate.

Cook Electorate: Kurnell Peninsula

Mr BAIRD (Cook) (7.34 p.m.)—I wish to draw the attention of the House to a matter of great concern to my electorate. On 27 May, I spoke in the House about progress that had been made on the protection of the Kurnell Peninsula, with the Minister for the Environment and Heritage accepting my nomination for the inclusion of Kurnell on the National Heritage List. Since then, it has come to my attention that the sandmining company Rocla Pty Ltd is preparing to lodge plans to extend its licence to mine sand on the peninsula. Rocla is one of three sand extraction companies that are removing more than 1.5 million tonnes of sand from the neck of the Kurnell Peninsula each and every year.

According to the advice I have received, the New South Wales Department of Infrastructure, Planning and Natural Resources has written to Sutherland Council informing them that Rocla has requested to know the department’s requirements for an environmental impact statement to accompany the development application. It is anticipated that Rocla’s proposal will mirror the one that was lodged in July 2002 and subsequently withdrawn in September 2002, which interestingly was just six months before the last New South Wales state election. I understand that Rocla will apply for rights to extract another 4.5 million tonnes of sand from the peninsula, further weakening the peninsula’s ability to withstand storms and wiping out the last remains of the unique sand dune system that once rose 200 feet above sea level.

I have held discussions with the Mayor of Sutherland Council, Councillor Kevin Schreiber, and the Deputy Mayor, Councillor Steven Simpson, who have informed me that the council will fight any development that will further damage and degrade the Kurnell Peninsula. Sadly, this will be of little effect. The New South Wales Labor government has
made sandmining at Kurnell a ‘designated
development’, which strips the council of its
role as the consent authority for approving
this development even though this proposal
contravenes state regional environment plan
No. 17, which states that sandmining at
Kurnell is to be phased out.

The council has been stripped of its plan-
ing powers. It has no power to reject or
modify Rocla’s plans. A decision over the
future of such a beautiful part of our shire
should be made by locals, not by Macquarie
Street. The so-called green Premier Bob Carr
and his local representative, Barry Collier,
the Labor member for Miranda, need to step
up to the mark and rule out once and for all
any support for the further destruction of
modern Australia’s birthplace. The New
South Wales Labor government needs to act
now to stop this proposal in its early stages.
Bob Carr and his Labor government must
find alternative sources of sand for the con-
struction industry. It is simply not feasible—
and certainly not responsible—to continue to
destroy this irreplaceable part of our nation’s
history.

It might interest the House to know that,
while Labor is sanctioning the wholesale
destruction of Kurnell on the one hand, the
New South Wales Labor Minister for the
Environment was reported in the Daily Tele-
graph on 11 June and in the St George and
Sutherland Shire Leader today lamenting the
damage to the little tern colony at Kurnell
and talking about the need for more sand on
the site to keep it safe from feral pests. The
New South Wales government are about to
spend $1.5 million on protecting the little
tern, which is an admirable project and one
that I fully support. Meanwhile, however,
they are working through an approval to al-
low Rocla to finish the job at Kurnell and
ensure that there is not one piece of sand left
anywhere above sea level on the peninsula.

Construction in New South Wales is fac-
ing a serious problem in that between 2005
and 2010 there is going to be a supply crunch
as Kurnell, Penrith Lakes and the Southern
Highlands supplies of sand become ex-
hausted. The New South Wales Labor gov-
ernment has sat on its hands since it was
alerted to this problem in late 1995. The al-
ternatives that need to be looked at and ex-
amined include proposals to extract sand
from Newnes, Richmond lowlands and
Stockton.

In terms of that proposal, the Newnes
Kaolin sand mine proposal is perhaps one
that is ideal. It is located next to the Clarence
colliery, next to an existing Cable’s sand
mine and adjacent to the Rocla quarry. This
site would provide various types of sands,
including construction sand, specialty sand
and kaolin products. The deposit has a mine-
able life of 21 years, with the extraction of
25 million tonnes. The total reserves of sand
on the site are equivalent to 35 million ton-
nes. This site would provide a total replace-
ment for the mines that are operating at
Kurnell.

The site has a direct rail link to Sydney.
The proposal provides for no onsite process-
ing or washing of the sand, reducing any
environmental impact on the surrounding
areas. Under the proposal that has been put
to the New South Wales government, a con-
dition of the approval to mine the site would
be the progressive rehabilitation of berms, a
terraced landscaping, which would leave the
site fully wooded and rehabilitated at the end
of the mining lease. Currently, kaolin has to
be imported from overseas. (Time expired)

Hasluck Electorate: Gosnells City
Business Association

Ms JACKSON (Hasluck) (7.39 p.m.)—I
would like to take the opportunity this eve-
n ing to congratulate the people and local
businesses responsible for the recent forma-
tion of the Gosnells City Business Association. As their membership material states, the Gosnells City Business Association was formed with the intention of developing an active and progressive association to represent and promote business within the City of Gosnells. The association is particularly concerned to promote greater opportunities for small and home-based business within our local area. I would particularly like to acknowledge the president, Ramon Lawrence, and his executive committee of the association, including Don Cameron, Kevin Brown and Russell Lawrence, for their hard work and dedication in getting the GCBA off the ground.

The Gosnells City Business Association works closely with other local organisations such as the City of Gosnells, the Gosnells-Armadale Business Enterprise Centre and the tourist centre in order to provide both support and opportunities for local business. It is through this close networking, fostering partnerships and relationships among local businesses and community organisations, accompanied by strong investment that the local economy will continue to prosper. The Gosnells City Business Association has already had three successful functions, including its launch, and its membership is starting to grow rapidly. I wish it every success in its endeavours and look forward to continuing to work closely with it on issues affecting business in my electorate.

I mentioned that the Gosnells City Business Association was working with many local organisations, especially the City of Gosnells. I have previously acknowledged the City of Gosnells for their innovative and strategic urban renewal agenda. A very deliberate objective of this agenda has been to revitalise the area and to inject new life into the business sector in Gosnells. They have set themselves some very challenging targets, but they are succeeding.

I will refer to a couple of the projects in the time I have available. In particular, I want to talk about the Gosnells town centre project. Many members would be aware that it is often the town centre that is the heart of a local area. It is important that we continue to see a vital business sector as well as an active community presence in our town centre. Some five years ago the City of Gosnells were advised that the level of business vacancy rates had grown substantially, to the point where some 49 per cent of premises were vacant in the town’s city centre. I can say that in the last three years there has been a remarkable turnaround. Indeed, in the recent retail survey that was undertaken for the Gosnells town centre project, the outcomes of this revitalisation are truly significant and worth acknowledging—not the least of which is that the premises vacancy rate has fallen over the period of the project to a rate of some 10.5 per cent, from a high of 49 per cent. This is an amazing turnaround in a very short period of time. The Gosnells town centre project is only partially completed, with a new train station at the end of Main Street currently under construction, so we hope that the news will get better.

Just to give you an idea of the impact on the estimated value of land in the area, prior to the commencement of the project—that would have been in January 1999—it was valued at some $20 million; the estimated value of the commercial land in the study area now, as at the most recent retail survey, was $30 million. So the value added, largely attributable to the revitalisation scheme and project, has been some $10 million. We have already seen many new businesses attracted to the Gosnells town centre that have opened for business in our area, and we look forward to increasing numbers of new retailers and businesses moving into Gosnells. We have also seen, with a substantial investment from the City of Gosnells, the ability to lever and
attract significant private sector investment into the City of Gosnells project. I congratulate them for their project, for the shared vision and broad involvement they have attracted in the community, for their proactive and strategic planning and for the fact that they have adopted sustainability criteria. I look forward to continuing to work with the Mayor of the City of Gosnells, Councillor Pat Morris, her council, chief executive officer Stuart Jardine and his staff on this exciting project to build a better and safer place to live. (Time expired)

Roads: Ipswich Motorway

Mr CAMERON THOMPSON (Blair) (7.44 p.m.)—I rise to speak tonight because in my region various Labor apparatchiks continue to be ignorant advocates of the state government’s stillborn six-lane Ipswich motorway proposal. The Commonwealth has rightly rejected this crazy scheme and opted instead for a plan to extend the Logan Motorway to join the Warrego and Cunningham highways at Dinmore. This will create eight lanes over two routes instead of the state government’s proposed six lanes over one route. Obviously it will create much greater carrying capacity and it will be completed in half the time with half the hassles because during the process traffic will not disrupt construction and vice versa.

Tonight I want to turn a blowtorch on various elements of the ill-fated six-lane scheme, which, so far through the expenditure of the state government, has cost Australian taxpayers $10.6 million. The state minister and his acolytes have continued to refuse to acknowledge that the proposal they put forward had an eight-year time frame, which obviously for the residents of Ipswich would mean an eight-year long car park on the most heavily congested road in south-east Queensland.

The report which the state government produced said again and again that that work under their proposal could not be done any more quickly than in 7½ years. For the information of members I intend to read various sections of the Kellogg, Brown and Root report wherein this 7½ year long minimum time frame is restated. This has cost the taxpayer a total of $10.6 million. Firstly, in their executive summary, Kellogg, Brown and Root say:

A priority of delivery of the upgrading on a section by section basis is given, together with an overall program for delivery over seven and a half years.

Economic Associates Pty Ltd in their submission to the report dated 18 June 2003 input the assumption:

Construction takes place over seven and a half years ...

Again, Economic Associates Pty Ltd in the same submission say:

... construction will take seven and a half years between 2004 and the middle of 2011.

Having cleared up that point, I would like to move on to another important issue—the question of the traffic volumes on our road. This entire state government’s shonky study was based on a projection that we would have traffic of, I think, between 80,000 and 118,000 vehicles a day during the period of construction on the Ipswich motorway. In fact, Kellogg, Brown and Root in their part of the July 2003 report at 1.1.7 state:

Average weekday traffic volumes on the present four-lane divided motorway, as recorded in 2001, vary between 52,500 at the eastern end and 76,800 at Goodna, with Fridays averaging 55,000 and 81,900 respectively.

That is what it says in the report. They were basing their figures and projections on the capability to build the road on figures from 2001. However, the Queensland transport minister, Mr Lucas, has let the cat of the bag.
What is the actual traffic capacity? In answer to a question without notice on 18 March 2004 he said, ‘It is reaching its capacity of some 99,000 cars per weekday’. The ALP has said on a web site that the real figures for 2000 were 92,800 vehicles a day; for 2001, 92,450; for 2002, 95,140; and, for 2003, 99,073. That means that the whole basis for the state government’s study was a discount of the real level of the traffic on that road by 20 per cent.

It is completely unfeasible and impossible for a study to prove that a road can be built in 7½ years or less when the level of traffic during the construction process has increased by 20 per cent. That is not a fantasy; that is reality on the Ipswich motorway today. We do not have 80,000 vehicles a day; we have over 100,000 vehicles day, and that gives the lie to the entire basis for the state government’s six-lane plan. There is no way that in 7½ years, with all the disruption of digging up the road every day, they could then proceed with the level of traffic at 99,000 vehicles a day and likely to reach a maximum of 140,000 or 150,000 vehicles a day during the construction period.

Health and Ageing: Aged Care

Ms HALL (Shortland) (7.49 p.m.)—Yesterday we debated the Aged Care Amendment Bill in this House, and the member for Herbert said:

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.

I do not think I have had a single question about aged care in my electorate ...

This is in stark contrast to the situation in the Shortland electorate. When I visited the member for Herbert’s electorate the issue of aged care was raised with me. Today I have had two complaints from aged care providers, and in the last seven days I have had five complaints from families of frail aged residents of the Shortland electorate.

The issue I would like to raise tonight relates to the complaints I have received today from two quality residential care facilities in the Shortland electorate. These facilities have recently been subjected to the government’s review process—or, should I say, clawback process—which reviews the classifications of residents within their facilities. It is purely a paperwork audit. Both facilities have had residents downgraded and both have followed recording procedures that were recommended by previous assessors and validators. They thought they had done right thing. One assessor says one thing and when the next assessor comes through they look at the paperwork in a totally different way.

Both facilities referred to inconsistencies and a moving of the goalposts and were completely bewildered. They felt that it did not make sense. One patient that was described to me has Parkinson’s disease, is quite incapacitated and needs a high level of care. The previous assessor had told the facility to write that this person needed physical therapy. The next validator that came through said that there was no such thing as physical therapy and the patient was downgraded because they did not agree with what the previous validator had recommended.

One facility was downgraded because liquid paper was used on records, but the report that recommended the downgrading had had liquid paper used on it—quite an inconsistency. The records were referring to a resident that had been reclassified down. Under question 12 on emotional dependency it was written that the resident was isolated and withdrawn, that her condition was worsening and that she did not like to associate with other residents. It then referred to question 10, which was related to noisy and intrusive
characteristics—obviously this resident did not satisfy those criteria—or question 14, obsessiveness, which she did not have. Because she had a withdrawal and isolation problem she was downgraded.

According to the records of another resident, ‘puffer’ was ticked in two places. The RCS says you should not double-dip, but the facility was told to tick ‘puffer’ in two places. Another resident was downgraded by 16 points, and another, who the facility considered as low care, was reclassified as requiring the highest level of care in the facility. They are quite bewildered by it.

The issue is the inconsistency and the impact that this is having on the staff that work within these facilities—staff that truly believe that they are there to provide care to the residents in those facilities. Facilities have been advised that they should immediately start the reassessment process because they can see that the care is being given to the patients, but they have been downgraded purely on paperwork. The minister visited the Central Coast recently and was questioned about the audit process and was very noncommittal. Quality aged care facilities continue to lose money and have to go through a review process to have the residents reclassified to their previous levels. Meanwhile, the facilities lose money and the staff are demoralised and frustrated. They believe they do a good job for the residents and that their work should be recognised.

(Time expired)

Health: Child Obesity

Ms GAMBARO (Petrie) (7.55 p.m.)—In September last year, I wrote to the health minister and to the Prime Minister about the alarming problem of obesity, particularly childhood obesity, and its impact on national health. At the time, despite shocking statistics which showed that Australia already faced significant long-term economic and health damage caused by obesity, my concerns did not raise much national response apart from a very small article in the Australian.

It now seems I may have been just a little ahead of the times. Subsequent awareness campaigns and media coverage of the problem both in Britain and in the USA have focused great public awareness on the issue here. An article in the Courier Mail of 2 June quotes a 21-year-old who endorsed the need for obesity prevention to start in schools. It also quotes a Dieticians Association of Australia member who now has children and teenagers as one quarter of her clients, compared to seven years ago when they represented just five per cent of her clients. The article pointed out that 28 per cent of girls and 27 per cent of boys in Australia are now overweight yet 40 per cent of our children do not engage in sport or any physical activity.

In now putting the issue squarely on the national agenda, the Prime Minister has also addressed the burning issue of childhood obesity, calling for a return to regular sports days in schools and echoing my belief that, for national anti-obesity programs to work, they really must start in early childhood. The Prime Minister’s proposal for a return to an active obesity prevention program through school sports activities is not just good but urgent.

In my own electorate, it is already happening. In January, the Redcliffe PCYC held a sports expo to promote fitness among local children and families, and its co-ordinator, Sergeant Mark Mawn, underlined at the time how benefits of childhood fitness flowed into the wider community. And just a couple of weeks ago I attended Norris Road State School for a healthy breakfast morning, where they were encouraging children on the food choices they should make. It was a very successful morning. From a community po-
liceing point of view, it is important to get as many kids involved in sport as possible. They learn about teamwork and rules and how to get along with people. They may not realise it, but it is not just about sport; it is about life skills.

As I pointed out in letters and in a subsequent article in the *Australian* of 7 January 2004, the benefits of combating obesity and reversing the tragic impact of this lifestyle associated disease flow into our society at many levels, not least in taking the enormous financial burden off taxpayers of the exorbitant cost of obesity to our national economy. The figures, as I pointed out in my letter and newspaper comment last year, are shocking: 60 per cent of Australians are overweight and the figure is rising.

The Australian Institute of Health and Welfare report released last September showed that 3.3 million adults are clinically obese and 5.6 million are overweight—and that is a dangerous level. Also, 20 to 25 per cent of Australian children are now clinically overweight or obese—double the prevalence recorded in 1986. That is not far behind the terrifying American situation where 75 per cent of the population is overweight, and we are rapidly catching up. The cost in human and economic terms is high. As we prolong our lives, we spend almost 20 extra years receiving drugs for heart and blood pressure problems and diabetes brought on by obesity.

I received responses from the health minister and the Prime Minister last year pointing out that, to be successful, my anti-obesity campaign endorsed by the government could not be punitive and would have to focus on individual responsibility. I agree with that. My proposal suggested a reward system which encouraged people to take control of their own weight by monitoring it as body mass index, taking their weight over height through the guidance of a GP and, through this, rewarding any sustained improvement through a decrease in the Medicare levy or reduced premiums on health insurance.

I also addressed the problem of childhood obesity prevention through awareness campaigns run collaboratively with youth sports organisations and schools. This suggestion is certainly gaining ground. I am very pleased to announce that the government endorsed it at a national level in November 2003 at the Australian Health Ministers Conference, where it unveiled its proposal for a national agenda called ‘Healthy Weight 2008—Australia’s Future: A National Action Agenda for Children and Young People and their Families’.

Question agreed to.

House adjourned at 8.00 p.m.

REQUEST FOR DETAILED INFORMATION

Biographical Dictionary of the Australian Senate

Mr LEO McLEAY to ask the Speaker:

(1) What sum has been spent to date on the production of the Biographical Dictionary of the Australian Senate.

(2) What are the publication arrangements for the project.

(3) What is the sale price for each volume.

(4) How many volumes have been sold (a) in total, and (b) this financial year.

(5) For which periods has a volume been published to date.

NOTICES

The following notices were given:

Mr Ruddock to present a bill for an act relating to foreign travel documents, persons in relation to whom ASIO questioning warrants are being sought, associating with terrorist organisations, the transfer of prisoners, forensic procedures, and for other purposes. (Anti-terrorism Bill (No. 2) 2004)
Mr Ian Macfarlane to present a bill for an act relating to the regulation of energy markets, and for related purposes. (Australian Energy Market Bill 2004)

Mr Ian Macfarlane to present a bill for an act to provide for the Australian Energy Regulator, and related purposes. (Trade Practices Amendment (Australian Energy Market) Bill 2004)
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Immigration: Children

Mr ORGAN (Cunningham) (9.40 a.m.)—Last Thursday, 10 June, at 4.15 p.m. I attended a bell ringing ceremony at Wollongong Town Hall with over 100 local residents of all ages, including lots of kids. The ceremony marked the end of the four-week deadline set by the Human Rights and Equal Opportunity Commission calling on the federal government to release all children from Australian detention centres and residential housing projects. The deadline was contained within HREOC's 925-page report A last resort? National inquiry into children in immigration detention, which was tabled on 13 May 2004.

In a rather pathetic, heartless move, the report was immediately attacked by the government, and its major findings and recommendations rejected. The minister labelled as 'disappointing' the report's recommendation that there should be a presumption against the immigration detention of children and that family unity should be preserved. What a disgrace! The government attached the label 'backward looking' to a scathing report which actually brought it to account for its shameful treatment of children and their families in immigration detention centres since 1996. This report is a damning indictment of the mandatory detention regime introduced by the ALP in 1992 and expanded upon and made more harsh and inhumane by this government.

More than 150 children remain in detention as we speak. These detention centres are nothing less than prisons, and they have had, and continue to have, a damaging effect upon the detainees. A last resort? contains numerous examples of the damaging physical and psychological effects imprisonment is having on refugees and asylum seekers of all ages, but of most concern is the long-term effect on children. At the bell ringing ceremony last week I spoke with local psychiatrist Dr Neil Phillips, who outlined concerns amongst the profession in Australia over the long-term psychological effects detention has on young people. During my visit to Villawood detention centre last year I saw aspects of this tragedy. I saw children in a prison, behind razor wire and high gates. These children are subject to shocking events—people on hunger strikes, others committing suicide or harming themselves, and individuals experiencing physical and mental breakdowns.

The detention of children is a national shame—a national disgrace. The people of Australia know this, children in our schools know this, the world community knows this, and the thousands of Australians who rang bells last week know this. Yet the government persists with its heartless behaviour. And its excuse? The children are meant to deter people-smugglers. That is right: the government openly admits that it is using these children—abusing these children—in order to deter people-smugglers. This is nothing less than sickening. Until mandatory detention in Australia is abolished, until the present inhumane system is gotten rid of and until children, young people and others are released from these inhumane detention centres, where some people have been languishing for over five years, the bells must keep ringing. As the report revealed, the present mandatory detention regime is fundamentally inconsistent with the United Nations Convention on the Rights of the Child.
Environment: Hawkesbury River

Mr BARTLETT (Macquarie) (9.43 a.m.)—Anyone who has been in the Hawkesbury over the past few months will have been appalled to see the massive outbreak of aquatic weed Salvinia molesta which is choking large reaches of the river, especially around Yarramundi, North Richmond, Windsor and immediately downstream. In addition to the obvious environmental problems, it is affecting recreation on the river and local tourism. Locals and visitors might also see two weed harvesters working on the river currently pulling out around 250 tonnes of weed a week from the river.

The question is: why has this very serious problem developed? It has happened for a combination of reasons: firstly, high nutrient levels from a number of sources, but largely from the 30 or so sewage treatment plants along the river and its tributaries; secondly, the low level of water flow because of the prolonged drought preventing the river being adequately flushed out—this means that the bulk of the flow in low rainfall times is largely treated effluent; and, thirdly, the high temperatures over summer and autumn which allowed the Salvinia to grow so quickly, doubling in biomass every 72 hours. The fact is that the New South Wales government should have acted much earlier to address this outbreak. It was not until the Commonwealth committed $300,000 to assist in leasing two weed harvesters that the state government matched the offer.

Anyway, at last, local state and federal authorities are working together with the catchment management authority to address the current infestation. However, this does raise longer-term issues of river catchment management. Firstly, while the drought has exacerbated the problems of low water flow, there are serious long-term questions about the inadequacy of Warragamba Dam to meet the water needs of Sydney’s growing population. This issue must be addressed or the low levels of flow in the Hawkesbury River will be a perennial problem with the associated impact on water quality, weed outbreaks and other issues.

Secondly, the New South Wales government must seriously plan for Sydney’s long-term water needs. Thirdly, the 30 sewage treatment plants in the catchment must be improved to reduce the nutrient levels of effluent flowing into the river. Fourthly, proposals to allow large-scale housing developments within the catchment must be deferred until these fundamental infrastructure issues are addressed. The 70,000 to 90,000 houses planned for the Bringelly area must not go ahead until acceptable infrastructure is put in place. It is not acceptable that the Hawkesbury River continues to bear the brunt of the long-term planning and infrastructure failures of the New South Wales government. Whichever party is in office in New South Wales, these long-term issues must be addressed as a matter of urgency.

Roads: Sisters Hills Road

Mr SIDEBOTTOM (Braddon) (9.46 a.m.)—I would like to talk about roasts and toasts. First of all, I would like to talk about toast, seeing as I have just had some. I would like to congratulate the shadow minister for transport and infrastructure, Martin Ferguson, who was kind enough to come to my electorate on Sunday, 6 June—a very momentous day—and announce a $15 million commitment to the Sisters Hills Road, which is on the Bass Highway west of Burnie. It was the next day, of course, that the federal government’s much touted AusLink—or ‘AusShrink’, as was the case in Tasmania—was announced, but they did not announce the Sisters Hills Road as a priority for AusLink. They accused the state government of not prioritising it.
In actual fact, I have seen the very documents that the state department used with the Commonwealth, and the state government did prioritise it as a road of strategic regional importance. The reason the Commonwealth did not prioritise it was that it did not fit the Commonwealth’s own criteria for what constituted the national road network or something equivalent to the national highway system. That was the very reason. Along with Kevin Jones and Trevor Duniam of the lobby group to improve the Sisters Hills Road, Mayors Roger Chalk, Ross Hine and Alwyn Boyd, and the very honourable minister Bryan Green, who is responsible for this portfolio in the state government, I was able to stand with Martin Ferguson and announce funding for this very important road.

The state Liberal opposition caned the state government for not including funds for this road in this year’s budget. But, in actual fact, the alternative budget under the shadow Treasurer, Mr Brett Whiteley, from my local patch, did not include it as well. We have also had local Liberal Senator Colbeck running around saying he is a great supporter of this road, but he has done nothing—as is the case with wind power recently, in this so-called energy white paper—to lobby the federal government to fund this important road. So the only commitment of funding for this road is from federal Labor—like it did in 1998, like it did in 2001 and, I am very grateful to say, like it has done in 2004, with a pledge of $15 million. This will provide funding for the first five priorities of the 13 that were determined in a public consultative process to bring about the most important priorities for that road. So federal Labor is committed to that and I am very proud of that. I now call on this Commonwealth government to match those pledged funds.

Environment: Policy

Mr HAASE (Kalgoorlie) (9.49 a.m.)—I rise this morning to bring attention to the incredible announcement by our Prime Minister yesterday regarding energy use in this country into the future. There has been incredible frustration in the minds of miners and agriculturalists across this country with the fine print of the existing off-road and on-road diesel fuel rebate, and that has now been clarified once and for all.

Agriculturalists know that they will get a rebate for the excise paid on diesel fuel used into the future, from this point on. Those who are using marine craft for professional charter work will know that, regardless of the fuel used in their vessels—and I know that some in my electorate are running on unleaded petrol—they will in future be able to gain an excise rebate for the fuels used in those vessels. They have not been able to do so in the past; it has been a total confusion. Agriculturalists involved in grain drying who use diesel fuel for that energy purpose have not been able to get a diesel fuel rebate on that energy so used.

Quarriers, as opposed to miners, have not been able to get a rebate on the diesel used in the machinery in those quarries. Those involved in the construction industry have not been able to get a rebate on the diesel used in their industry. In the past, those using machinery on haul roads in the mining industry have not been able to get a diesel fuel rebate on graders under 20 tonnes or water trucks involved in that activity. From now on, they have certainty with regard to those areas. It is not before time that an announcement has been made that gives certainty to our energy rebates for mining, marine and agricultural use. It is a very welcome announcement. The feedback from my electorate has been overwhelming since the Prime Minister made his announcement, and my folk are absolutely satisfied.

Mr Sidebottom interjecting—

MAIN COMMITTEE
Mr HAASE—I suggest that the situation in Tasmania must be indeed bleak, because they cannot see the wood for the trees. I am very pleased to announce that this situation is improving the lot of my farmers and my miners. They will in time realise the exact benefits that are in mind here—there will be no need, in the future, to check the fine print of the arrangements for rebating of fuels. It is also very pleasing to see that we have half a billion dollars invested in making our coal industry, into the future, a cleaner source of energy through the geosequestration of carbon dioxide. It is not before time that this move has been announced, and Australia will be better off for it.

Agriculture: Dairy Industry

Ms O’BYRNE (Bass) (9.52 a.m.)—The dairy industry in Tasmania employs some 1,900 people in dairy farm production, as well as influencing the state’s broader agricultural manufacturing sectors. But dairy farmers in Bass and the rest of Tasmania are hurting. There has been considerable restructuring of the industry, resulting in changes that have placed stress on the business aspects of running a dairy operation as well as personal stress on families and the broader communities.

In 2002-03, ABARE reported that dairy farm cash incomes fell by the largest amount in 27 years to around $31,000. This was the result of two principal pressures: increased costs of production and lower prices for milk. Of course, it is easy to label this aberration as a structural adjustment or a restructuring—terms that effectively dehumanise the pressure being applied to squeeze the little guys out. The uncertain future viability of the dairy industry has to be acknowledged, particularly in relation to milk prices, supermarket power, water entitlements and security, and the barriers to attracting younger people into the agricultural industry.

The Australian food industry is big business. Total consumer expenditure on food is around $75 billion, or 45 per cent of total Australian retail spending. Food processing accounts for $55 billion of this, with dairy being 15 per cent, or $8.25 billion. Supermarkets account for 65 per cent of retail sales, or $48.5 billion. No wonder supermarkets are driving down the price paid for milk. Supermarket power, when used to drive commodity price lower than the cost of production, is market power misuse—and that is the message I am receiving from dairy farmers in my electorate.

ABARE reported that the number of dairy farms in Australia has halved since the 1970s, yet Australian milk production has more than doubled in the past 20 years. The average dairy herd size in Tasmania has doubled in the past 10 years, yet the number of farms in the Tasmanian industry has declined. Average dairy herd sizes are increasing and the number of small dairy herds is decreasing, so we have small farmers being squeezed out.

The member for Murray told the ABC on 13 May 2004 that she wants Victorian dairy farmers to take their fight for better prices to suppliers and supermarkets. I do not dispute the need for this action, but I have to say that I am really disappointed that the member for Murray did not seek some kind of government backing for an industry round table, because dairy farmers in my electorate are after some level of government support—not just being told to go and talk to someone else about the problem.

In May, the New South Wales Farmers Association said: ‘Current farm-gate prices aren’t sustainable. Many dairy farmers have had the same price for three years.’ The New South Wales Farmers Association often talk in code, so let me do a bit of translation. They are ask-
ing the government to jump out of the conga line and help suffering dairy farmers and communities. When dairy farmers are holding signs, as they did in front of the Prime Minister in April, saying, ‘Milk is cheaper than water; dairy farmers must survive,’ the government should take action, not tell them just to go off and fight their own battles. I urge this government to urgently undertake an immediate and comprehensive response to address these issues that are crippling the dairy industry, an industry that employs some 1,900 Tasmanians.

Parramatta Electorate: Kingsdene Special School

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Treasurer) (9.55 a.m.)—A few months ago, the 20 families of the kids with profound disabilities at the Kingsdene Special School in my electorate received letters from the council of Anglicare New South Wales saying that Kingsdene Special School would close at the end of this year because it is currently costing Anglicare just under $1 million a year to fund.

By way of background: Kingsdene caters for kids with the most profound disabilities, including severe autism, uncontrolled epilepsy and Rett syndrome, which not only is an intellectual disability but also affects muscles, meaning that the kids require a wheelchair. Two of the kids have Angelman syndrome, which is a severe intellectual disability accompanied by lots of distraction behaviour, constant laughter and flapping of the hands. The central nervous system is affected and it requires lots of support in order to control those kinds of behaviours. The school has developed over the last 27 years as a dedicated, purpose-built residential and educational facility. The property has a bike track, a beautiful hydrotherapy pool—an oval, two playgrounds and a residential facility for the kids with the highest needs of all.

To close this facility would, in my judgment, be a tragedy. Let us look at the cost of its replacement. This piece of land, which is in the centre of my electorate, at Telopea, in metropolitan Sydney, is conservatively estimated to be worth $15 million. Anglicare could close the school and sell up tomorrow to make way for medium-density development. Anglicare are saying that they are prepared to continue providing that purpose-built infrastructure. The parents desperately want the school to stay open: they love their children, they love the teachers and they enjoy complete trust and confidence in each other. I know many parents of kids with serious disabilities do not take advantage of respite care opportunities because they do not have the confidence in the revolving door of carers that provide the care, whereas here you have a beautifully strong community.

My parliamentary colleague Brendan Nelson has committed to sit down and host a roundtable with his state parliamentary colleagues Andrew Refshauge, the minister for education, and Carmel Tebbutt, the minister for ageing, disability and home care. Also at the roundtable meeting will be Peter Gardiner, the CEO of Anglicare; Gloria Boyd, the principal of the school, who will be ably supported by Mary-Lou Carter, who is a great agitator on behalf of the parents. A solution must be found to this problem, because closure of the school is simply an unacceptable and irrational outcome. (Time expired)

The DEPUTY SPEAKER (Hon. J.R. Causley)—Order! In accordance with standing order 275A the time for members’ statements has concluded.
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 15 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
(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”.

Ms LIVERMORE (Capricornia) (9.59 a.m.)—Before I finished last night, I was talking about the problems that the cuts to the Commonwealth dental scheme have been causing in my electorate, and I was talking about a family who came to see me. The mother, Susan, came to see me just last week, pleading with me to get help for her 12-year-old daughter, whose teeth give her constant pain and cause her dreadful embarrassment, due to serious overcrowding that requires extensive orthodontic treatment.

Susan’s family situation is typical of so many in the community. Her husband works in a sales job that pays a base rate plus commission so his income fluctuates from week to week, sometimes by hundreds of dollars. He also does security work on weekends when he can get some hours and, again, this causes the family income to vary from week to week. All in all, the family’s income is impossible to predict from one month to the next, much less a year in advance as they are required to do by the government system if they want to receive the family payments to which they are entitled.

When Susan tells Centrelink that she cannot estimate her family’s income a year in advance, she is not trying to be difficult; she is being honest. I am sure that in a perfect world she and her husband would love to know exactly how many cars he will sell in a year and how many hours he will be called in to his security job. It would save them many anxious moments when business is slow. But this family, like millions of others, do not live in that...
perfect world. They do the best they can in the circumstances in which they find themselves. Sadly, however, they are being penalised by the current system for doing just that.

Susan tells me that her family has been hit with debts for overpayments of benefits three times, despite her best efforts to keep Centrelink informed of changes in the family’s financial circumstances. She has now taken the difficult option of overestimating her husband’s expected income for this year by quite a few thousand dollars. So, in those weeks when her husband’s income falls well short of the estimate—and that is not unusual, given the tight economic times facing Rockhampton—they are also receiving less Centrelink benefit than they are entitled to, just so they can live without the spectre of a debt at the end of the year. How could anyone say that the government system is working for this family?

Even worse for Susan and her family has been this experience of trying to get their daughter’s teeth attended to in the public dental system. Their fluctuating income and the Third World waiting list have combined to deny this young girl the treatment that would end her pain and end the merciless teasing she has to endure at school each day. Susan tells me that her daughter has been on the waiting list at the Rockhampton Base Hospital dental clinic for five years. For most of that time, the family was entitled to a health care card, which would have allowed her to receive the orthodontic treatment that she so desperately needs free of charge. However, the family’s circumstances have changed, with two older children moving out of home, so they no longer have a health care card and have no way of paying for treatment they have been told will cost between $10,000 and $15,000.

I guess you could say that we in Queensland are the lucky ones because at least our Labor state government has struggled on alone keeping the public dental health program going, even after the Howard government abandoned its responsibilities in this vital area. But that is of little comfort to this family, who languished on an impossibly long waiting list only to see their hopes of treatment vanish once Centrelink deemed their circumstances ineligible for a health care card. I would like to see the Prime Minister explain to this little girl why his government does not think a public dental program is a priority in this country, or perhaps he would like to accompany her to school to help defend her against the cruel remarks from other students that are making her life a misery each and every day.

The second family I wish to mention is another example of the government’s failed family tax benefit scheme coming back to bite families when they need help the most. We have heard about the many thousands of families who have had their tax returns clawed back by this government to repay family payment debts that were incurred despite people’s best efforts to keep Centrelink informed of their changing income. Losing your tax return that you had banked on to get ahead on the mortgage or to pay off the credit card is bad enough, but this family had their baby bonus clawed back. So here is a family who had heard all the hype about the government’s baby bonus and were in that small group of families who are actually able to take advantage of it and, instead of the baby bonus coming along to help them get over the reduced income and increased expenses that usually come with a new baby, the baby bonus went straight to Centrelink to pay off family tax benefit debt.

For three years now the government’s family payment system has not been helping families; it has been trapping them. The government knows that, and that is why it is going to such great pains to hide the results of its flawed system until after the next election. On behalf of
the families in my electorate, I am calling on the government to once again spare us the political fix and instead fix this system so that it works for families, not against them.

I would like to use my remaining time this morning to speak up on behalf of the thousands of people in Capricornia who are forgotten in this highly political budget. I am talking about the 87 per cent of people in Capricornia who earn less than $52,000 a year and who this government has deemed unworthy of tax relief and unworthy of recognition for the hard work they do and the struggle that they face in making ends meet for their families. One of those families came to see me at a mobile office that I held in Rockhampton recently. They actually came to see me before the budget. When they told me their situation I assured them that they were exactly the kind of middle-income family who surely could expect assistance and tax relief in the budget. Surely the government would do something to help those families in the middle range of income who were being squeezed by all the extra burdens the government was putting on them in terms of health expenses and the increased costs of getting their kids educated. So there I was actually giving the government some credit in advance of the budget. Well, I will not be doing that again, because I was proved totally wrong.

In the family I am talking about, the father earns $48,000 before tax. So he falls under that $52,000 threshold and there is no tax relief for him. The family routinely overestimate their income to avoid Centrelink debts because they have learnt from experience that they cannot trust the government’s hopeless family payments system not to trap them, like it has trapped so many others. This family have teenage children. The family complained bitterly to me that this government expects them to support those children financially until the age of 25; they are considered to be dependent on the family until that time. All in all, this family are struggling—and they are not the only ones, as any member on this side of the House can tell you. The mother of the family, Robyn, told me that their daughter has been forced to leave university because the family just cannot afford to keep her there. Of the group of six friends who started uni together, four have now dropped out for financial reasons. For example, I think she quoted a figure of $700 for this girl’s textbooks at the start of the last semester. It was just too much for the family to cope with, having three other children to care for as well.

I gave the government a bit of credit before the budget, but there was nothing in there for that family. Fifty-two billion dollars of spending later, there were no answers for this family coming out of the budget. It just goes to underscore the point that, when there is an election approaching, this government, as we have seen time and time again, is happy to throw around billions of dollars in the interests of its own re-election. But because the government is so out of touch with the lives of ordinary people, the money does not go to those who need it the most. There are thousands of those people living in Capricornia and they have been badly let down by this government. I hope they will have the chance very soon to cast their judgment on this government that has abandoned them so comprehensively.

Mr NEVILLE (Hinkler) (10.07 a.m.)—I have no hesitation in saying that the 2004 federal budget is one of the best I have seen in my time in this parliament. To me it has the right mix of measures to help Australian families as well as business and community groups. I seldom disagree with my colleague the member for Capricornia. We are good friends and we are neighbours. But I would like to correct two things she said. Firstly, she implied that the need for a dental scheme was somehow the fault of the federal government. For 99 years of 103 years of Federation, dental health has been the responsibility of the states. Towards the end of
the Keating term the then government decided to give the states a four-year catch-up program. You would remember that, Mr Deputy Speaker Causley, because you were a minister at that time in the New South Wales government. All the states were given this four-year catch-up. When the current government, the Howard government, came to power, we did not stop that program; we finished it. We finished the four-year program. It was never the intention of the ALP to continue that program, because there was absolutely no provision made for it in the forward estimates. It was made very clear to the states that it was a catch-up program. As the Commonwealth puts the money in the top of the bucket, some states inevitably take it out of the bottom of the bucket. In this particular instance you could not say that this government or the Commonwealth in general did not fulfil its obligations. Neither the Keating nor the Howard governments failed to complete what they said they would do.

I ask a question of the Queensland government. With a budget surplus of $2 billion and a responsibility for dental health care resting with the state government, why in heaven’s name would Mr Beattie not put appropriate funding now into the dental health scheme that he and the Goss government neglected for so many years? The second point I would make—

Mr Danby—It was a federal scheme.

Mr NEVILLE—No, it was not—you just did not hear what I said. For four years it was a catch-up program. It was never anything else but that. Your government did not intend that it should go any further. You did not even include it in the forward estimates. The second point made by my good friend and colleague the member for Capricornia was that somehow the federal government was cruel to the people earning less than $50,000 a year and that somehow they had missed out. Let me remind you that everyone earning from $20,000 up to $52,000—and now, in the coming year, as a result of this budget, it is up to $58,000—of income will be taxed at 30 per cent. I remind my ALP colleagues that when they were in power that same group was taxed at 34 per cent and 43 per cent. While you might argue that that group is not appreciably better off in terms of taxation, you cannot argue that they are any worse off, because clearly they are not. And if you add the family tax benefits to it, they are appreciably better off.

Today I would like to particularly address what is perhaps Australia’s most pressing problem—that is, the ageing population. We all know we are an ageing population. It is not something to be afraid of, but it is something to make provision for. That is something that this government has done from day one: it has taken aged care very seriously. Since we came to power in 1996, we have increased aged care funding from $3 billion to $6 billion. Over the next four years, we will be investing $30 billion or, if you like, an average over those four years of $7½ billion a year. That is a massive increase over what the previous government was doing and way in advance of anything like inflation or MTAWE. A big part of that expenditure is increasing the number of available aged care beds for older Australians. When the Keating government left power we were woefully short of aged care places, with only 149,000 beds for the whole of the country. That was even 10,000 short of the then ALP government’s own targets.

We inherited a system in dire straits. Since 1996, we have set about remediating that appalling situation by putting more beds and facilities into the aged care system. The number of aged care beds has grown by 37 per cent to 204,000. Our latest aged care package, Investing in Australia’s Aged Care: More Places, Better Care, is the biggest ever investment in aged
care by any Australian government. It will deliver, as I said earlier, $30 billion for aged care over the next four years, bringing the total funding since 1996 through to 2008 to $67 billion. That is a huge investment in aged care. Of that, $58 million will be spent to ensure that an extra 27,900 new aged care places are put in place in the next three years. Of those new places, 13,030 are coming onstream this year.

The 2004 budget builds on this good news, but we cannot just wave a magic wand and instantly summon aged care places throughout Australia. We must provide the tools and resources to build on the infrastructure that is already in place. So along with the general eight per cent increase—that is, taking the measure from 100 beds per thousand of population to 108 beds per thousand of population for people over 70—this government is making a huge investment in aged care, with a one-off grant of $3,500 for every nursing home and hostel place. On an individual basis that might not sound like a lot of money, but let us see what it really adds up to. The entire figure amounts to $513 million going into the capital development of our aged care facilities in this financial year—that is half a billion dollars. For my electorate, we are talking about $3.34 million for capital upgrades in aged care facilities. I went to one aged care facility, which should remain nameless, that has been having a bit of a struggle, and they told me that the $140,000 that they will get is going to be of immense benefit to help them finish off the hostel in the manner in which they have always wanted.

I recently opened the new aged care facility in Gin Gin, on behalf of Ministers Truss and Bishop. I can attest to the quality of the aged care services and facilities that I found there. This facility is indicative of what is going into a lot of regional areas. The Kolan Gardens complex has been on the cards for the past 10 years and the Gin Gin community worked hard and long to get it to fruition. We all know that small centres face an uphill battle in terms of fundraising, so I am proud to say that in this instance the Australian government helped out with a $1 million grant towards the cost of building Kolan Gardens. I cannot think of a more practical way to help our older residents who do not want to leave the area where they grew up and where the people they know and love reside. There is already a tremendous demand for places at Kolan Gardens and expansion plans are in the pipeline. I for one will support the expansion and any plans that will increase those sorts of facilities within my electorate.

It is also interesting that the Kolan Shire Council, who were the umbrella body for this grant, decided that they would undertake the project themselves. They raised funds in addition to the $1 million that the Commonwealth put in—they had a target of $2 million—and they decided to build the complex themselves, engaging their own architect and construction manager. Would you believe that the architect estimated the cost of the facility at $3 million, but the council said to the construction manager, ‘Use our own day labour to the extent you can, and, wherever you can’t, please go out into the community and get appropriate subcontractors,’ and, by doing it that way, the facility was built for $1.9 million. It just shows you what small communities can do with a bit of assistance from the federal government.

I understand that, with our climate, beautiful countryside and coastline, Hinkler is very attractive to retirees, to the point where the Miriam Vale Shire, which is between Gladstone and Bundaberg, is both Queensland’s fastest growing mainland shire and the fastest ageing shire within my electorate. As at the last census, the average age of Hinkler residents had increased by almost three years, going from 36 to 39 years. However, in the Miriam Vale Shire, the average age has climbed from 37 to 42 years. Logic dictates that in another 20 years there will
be a boom in the demand for aged care places, and I commend the government for taking steps in this budget to address those future concerns.

But the government is also taking care today of families, who are our future and who are at the forefront of this budget. Families are the building blocks of Australia, and the only way to create a secure foundation for them is to extend practical assistance in the raising of children, making home ownership affordable and generating employment. This budget is helping each and every family to get ahead in life—not with hand-outs but with hands-on help.

It is a strange feeling indeed to realise that many young Australians voting at the next election will have no recollection of the previous Hawke and Keating governments. They will not remember national unemployment at 10.9 per cent. They will not remember what it is like to live under the oppressive regime of home interest rates at 17 per cent. Suffice to say that 17 per cent interest rates mean that a couple with a $100,000 mortgage have to find $1,400 every month just to cover interest payments. Yes, that figure is right—$1,400 every month. Without strong economic management, we could return to the bad old days where home owners barely kept their heads above water. I do not want to see that, and Australian families certainly do not want to see that. This government has managed our economy to the point where every Australian home owner is enjoying low interest rates, better employment opportunities and a strong economy. In short, we are giving people the tools to put roofs over their heads and to stay in steady employment. That is particularly so in my electorate of Hinkler.

Some in the Main Committee today would be surprised to hear that the notoriously difficult Bundaberg jobs market has made a remarkable recovery since the coalition came to power in 1996. Since that time, the Bundaberg region has seen Centrelink queues almost cut in half—down from 6,200 people to just over 3,200 people. Any way you look at it, it is an outstanding achievement and one that goes hand in hand with the national unemployment rate. At 5.5 per cent last month, Australia has recorded its lowest unemployment for 23 years. Perhaps even more impressive is the fact that 80 per cent of the jobs created during the last 12 months were full-time positions.

Let us compare that with Labor’s record. Although I am sure the opposition would prefer that I did not, let me give a few figures. In the past six months, the coalition has created 68,000 full-time jobs—note that they are full-time jobs. For the last six years of their government—the last six years, not the last six months—the ALP could only manage 53,100. So in six months this government’s policy has achieved more for job seekers than Labor achieved in two full terms. I for one will mark the headway being made, even if the opposition, with its spruiking of gloom and doom, will not.

Just recently we had the opposition leader come to our city trying to sell the fallacious furphy that youth unemployment in the Wide Bay-Burnett region was over 30 per cent, when in fact it was less than 19 per cent. He tried to pass off the full-time teenage unemployment rate of 32.5 per cent as the region’s youth unemployment rate. You would think the Leader of the Opposition would know the difference between these measures. The full-time teenage unemployment rate is always high, and the reason for that is as follows. Sixty-eight per cent of kids are still at school. Of the 32 per cent who leave school in that age group, of course you will always have a high proportion of them wanting a full-time job. So that measure is always a high figure, everywhere around Australia—even in areas where there is relatively good employment.
When you move away from full-time teenage unemployment to all measures of teenage unemployment—in other words, full time, part time and casual—the figure drops from 32.4 per cent to 22 per cent. It is a big drop. However, if you want to go to youth unemployment, which is 15- to 24-year-olds—and that is the rate the Leader of the Opposition would have us believe he was citing—the figure is actually 18.9 per cent, or, as I said, just under 19 per cent. It is pretty deplorable. If you want to use the Leader of the Opposition’s measure of 32.4 per cent, if that is what he says he meant—that is, it was the figure for full-time teenage unemployment but he just put the wrong name on it—then let us compare it with what it was in Wide Bay under Labor. What was it? It was an amazing 54.7 per cent. That is, the rate for full-time teenage unemployment was 54.7 per cent.

If the Leader of the Opposition comes to my electorate, I do not mind him giving figures. I know we have had endemic unemployment in my area, and I work very hard to reduce it. But he should not start scaring people: he should come and tell them the truth and start putting up some sensible measures to see how we might get that figure down. As I pointed out, the figure is coming down, and it is because this government has been so focused on it.

It is also not surprising that the Leader of the Opposition claimed that 90 per cent of Hinkler workers would miss out on tax cuts. He failed to mention that the very great bulk of those people have children, and they will do very well out of the 2004 budget. Families in my electorate and across Australia will have a far easier time balancing their work and personal obligations thanks to the biggest family assistance package ever. Around two million Australian families will benefit from the $600 increase in the family tax benefit part A, along with this: from next month onwards, every new baby will attract a $3,000 maternity payment, rising to $5,000 for babies born after 1 July 2008.

We also know that working families need flexible child-care options, and this budget responds to the growing demand for our child-care sector, with 40,000 new outside-of-school-hours places and 4,000 new family day care places coming on line. But, even better than responding to the immediate demand, this government is actually building the basis for self-sustaining long-term prosperity in regional Australia.

The opposition might be interested to know in relation to the Wide Bay Burnett region, an area which obviously has them captivated, that this government has invested almost $10 million in job-creating projects via the Sustainable Regions Program and the Regional Assistance Program. We are providing much needed capital support to create new industries such as smaller aircraft manufacturing, scallop ranching, small crop processing—in particular, chillies—and hemp fibre production.

But we have not forgotten the one industry that has been Bundaberg’s backbone for generations—I refer to the sugar industry. The $444 million sugar package has been welcomed by the grassroots of the industry, because of its comprehensive nature. Cane farmers have the choice of restructuring and diversifying or exiting the industry, while sugar mills have been given the wherewithal to maintain throughput and retain crucial local jobs. In the Bundaberg region, about 3,000 jobs directly rely on the sugar industry and, although we have not yet seen the full impact of the package, the majority of the industry is optimistic. Canegrowers’ past chairman, Jim Pederson, is on the record as saying:
The package will lift the blanket of uncertainty suffocating individuals and families by allowing them to make informed decisions about their futures. We should see substantial benefits flow through to depressed coastal communities from Far North Queensland to northern New South Wales.

I would like to know what the opposition’s thoughts on the package and the future of the sugar industry are. Let me tell you: the ALP members have jumped on their negative bandwagon and driven as hard and as fast as they can through the rural sugar communities of Queensland. It is no secret that the opposition does not support the sugar industry one iota. Communications spokesman Lindsay Tanner is on the record as saying:

Now the sugar industry was mentioned before. We know where John Howard’s priorities lie. They’ve spent several hundred million dollars bailing out the sugar industry already and there’s going to be hundreds of millions of dollars more.

We have had the shadow minister for agriculture and fisheries saying the same thing and the Leader of the Opposition trying to say he was only asking an innocent question. This has been a good budget. In the areas of my electorate which the ALP should be interested in, they have been found wanting.

**Mr WILKIE (Swan) (10.27 a.m.)—**This budget is just a fistful of dollars thrown at the Australian public in a desperate bid to satisfy the Prime Minister’s political needs, not the needs of ordinary Australians. Four out of five families and singles will not get a cent out of income tax relief and three out of five families will get nothing at all from this budget. That is six million Australian families and singles whose pockets are empty yet again. After eight years in office this government has taken, on average, almost $9,000 more each year in federal taxes from these individuals. What do we see from all this tax income in the government coffers? A breakdown in basic services that the Australian people have been complaining about for years and years, a failing Medicare system, increases in HECS fees and a faulty, flawed, family tax system that discourages people from taking on extra work. Today, I would like to focus on some key areas of the budget that have failed people in my state of Western Australia and in my electorate of Swan—ordinary people who tell me that the government’s quick-fix election bribes in the budget are not what they need or expect from a government operating in a strong economic environment.

Firstly, there is the issue of transport funding through AusLink. The plan has been purposely slanted to serve the east coast of Australia—in particular, those marginal seats the government wants to win. It has imposed the government’s electoral priorities and only partly funded projects, leaving state governments to pick up the tab for the remainder of the cost. The government has ignored the states. They have been left out of the negotiations that developed the detail of the nationwide transport network. This plan is not conducive to a national network. It falls well short of the Commonwealth government accepting responsibility for funding of the national transport system.

In principle I welcome the government’s injection of funds into transport infrastructure, but the allocation process is inconsistent. The government needs to have an independent infrastructure council, with representatives from the private sector and local and state governments to provide public scrutiny and information about the cost-benefit ratios of these projects. Funding should be allocated on the highest level of public benefit, not as part of a pork-barrelling project system in marginal seats.
Western Australia has again missed out on its fair share of the AusLink funding. Of the $6.2 billion allocated for transport infrastructure upgrades across Australia, WA will receive just $432 million. Ironically, $190 million of these funds is old money previously announced for projects dating back some five years. WA will receive just under seven per cent of the AusLink allocation to the state and territory governments. It is unfair, when you consider that Western Australia produces 30 per cent of Australia’s exports by value, generates $23 billion in revenue for the Commonwealth government each year, contains 25 per cent of the national highway and takes up a third of the nation’s landmass.

The Australian Bureau of Statistics’ freight movement survey of 2002 shows that, of the total freight travelling by rail throughout Australia, 45 per cent travels through Western Australia. As a destination for freight travelling by rail nearly half—47 per cent—of all tonnes per kilometre travelled in Australia is heading west. The government’s support of the upgrade of the Fremantle Port and Kewdale terminal rail loop project is welcome. Kewdale freight terminal is in my electorate and is part of Pacific National’s Perth freight operations. It is one of the busiest in the country, generating 66 per cent of Pacific National’s total revenue. Some 300,000 tonnes pass through Kewdale, and the majority of this freight is moved between Friday and Monday each week. Kewdale freight terminal is located on 110 hectares of land. Pacific National has injected significant funds into the site to ensure future projections of over one million tonnes of freight will be moved through the terminus by 2028.

However, the Kewdale-Fremantle loop upgrade is aimed at moving sea containers from the port, not rail freight containers coming into Western Australia from the eastern states. Given the volumes flowing through Kewdale freight terminal now—and the future projections—it is remiss that the government has ignored funding for the Indian Pacific rail network. That is the network that runs trains twice weekly from Sydney via Adelaide to Perth and it is made up of some 4,300 kilometres of rail track. There are significant amounts of freight being railed into Western Australia on this antiquated rail network.

AusLink funding, with its focus on the east coast of Australia, has ignored the rail and road network spanning the centre and west of Australia. As Vincent Tremaine, Chairman of the South Australian Freight Council, said, AusLink is ‘nothing more than an east coast-centric initiative and, as such, should be renamed EastLink.’ Western Australians are already being punished with higher costs of goods because of oil price increases, and the government’s failure to address road and rail freight systems for goods coming into Perth will only compound these problems. Rail has a substantial market share in the east-west route. However, nothing has been included in this AusLink funding program to maintain and improve this network. AusLink is trying to create a national road and rail network that will streamline passenger and freight movements, in the hope that the amount of cargo on roads is reduced. This package ignores the rail and road networks for goods coming to Western Australia from the east coast. I recommend the government consult with transport providers on this route, to ensure that the people in Western Australia are not disadvantaged in future funding allocations.

In relation to aged care, my electorate includes some of the most established suburbs of Perth. In these suburbs are many elderly residents—some 16,000 people. Many of these constituents live in retirement and lifestyle villages, hostels and aged care facilities in Swan. Australia’s ageing population has been the topic of much discussion for many years, and the figures are quite startling. The number of children under 15 declined last year, but the growth
rate for people over 85 or more is 4.6 per cent. There will be more than four million older Australians in 20 years time, 40 per cent more than the number now. Our ageing population is growing fast, and there are obvious requirements to accommodate this part of the population now and to plan for the future.

I welcome the government’s injection of funds into aged care. However, it is again just a short-term political fix. It does not address long-term issues. The government has been surprisingly quiet on the findings of the long-awaited Hogan review report—the $7 million assessment of aged care. It is because their Aged Care Act 1997 has been so shamefully neglectful of senior Australians that after eight years the aged care crisis has deepened. I suspect the Hogan review confirms that the 1997 reforms were the catalyst for the calamity we face today.

The new funding system introduced by the government in 1997 brought about changes to aged care without providing the necessary financial backup. This lack of funding has put significant pressure on the aged care industry. We now see a chronic shortage of places, a weakened industry and the delivery of poor quality care. This underfunding was highlighted by La Trobe University’s report Underfunding aged care: an analysis of the adequacy of care funding in residential aged care in April 2001, which found:

Contrary to the claims of government, there has been a total underfunding over the 3-year period ... in the range of $61.3 million to $158.6 million.

In October 2001 a second report found:

The level of underfunding over a 4-year period ... was estimated in the range of $193.9 million and $265.8 million ...

In February 2003 a further report found:

The level of underfunding over a 5-year period ... was estimated in the range of $226.8 million and $393.5 million ...

But there was more. In October 2003 La Trobe University’s report found:

The level of underfunding ... was estimated in the range of $260.4 million and $405.8 million from 1996/97 to 2003/04 ...

Yet it is only now that the government are injecting funds into aged care, years after industry groups made them aware that the underfunding was putting them under great pressure to provide quality care for residents in aged care facilities. It is a typical coalition knee-jerk reaction in an election year. In the Hogan report, the Aged and Community Services Australia submission clearly 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.

The Hogan report cost Australian taxpayers $7 million, and the government’s response to the report has been deliberately put off for consideration until next year’s budget—after the election.

There are questions that need answering. Will an accommodation bond apply to residents who are classified as medium-care residents under the new resident classification scale? Will there be further increases in the maximum daily accommodation charge for non-concessional
residents from $16.25 to $19 per day, a 40 per cent increase from the current charge? Will accommodation bonds apply consistently for both high-level and low-level care? Will bonds be available to providers for the duration of a resident’s stay if it is greater than five years? Will an aged care voucher system be introduced?

The government say they need to consult with the industry on these issues, but they are putting off decisions about this aged care crisis until after the election. The fistful of dollars thrown at aged care to cover up the inadequacies of the 1997 reforms may buy time in the short term, but will it address the ongoing issues? Australia’s population is ageing, and it is happening fast. The funds that are so desperately needed will help to address the government’s shortfalls—their neglect of the seniors in the past—but they fail to provide any measurement or assessment of how these funds will be administered. There are no safeguards in place and very little detail in the offering to ensure that the dollars injected will be used effectively and accounted for transparently.

Before the end of this financial year, over $500 million will be used for capital investment in facilities to help aged care providers meet safety and building standards required for the 2008 certification. Those providers out there are struggling to meet the 2008 certification requirements, and this additional funding will assist in this case, but the government has not yet set in place a mechanism to ensure that this capital injection goes towards the building requirements for certification. It must provide a clear and concise method of ensuring these dollars are not wasted. It needs to ensure that the quality of life for residents is going to improve. Older Australians have been ignored by the government for over eight years, and I feel that this funding is now so belated that they have given up hope. Aged care providers and workers have been pleading for years for assistance, and the requests have been falling on deaf ears.

The industry has always struggled to attract and retain employees. Although the government has funded opportunities for education and training for aged care nurses and workers, that is something the opposition have already announced through our Aim Higher education package. One of the biggest deterrents to people entering the aged care work force is the low level of pay on offer, and I am sure that many dedicated aged care workers would have certainly felt slapped in the face by the government’s ‘top end of town’ tax cuts in this budget.

In their generous spending spree, the government have failed to meet the needs of the majority of Australians. The huge spending budget—$52 billion over five years and $6 billion before the end of the financial year—has ignored taxpayers earning less than $52,000 a year. The government’s tax and family package, some $35 billion, has failed to actually provide relief to the people who need it. Three out of five families and singles will receive nothing, and four out of five taxpayers will not receive one single cent of the $15 billion in tax cuts. It is ludicrous. The average wage in Australia is just under $50,000, yet the government has not been listening to the average Australian taxpayer.

In my electorate of Swan, the 2002 census found that the average median weekly income is $890 or just $46,000 per annum. So, for most of the 80,000 residents, last year’s pitiful tax cuts would seem like a salvation in comparison to this year’s. In Western Australia only 234,600 families and single adults will receive an income tax cut. A total of 815,300, or 78 per cent of Western Australian families and single adults, will receive no income tax cut because their taxable incomes are below $52,000. These are the forgotten people in this budget.
The government has failed to listen to the average Australian. They are under financial pressure. Even if they are fortunate enough to receive a tax cut, they will still be worse off than when this government came to office. Australian families are hardworking. They are the backbone of our strong economy, but they have been largely mistreated in this budget. You would think that, with Australia’s strong economy, a fair and equitable budget would reward hard workers—but not so. The rich are still getting richer, the poor are getting poorer and families are being financially squeezed.

In relation to the family tax benefit, the $600 hip-pocket election sweetener the government is delivering into the bank accounts of recipients of the family tax benefit can only be described as a retractable gift. It is a compensatory measure for bad policy. There are some 600,000 Australian families with debt from the family tax benefit system—with an average debt of $900. There are 3,109 families in Swan who currently have a family tax benefit debt. The $600 payment fails to address the real dilemma of the family tax benefit system. It is faulty and flawed. Here are some of the facts. The total of family tax benefit overpayments in 2002-03 was 1,639,378 or, in dollar terms, a staggering $1.417 billion. The total of family tax benefit underpayments for 2002-03 was 1,279,186 or $1.08 billion. Only 44 per cent of payments under the family tax benefit scheme are correct; a staggering 56 per cent are wrong. The facts are in the figures. The system is not working. The $600 payment is just patching up the debt trap. The average debt is $900 for families with overpayments. The government refuses to correct the family payment system and it penalises people who work hard, who are returning to the work force or whose incomes vary throughout the year.

In the last election year we saw the same bandaid solution—a $1,000 waiver just prior to polling day. I think Australian families are tired of this giving with one hand and then taking back with the other hand. Now, of course, any debts families accrue in the 2003-04 financial year will be hidden until after the election—so save those $600 payments per child because you will need the money to pay your tax bill. You will not be able to spend the money on what really matters: food, clothing and education costs.

Nothing symbolises the cynical nature of this budget more than these $600 payments. They straddle the Prime Minister’s preferred election dates. Australian families want sustained reform of the family tax benefit system. They want a system that delivers financial relief to them year after year, not a system that delivers debt year after year. Rather than reform the system, the government has applied a bandage to the wound. There is nothing to ensure that families get to keep their fair share of earnings from overtime or when a parent returns to work. Ordinary Australians are being robbed by a benefit trap that does not reward them for hard work. Since 1998 the election year budget spending shows a typical trend. The average new spending in the three election budgets is now at $32.9 billion, while in non-election years it averages $3.9 billion—a fiscal bribe to attract voters at just the right time. But it does not address the issues of two of the community’s most serious concerns: affordable health and education.

This government’s budget is a pre-election monetary inducement that does not address any true reform to services that Australian people need. There is no plan to adequately fund public hospitals, to save Medicare and increase bulk-billing rates and nothing to help the 500,000 Australians waiting for dental care. The issues of child obesity and mental health have not been addressed. Labor will fund a $1.9 billion project to rebuild bulk-billing, provide $300
million to restore Australian dental care and $25 million to promote community wellbeing and reduce childhood obesity. Australians also need better access to education—lifelong learning and opportunities for all. This government has no plans to fund schools on a needs basis. There is no plan to address the shortage of TAFE and university places and nothing to keep higher education from becoming overpriced for ordinary Australians. Labor will invest $2.34 billion to rebuild and reform universities and TAFE colleges through the Aim Higher package. There will be 20,000 new university places and 20,000 new TAFE places opened each year. The government’s 25 per cent increase in HECS fees will be reversed so that university degrees are accessible to all, not only those who can afford it.

Young people have been completely forgotten by this government. Each year some 45,000 young people leave school and do not go on to full-time work or study. They are lost in a system full of gaps. Youth unemployment in some Australian towns and cities is hitting the 30 per cent mark. It is a waste of young people’s lives and talent. They need opportunities to work and develop new skills, to take on responsibilities, to work hard and develop life skills. Under Labor these young people will not be forgotten. There will be additional work and training opportunities so they can do something good for themselves and their families, plus their local communities. There will not be fees for secondary school students at TAFE colleges and there will be 7,500 new apprenticeships available. That is a $700 million investment in the future to give young people a sense of belonging and purpose to their lives.

In relation to work and family, the government have had over a year to work on a family package ready for release, but they have held back. Struggling families feel financial pressure and they are waiting. In time for a pre-election sweetener the funds have flowed. Again it is too little, too late. The financial burden on families needs to be eased by delivering effective and fair tax reform that repays hard work, not one-off payments or quick fix solutions. The failed baby bonus scheme has also been shelved and the government have again used lump sum payments like the maternity payment—a one-off payment for a quick fix, not a sensible, staggered payment like Labor’s baby care payment, which ensures that the money is spent on those extra expenses week by week.

This budget is all about satisfying political needs, not the needs of ordinary Australians. Eighty per cent of Australian families will receive no income tax relief and over 60 per cent will get nothing out of this budget. Since the government came to office eight years ago we have seen an average increase of $9,000 per year in federal taxes for ordinary Australians, but they are not getting value for their money. The government has run out of steam, run out of ideas, and it is failing to meet the challenges in crucial areas such as health and education. The government has no future, no direction—(Time expired)

Mrs BRONWYN BISHOP (Mackellar) (10.48 a.m.)—I rise to speak in this debate on the question of the differing philosophies that the differing political parties apply and the way that shapes policy and in particular shapes the budget and the strength that is in this last budget brought down by the Treasurer in May. I was interested to hear the member for Swan concluding his remarks by saying that the government has run out of ideas. Wrong. In listening to his speech I kept being reminded that I was hearing the same old rhetoric. The rhetoric of those opposite has not changed since they lost government in 1996. They want to reintroduce the same tired, old policies that were shown to be failures.
I have just been reading a small publication shown to me by my colleague. The difference in job creation statistics is outstanding. When you look at the most recently published statistics, you see that in the past year—that is, in a single year—we have created 68,000 full-time jobs; yet the best the Labor Party could manage in its last six years in government was 53,000 jobs. Those figures really show the difference in the philosophical thinking that underpins the different sorts of policies that we introduce and that those philosophies bring about different outcomes. That is why the Labor Party’s philosophy of collectivism, whereby they will make decisions for groups and the individual can be sacrificed to the group collective decision, will always fail people who need to have policies made for them so that they can succeed.

However, the philosophy of individualism that we follow obliges governments to make decisions that take into account the requirements of all individuals, including those who are brightest, those who are ordinary, those who are at the bottom of the class and people who are disabled—it does not matter who they are; there has to be room for them within our society—and not sacrifice them to what is seen as a collective or group decision. When we look at the way policy is implemented in accordance with the philosophy—and I would hasten to say it is also not a selfish philosophy; it is one that says that you must not be concerned only about your own opportunities but that you have an obligation to look after your neighbour as well—we see it is a philosophy that brings about good outcomes.

The principles of free enterprise, which go hand-in-hand with this, tell us that individuals will always spend their own money which they earn through their hard work better than will a government that says, ‘I am going to compulsorily collect your money by taxation and then I am going to spend it on your behalf—and you will be better off, because I make decisions better than you do.’ Wrong! Individuals will always make a better decision. So the question of tax cuts for us is one of returning to individuals some of their own money so that they may make the decisions for themselves and their families about how they will have better outcomes in their lives. When we introduced tax reform in 2000—

Mr Danby—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. B.C. Scott)—Is the honourable member seeking to ask a question?

Mr Danby—I am.

The DEPUTY SPEAKER—Will the honourable member for Mackellar allow a question?

Mrs BRONWYN BISHOP—It depends what it is.

The DEPUTY SPEAKER—Will the honourable member allow the question?

Mrs BRONWYN BISHOP—Go ahead.

Mr Danby—Given the honourable member for Mackellar’s explanation of the differences in philosophy, does she go as far as Margaret Thatcher, who said that, as far she was concerned, there was no such thing as society?

Mrs BRONWYN BISHOP—It is a very worthwhile question to ask. I must say that Margaret Thatcher’s record not only as a leader of a nation but as a leader strut ting the world stage is that she and Ronald Reagan between them changed the world. So there is a lot that I admire about Margaret Thatcher. The question of what a society is is not pertinent to what I am talking about. A society can be an incorporated group; it can be a whole lot of things. My point is
that individuals have an obligation to each other as well as to themselves, and governments have the obligation to make a decision that allows all people to reach their maximum potential and not, as collectivist governments such as the Labor Party do, make a decision for the collective or the group where individuals can be sacrificed to that decision.

I go back to where I was: this perfectly splendid budget returning taxpayers’ money to taxpayers so that they have the ability to spend their own money more wisely than governments who purport to spend it on their behalf. The principles of free enterprise—of which this is a tenet—are very firm in outlining the business of government. The business of government is to—

Honourable members interjecting—

The DEPUTY SPEAKER—Order! The member for Mackellar has the call.

Mrs BRONWYN BISHOP—Sorry, there is a private discussion going on right here. We on the Procedure Committee are very keen that there be interaction in the chamber, and today we are showing that you can have a lot of interaction! It is very busy here. Going back to my point: the fundamental principles of free enterprise are that governments shall do those things that the private sector either cannot or will not do and provide for those people who cannot provide for themselves.

In accordance with those principles, this budget is a very fine budget indeed. When we had tax reform in the year 2000, we made a point of saying that 80 per cent of taxpayers would pay no more tax than 30c in the dollar. The tax cuts which have been introduced in this budget ensure that that promise is again met: 80 per cent—indeed, more than 80 per cent—of taxpayers will face a top marginal rate of no more than 30c in the dollar. In addition to that, looking to the people who have needs, we introduced very early in our term of office the family tax benefit parts A and B, which are designed to assist families with dependent children to meet the costs of bringing up a family and to have quality of life. In enhancing that policy, before the end of this month there will be a payment of $600 tax free that will go to around two million families who have dependent children and who come under family tax benefit part A. There will be a further lump sum payment of $600, which will be paid around September after families have done their tax returns to see whether or not there is an adjustment to be made on the payments they have received or otherwise just to keep the sum in its totality. I add that both of those payments are tax free. In addition to that, people who are carers and in receipt of the carer payment will receive a lump sum payment of $1,000 tax free and people who are in receipt of the carer allowance—and there are about 280,000 of those—will receive a $600 tax-free payment. That is to acknowledge the dedication and the tireless work that those carers give to those people who are in need of that care.

The question of the balance between work and family is one that is ever present in the minds of people, particularly those in their 20s and 30s. There are a lot of stresses put on young people in their 20s and 30s. They are the people whom we want to see get married and have families, and we want to see those families stay together. With the divorce rate as high as it is, young women in particular find the stresses on them very high for the simple reason that they cannot really afford to lose their job skills. They might find themselves the breadwinner for their family if the marriage breaks up. Also, we have put a lot of investment into young women and the nation needs a return on those skills as well. So the maternity payment of $3,000, which will begin on 1 July, I think is a payment which will assist in that initial period
of adjustment in family life when the first child arrives—and that comes as quite a shock to the family system and the family finances. That will be a most welcome payment for the first child, as it will be for subsequent children.

But I do think that we need to look even further than that and start to think about ways in which we can have policies that will make the home the centre of family life where both parents can work with a degree of comfort. I use the word ‘comfort’ because so often the supermum or superdad syndrome occurs when both parents in a family are working. At another stage, I would like to talk about some ideas I have developed about tax deductibility of wages paid for jobs in and around the home that would allow homes to become a sanctuary and a place where working parents can maintain their family life without the great stresses that are put upon them. The policies that are in the current budget are ones that I applaud, even though there are other ideas that I would like to see explored and introduced at a later date. The 40,000 after school care places that have been allocated and the additional 4,000 day care places are also important in making life easier for working parents—although, as I said, there are other ideas that I would like to see adopted at a later stage.

I would like to conclude by mentioning the money that has been made available in aged care. As a former minister for aged care, I find the $2.7 billion over four years a most important aspect of the budget. That will take the total amount of money spent on aged care to something like $8.7 billion, which is a phenomenal amount of money. In the years that I was minister we increased it to $6 billion and we increased the standard of care that had to be given by introducing accreditation. In that period, some 240 aged care providers were either moved to different premises or, indeed, closed down. This was a very important change in aged care because there were people in the industry who really no longer deserved to be there. Running establishments in the way that they had been doing had been acceptable. The new accreditation standards have made the standard of care much better for residents. I know that this government will always place its most important focus on the residents themselves, their quality of care and their quality of life.

I heard the member for Swan say earlier that aged care simply did not get the money that it was deserving of. I looked back on their record and saw that they had left us 10,000 places short. They had never closed a home. There were still places that were firetraps. There were still places that stank of urine. There were still places that were just unacceptable. I am pleased to say that the accreditation has put an end, basically, to all of that. The sanctions that are put in place if people fall into breach are that either they are brought up to scratch or they leave the industry. I think the recognition by people who work in the industry is that it is now better not only for residents but also for them, because they now know what is expected of a proprietor.

Overall, I would just like to say that the budget as it was brought down was an important budget in the sense that it followed the continuing line of each budget—that is, they always focus on how we can keep the economy strong, how we can empower people to be in charge of their own lives for better outcomes for themselves and how, as a government, we can meet the responsibilities of principles of individualism and free enterprise that I mentioned earlier in this speech.

Mr GIBBONS (Bendigo) (11.03 a.m.)—In this debate on the Appropriation Bill (No. 1) 2004-2005 and cognate bills I want to refer especially to the Howard government’s long list
of betrayals in several areas of concern, including the Calder Highway in my electorate of Bendigo. It is taking Canberra longer to upgrade the Calder Highway from Melbourne to Bendigo than it took to complete the Snowy Mountains project. The Snowy Mountains hydro-electricity project commenced in 1949. It was Australia’s greatest civil engineering project. It took 25 years to complete. Under the coalition’s AusLink program, announced earlier this month, it will take at least 26 to 27 years to complete the Calder upgrade from its start in 1983.

The federal upgrade of the Calder Highway started under the Hawke Labor government, which poured $75 million into it and scheduled it for completion in the year 2000. However, the only factor preventing this date from being achieved was the election of the Howard government in 1996, which has continually stalled the upgrade. Now, under its AusLink program, the Howard government will take at least another seven to eight years to finish the Calder. That will mean that it will take until 2011 or 2012 at the earliest to complete the work—that is, of course, if it ever honours its promises. On its woeful record in the Bendigo electorate since coming to office, nobody in the Bendigo region believes that it will.

Central Victorians and Calder motorists are bitterly angry over the second-class treatment they have received from the Howard government over the Calder Highway. Thanks to the Howard government, the Bendigo region remains the only major provincial region in Victoria without a fully duplicated highway to Melbourne. In the lead-up to the government’s AusLink announcement, Bendigo people demanded that the Howard government guarantee $193 million and a non-rubbery finishing date to complete the Calder Highway from Kyneton to Ravenswood. Instead, Bendigo was fobbed off with a promise of only $114 million and no finishing date. This was all that was promised in the AusLink statement by the Minister for Transport and Regional Services, Mr Anderson.

State Minister for Transport Peter Batchelor exposed the fraud of this fob-off. He warned that it would finish only one of the two remaining sections, from Kyneton to Faraday, and that it would leave the Faraday to Ravenswood section unfinished. He also warned that on this funding it would take until 2012 to complete the Calder. I note the comments made by Councillor Bruce Phillips, Chairman of the Calder Highway Improvement Committee, an organisation which has generally been very forgiving towards the Liberal and National Party government. On ABC radio in Bendigo, Councillor Phillips, who incidentally is a former senior engineer with VicRoads, stated that the liquidity problems associated with the federal funding announced by Mr Anderson meant it would take at least seven to eight years to complete the Calder. Councillor Phillips said:

That’s absolutely ludicrous, because physically the job could be done in four to five years. To take seven to eight years, I mean, you could do it with pick and shovel and a wheelbarrow. Given the modern equipment that’s available today, it shouldn’t take anything like that time.

So what we have is just more drip-feeding of Calder funding to get this government through yet another election so that it can cut and run afterwards like it did after the last federal election.

I remind the House that this government held back funding in 2000 for the Carlsruhe to Kyneton section, paid up only in the 2001 election year, and that it committed no new funding in the 2002, 2003 or 2004 budgets. It pulled the plug on the Calder at Kyneton and that is where the federal upgrade has been blocked since last year. All this was after the Treasurer
came to Bendigo in the 2001 election campaign and specifically promised to match all funding put up by the state government. In addition, the then Liberal federal candidate for Bendigo in that election, Maurie Sharkey, officially guaranteed a 2006 Calder completion date on behalf of the federal government. I have said previously that Mr Sharkey was a very decent man, but he was hung out to dry by the Treasurer. Bendigo people just did not trust the Treasurer and the Howard government over the Calder and they voted against the coalition in Bendigo in the last election.

Where, then, was Treasurer Costello for the AusLink announcement on road funding for the Calder and other projects earlier this month? Not in Bendigo. He was in Geelong. The Liberals’ Bendigo spokesman had to travel to Geelong to find out what Mr Costello had in store for the Calder. In fact, there was not one federal minister in Bendigo to outline the Calder funding let-down and to explain it. There was not even a backbencher, such as Senator Tsebin Tchen, the duty senator. Mr Costello could not face the Bendigo public and he cowered in Geelong instead. This was the Treasurer who wanted to fix ‘the bloody Calder’, according to roads minister Campbell. Senator Ian Campbell actually told Bendigo a few days earlier that he had been given one specific commission by Mr Costello after his own appointment as roads minister. That commission was to ‘fix that bloody Calder’. Some fix!

So what we have now with the coalition’s last Calder cop-out is what I have been warning about for some years. They have chosen to blow out the Calder’s completion beyond 2010 and probably well beyond 2012. Of course, they have blown out the cost with their delays. The latest estimates by VicRoads, completed in March this year, show an increase of 17 per cent since 2001, when the project costs were estimated to be around $330 million to complete the duplication from Kyneton to Ravenswood. This brings the total completion costs now to around $386 million—a massive increase of 17 per cent.

Taxpayers have to cop dramatic increases in construction costs just because the Howard government have stalled the project for a total of almost four years so far. They stalled the Carlsruhe stage for over 12 months before they were finally forced to pay their share, and we have been waiting for almost three years for Mr Costello to honour his now famous 2001 election promise to match the state government’s funding under the RONI agreement. Let us remember that only a short while ago the Minister for Transport and Regional Services claimed in a reply to my written questions that the coalition’s RONI commitment to the Calder had already been met in full. He ripped up and rewrote the government’s original promise to fund the Calder from Melbourne to Bendigo. He claimed the only RONI commitment made by the government was to ‘begin the task of upgrading the worst sections’ between Melbourne and Mildura. That was a barefaced falsehood.

But it was not surprising. After all, there was not a single cent set aside for the Calder under the government’s forward estimates in the budget for the next three years. They had no intention just a few weeks back of funding the Calder for yet another three years. That was just a few weeks back. So why would anyone trust them to live up to their promise to pay what they claim they will give the Calder? I have often said that the highway is the coalition’s Calder lie-way. It is a highway potholed with bumper-to-bumper broken promises. Their shonky AusLink Calder deal will just keep Bendigo people in a state of cynicism and disbelief towards them. The coalition have left Calder motorists with a goat track between Kyneton and Ravenswood and it will still be there into the next decade if Mr Costello has his way.
I would like to give a brief outline of the Calder funding since pre-1996. I want to do this to show the lie in the government’s claims that Labor has done nothing for the Calder. It was the Hawke Labor government that started the duplication of the Calder Highway. It funded the Big Hill to Ravenswood duplication that was completed in 1986. The federal Labor government by 1996 had provided around $75 million, estimated to be equivalent to $155 million in today’s dollars, for reconstructing and duplicating the Calder Highway. In other words, the last federal Labor government invested more in today’s dollar values than the $100 million the Howard government has grudgingly put into the highway.

The federal Labor government provided the funding under a number of programs, including the Australian Bicentennial Road Development program, the Australian Land Transport Development program, the One Nation roads program and the better cities road funding program. A sum of $75 million in 1985 dollars equals $155 million in today’s dollars. The federal Labor government provided $2.8 million for the Gap Hill to Gisborne preconstruction, $15.2 million for the Kyneton bypass, $7.1 million for the Diggers Rest to Gap Hill preconstruction, $29.2 million for the Diggers Rest bypass, $13.2 million for the Keilor to Diggers Rest duplication, $2.04 million for the Big Hill to Ravenswood duplication, $2.05 million for the Harcourt to Ravenswood lane construction, and another $3 million for maintenance and lane construction.

What is also of great importance is that Labor set a target to finish the entire Calder Highway duplication from Melbourne to Bendigo by the year 2000. The Howard government said during the 2001 federal election campaign that it would match the state government’s funding and that it accepted the state government’s completion date of 2006. These promises it systematically dishonoured. After stalling the project for another four years from 2001, it will be 2005 before any coalition Commonwealth funding will be allocated to the Calder, and the completion date will be 2011 or 2012 at the earliest—that is, assuming the coalition stuck to its most recent promise, something that history has shown would be most unlikely to occur. In fact, its credibility has been run down and its promises are running on empty.

The long-awaited final decision on the much troubled ADI Bendigo Bushmaster contract will be announced shortly. I led a delegation consisting of a former member of Bendigo council, Councillor Willie Carney, and local trade union representatives on 21 March 2002 to see the Minister for Defence, Senator Hill, to discuss this contract. I understand that the final trials have been completed and that the vehicle has in fact passed with flying colours. This contract has run off the rails on several occasions over the past five years, and now it looks as though the long wait may have been worth it. The Department of Defence has reduced the number of vehicles to be built from 370, the initial quantity required, to 299, to meet its budget constraints.

ADI Bendigo has shed 248 jobs since the Howard government privatised the defence manufacturer—after the Prime Minister said that he would not privatise it. If the Bendigo plant misses out on this contract, it would mean that we stand to lose the complete facility. Prime Minister Howard, as the then opposition leader, came to Bendigo on Wednesday, 14 February 1996 and gave Bendigo a commitment not to privatise ADI. His exact words were: ‘No, no and no; we have no plans to privatise ADI.’ Of course, this is just one of the many commitments given in Bendigo that this coalition government has walked away from. Now that ADI is fully privatised, the company can do what it likes. The Commonwealth has no
power to instruct it to do anything, unless it is stipulated in Australian government defence contracts awarded to the privatised Australian Defence Industries. The former defence minis-
ter, Peter Reith, in an answer to my question on notice on 21 August 2001, stated:
The Project Bushranger contract does not stipulate where the Bushmaster vehicle is to be manufactured. ADI has indicated—
and note that word ‘indicated’; he does not say ‘guaranteed’—
to the Department of Defence that the vehicle hull and general assembly is to occur at the company’s Bendigo site.

I demand that the Howard government insert a clause in the contract before signing, ensuring that the Bushmaster vehicles are built in Bendigo, where they were designed and where the prototypes were built. The Howard government has tried on several occasions to wriggle out of this contract, but Senator Hill assured us in 2002 that, if the vehicle passed the stringent trials put in place by the department, the contract would be considered favourably. I under-
stand that an announcement on the contract will be forthcoming over the next few days or weeks.

Let me refer now to the shocking neglect by this government of the dental needs of low-
income people in my electorate. Over 10,000 people are waiting up to 4½ years for dental treatment and dentures from public clinics serving the Bendigo electorate. The Howard gov-
ernment wrote off pensioners and low-income families by limiting new Medicare dental re-
lief, approved earlier this year, only to people who had gone through six months of chronic illness related to their teeth. Now, of course, the Howard government in this budget has shown how excruciating its policies are towards the dental needs of struggling Victorian families.

In 1996 the Howard government abolished the federal funding that the Keating government had provided to state public dental health services, and this has just added to the burdens that poorer people who rely on public dental services have to suffer. I would have thought that a decent federal government would have restored that funding in this budget. This government did not. It is squandering a fortune in taxpayers’ money on advertising its woeful efforts to hide its plan to dismantle Medicare. There is no end of public money if it can be manipulated into churning out propaganda for the coalition.

Despite the state governments increasing their expenditure on dental programs, there is now a huge unmet demand for public funded dental programs. In Bendigo, the waiting time recently for general dental treatment was 38 months, and the number of patients waiting for it was 6,001. There were 372 patients waiting 19 months for denture treatment. In Sunbury, the wait is 10 months for general dental treatment, and the number of patients waiting is 1,083. For dentures the waiting period is 55 months, and the number of people waiting is 334.

Federal Labor will invest $300 million in dental care over four years to provide 1.3 million extra procedures, clear the existing backlog and substantially reduce the waiting lists. I was also delighted to note that, in the Bracks government’s recent state budget, extra funds were allocated to step up public dental services. This, combined with federal Labor funding, would make quite a difference to the availability of public dental services for people on low in-
comes.

The coalition government earlier allocated a miserable $5 million for four years and only for dental patients with chronic illnesses caused by their dental problems. Under the earlier
coalition program, patients must suffer dental related chronic health problems for six months before they get assistance. For pensioners and low-income earners, this is systematic cruelty. A recent national survey found that one-third of Australians in the $30,000 to $50,000 household income bracket had not been to a dentist for over two years due to their inability to pay. Poor dental health means pain, inconvenience, poor general health, embarrassment and discrimination.

I refer now to the need for a magnetic resonance imaging scanner in my electorate. I note the recent announcement by the Minister for Health and Ageing of an additional 23 Medicare funded MRI licences. Bendigo Health Care Group should be allocated one of these licences. The year before last, I organised a petition of 7,000 signatures demanding that the Howard government provide an MRI Medicare licence, and I presented that petition to the federal parliament in February last year. The Bracks government has allocated $3 million for the building and equipment for MRI services at the Bendigo Health Care Group, but the Howard government has so far refused to provide a Medicare licence to enable Medicare cardholders and low- to middle-income earners to receive the service.

It is an issue that I have pursued vigorously for the past four years. Now that we are in a federal election environment, the Howard government appears to have been panicked into eleventh-hour promises again. The government has suddenly announced that it intends to provide another 23 licences, but it says that the location for 20 of those licences will not be known until closer to the federal election. Why? Is it waiting to see which pork to pull out of the barrel and for whom? Why hasn’t Bendigo got an MRI machine? Why has the Victorian government been told to take its money and go away, instead of using it to build the MRI facility? Why is the federal government twiddling its thumbs and doing nothing while patients from Bendigo and its district have to travel to Melbourne or Ballarat for MRI services that should be available in the Bendigo electorate? It looks like a shabby re-run of the government’s stalling over the Calder. State money has been sitting idle, waiting since the 2002 state budget to fund the next stage of the Calder, but Canberra again will not pay up.

And it looks like a re-run of the $2 million Bendigo was promised for arts facilities back in the 1996 election. It has only started to turn up seven years later, when the upgrade of the art gallery for which it was originally promised has been completed. Even now a hefty chunk of the money, now allocated instead to the Capital Theatre, has been siphoned off to help pay for the waste incurred by the City of Greater Bendigo Council when its members voted to bury the big new theatre for which the federal cash was finally earmarked.

I also express my concern about the anxiety that has been caused by the government to the employees of the Geospatial Analysis Centre at Fortuna, Bendigo. The review of the future of this operation by the government has caused uncertainty and anger among its employees. It has also placed a worrying threat over the economy of Bendigo and over vital Bendigo jobs. Bendigo has been facing the threat of having this operation stolen from it by the Howard government for some years. It faced the threat of being moved away and transferred to Canberra. Most of the employees at Fortuna have said that they would prefer to resign their positions rather than transfer to Canberra. The DIGO Bendigo performs a vital role in our national Defence Intelligence Organisation and has considerable expertise that would be difficult to replace if all or part of the facility were to be relocated to Canberra. It is also a major contribu-
tor to the Bendigo region’s economy. Its removal would result in the loss of around $40 million in economic activity if the centre were relocated to Canberra.

Defence Minister Hill stated on 4 March that the operation will remain in Bendigo. However, I believe Bendigo needs real assurances that this operation will not be packed off to the nation’s capital. I wish to reiterate Labor’s assurance that the centre will remain in Bendigo under a Latham Labor government. I have had discussions with the Labor spokesman for defence, Senator Chris Evans, and he was delighted to announce that Labor will retain the centre in Bendigo. Labor will keep the Geospatial Analysis Centre in Bendigo because we believe that there is no worthwhile benefit in relocating it to Canberra. It is now up to the Howard government to announce their plans for the facility. I understand that they have made that announcement. They have said they have allocated an extra $10 million for a new building, but there is nothing in the Department of Defence’s forward estimates mentioning $10 million for that building. I suspect this is just another broken promise to Bendigo.

Having just spoken about the importance of retaining defence jobs in Bendigo, I also wish to express my grave concern at the possibility of further job losses at Telstra’s Abel Street depot in Bendigo. The integrated deployment centre has around 70 jobs. According to the Centre for Sustainable Regional Communities at La Trobe University’s Bendigo campus, the centre is worth $14 million in direct wages to Bendigo. This means a further loss of $27.48 million in output across all sectors in Bendigo and a further loss of 108 jobs. The Abel Street centre is one of four Telstra centres that are under review. Telstra management has said that one of these will close at the end of the year. I see this as just another step along the unending road of Telstra downsizing its work force in preparation for the full privatisation that its management hopes for from the coalition parties.

Already in Bendigo district we have seen the loss of over 400 full-time Telstra jobs since the Howard government’s privatisation plans were announced. Telstra never comes clean with what it has planned in the axing of jobs. It always claims that any talk of job losses is pure speculation. Telstra wants to throw people off the scent so that it can get on with achieving the coalition’s blueprint for a bigger profit company employing a diminishing work force and offering less service to the public, especially in the country. In most cases in the past the speculation has proven to be correct. Most Australians will not have a bar of the full privatisation of Telstra, and that is what this coalition government are pushing for. They know only too well that it means lowering of services in regional and rural communities and the inevitability of continuing job losses such as those endangering Telstra’s operations at the Abel Street centre.

I want to conclude by referring to the rort that the government is playing with its massive pumping of advertising revenue, funded by the taxpayer, to promote its own cause. Australians are witnessing a fraud of extraordinary proportions. They are seeing their tax dollars used for a massive government advertising blitz. The Howard government is spending close to $123 million on 21 different advertising campaigns this year alone. The advertising budget for the Howard government’s failed Medicare package is $15.7 million. Australian taxpayers are paying out of their pockets for a massive and sustained advertising bombardment in the run-up to the next election. No-one should be fooled by this poll-driven attempt to cover up the fact that, under the Howard government, Medicare is dying. I will conclude on that point.
Mr RUDD (Griffith) (11.23 a.m.)—The annual budget of the Australian government should be about providing security and opportunity for all Australians—for all Australian individuals and for all Australian families. The budget should also be about planning for Australia’s long-term social, economic and security interests as a nation. Regrettably, the 2004-05 Howard budget appears to be by contrast little more than an election grab bag, concerned primarily with the short term, the immediate and the political; not the long term, the sustainable and the important—important for families, for individuals and for the nation. Pensioners will continue to endure greater financial stress, not less. Families will continue to pay extra for basic services, not less. Education will continue to cost more, not less. Access to basic health services will cost more, not less.

If we look at what the budget has to say about tax, it is quite plain that this is not a budget for all Australians: it is a budget for some Australians. Some 83,846 Southside residents, whom I represent in this parliament, will get not a single cent from the tax cuts provided in this year’s federal budget. The budget has overlooked the majority of working people on Brisbane’s Southside and the majority of working people elsewhere in Australia. Census figures demonstrate that 86 per cent of Southside residents earn less than $52,000 a year. These residents will not receive one cent of tax relief.

There are many people in our community who work hard but who earn less than $52,000, meaning that they will not be rewarded by the much heralded tax cuts. Across Australia, there are 8.5 million families and singles who will not benefit at all from John Howard’s tax cuts. Mr Howard has stated that two million families will be eligible for increased family benefits. We now know that around one in three of these may never see a cent of it. The money will be eaten up by existing family payment debts. The overwhelming majority of Brisbane’s Southside residents have missed out on receiving some form of taxation relief.

On education, regrettably this budget also fails the test of providing opportunity for all rather than simply opportunity for some. On Brisbane’s Southside, tertiary students attending neighbouring universities—Griffith University, the Queensland University of Technology and the University of Queensland as well as the Moreton TAFE—will get nothing at all from this budget. There is not one extra cent for new TAFE places despite the fact that 15,000 young people miss out on a place every year and many industries face serious skills shortages. This budget fails the 20,000 qualified Australians turned away from university every year because the government refuses to fund enough places. The government’s HECS increases will cost the average university student and their family an extra $25 per week. The budget’s fine print also reveals that the government will drive university students a further $90 million into deeper debt by slugging them with 20 per cent penalties when they take out a loan to pay fees.

For Queensland universities the story just keeps getting worse when it comes to federal funding. The Howard government has now cut over $620 million from Queensland universities since 1996. Public funding has not kept pace with the increased cost of running a modern university. This is having a drastic impact on students’ educational experiences. Overcrowded classrooms, less individual attention, fewer resources and low staff morale are becoming common features at our universities. The latest figures reveal that the number of students per teaching staff member at Queensland universities has blown out by 30 per cent between 1996 and 2001.
On child care, the budget brings no relief for the thousands of families unable to access quality, affordable, centre based care for their children aged up to five years. The latest issue of *Child Care, Australia* showed that 46,300 children needed centre based long day care in June 2002. The relevant federal minister is reported to have alerted the cabinet to the crisis in centre based long day care and child-care support, but the cabinet refused to listen. This has been confirmed by leaked cabinet documents. The minister recommended that $30.6 million be allocated to address unmet demand in long day care but the minister got nothing. The minister also recommended that the child-care support broadband receive $70 million over four years, but the minister instead got $16.3 million.

The Prime Minister has admitted that ‘the child-care system is not perfect’. This ranks as the understatement of the century. He also stated that the government is ‘looking at what needs to be done to allow the system to respond more effectively to demand’. But the PM has failed to endorse the recommendations of his own minister and he has failed to increase centre based long day care and child-care support.

On vaccines, the 2004 budget has allocated no funding for the vaccines that experts have advised our children should receive. For example, the vaccine for pneumococcal disease, a disease which is reportedly responsible for killing around 50 Australian children each year, was not funded. Since September 2002, almost 2,000 children have contracted pneumococcal disease and of these 150 have died. Many more have suffered brain, blood and spinal injuries or diseases.

It is now nearly two years since September 2002 when the Australian Technical Advisory Group on Immunisation, ATAGI, advised the Howard government to fund the following for all Australian children: the vaccine against the deadly pneumococcal disease, the vaccine against chickenpox and the replacement of the oral polio vaccine with an inactivated polio vaccine for infants. The National Health and Medical Research Council backed these recommendations, but the federal government in this budget has chosen not to fund these vaccines. Since September 2002, over 360,000 babies have been born. Hundreds of thousands of mothers and fathers have had to make the agonising decision as to whether they can afford the $500 to pay for the recommended but unfunded pneumococcal vaccine. The funding of these vaccines needs to be addressed. There was no better time to do it than in this budget.

On pensioners under financial pressure, the 2004-05 federal budget has done little for pensioners in the electorate I represent in this parliament. Many pensioners on Brisbane’s Southside are being hit with debt notices because the government has manged the system. The government recently confirmed that pensioners owe almost $39 million of Centrelink debts as a result of government error. The government has failed to conduct annual checks on the income of partners of pensioners, even though this information is regularly supplied to Centrelink. After discovering these basic checks had not been done, the government is now reviewing the payments of aged, disability, parent and carer pensions and sending out debt notices. I know this because a number of pensioners in my electorate have, with disbelief, shown me the letters they are now receiving from the government. There are 11,069 aged pensioners living in the electorate I represent in this parliament and 3,346 disability support pensioners. The average debt raised against aged pensioners across Australia is $4,500. This is a lot of money for an older person to find—a third of their annual pension. Pensioners hit with the debts are paying a high price for the government’s administrative bungling. If the government
had regularly checked its own information, these debts would not have been allowed to go on. Now the government is hitting people for debts which they cannot manage on a pension.

The government’s ambivalence towards pensioners is epitomised by a call my office received today from a resident of Coorparoo who rang to seek help because he struggles to live on his pension and feels that pensioners these days are, from the government’s point of view, simply invisible. It is a sad reflection on the government, but the sentiment expressed by this constituent from Coorparoo is the same one that is expressed to me by many pensioners at mobile offices, community groups and in my electorate office.

On health, I have spoken before in this place about the concerns many Southside residents have about the current deficiencies in federal health care funding. As this is the single biggest concern that local residents approach my office with, I want to spend some time addressing the matter. On Brisbane’s Southside we have a bulk-billing crisis—a crisis that has been evident for years, yet the government has done absolutely nothing about it. Since 2000, the number of GP services bulk-billed has fallen by 30 per cent in my electorate. Today only 58 per cent of GP services are bulk-billed in my electorate, whereas almost 90 per cent of services were bulk-billed only three years ago. The cost of seeing a GP who does not bulk-bill remains high and is on the rise. The national average is $14.92—an increase from $14.03 since last quarter, a 14 per cent increase on the March quarter last year and an enormous 68 per cent increase since 1996 when the Howard government first came to office. This simply demonstrates that undermining the universality of Medicare through discriminatory bulk-billing incentives and sham safety nets will inevitably lead to people paying more to see a doctor.

The impact of these financial barriers on ordinary Australians is clear. In the last financial year there were three million fewer GP visits than in the year before—that is, three million times that Australians in need of health care did not go to a doctor. At the same time, hospital emergency departments have been flooded by Australians looking for GP style care. Yet at the same time, local residents are seeing their tax dollars used for a massive government advertising blitz. It has been revealed that the federal government has now confirmed that it will spend $109 million on 21 different advertising campaigns this year alone. The advertising budget for Mr Howard’s Medicare package is $15.7 million alone. If the Medicare advertising money was used to actually fund bulk-billing, the government could afford a massive 610,894 more visits. I can confidently say that we will see more money spent in this fashion before the next election—money that could be used to fund better access to doctors. Spending taxpayer dollars on advertising for a bandaid fix instead of saving Medicare is something that people on the Southside simply do not expect will solve any of the problems with which they deal. I remind all those in this parliament of John Howard’s 1987 election commitment, when he stated:

Bulk-billing will not be permitted for anyone except the pensioners and the disadvantaged. Doctors will be free to charge whatever fees they choose.

That was John Howard in 1987 stating explicitly his political philosophy at that stage in terms of universal health care. What we have been seeing since then is John Howard undertaking the same strategy by stealth.

As the alternative government of Australia we also have articulated alternative plans for Australia’s future. Our tax plan will be released in the weeks and months ahead. When it comes to health care I have previously informed my electorate of what Labor’s plan for re-
forming the health care system will be. It is a long-term plan; it is not a bandaid solution. We have a two-pronged approach to the reform of our health care system. We will systematically address the crisis in the system and we will set the foundation for real reform. In government we will invest $1.9 billion in Medicare to raise bulk-billing rates from 67 per cent to 80 per cent by increasing Medicare patient rebates for all bulk-billed consultations by an average of $5 and providing powerful targeted incentive payments to bulk-billing doctors. We will introduce 100 Medicare teams for health hotspots where bulk-billing is in free fall. We will establish Australian Dental Care, investing $300 million to provide up to 1,300,000 extra dental procedures for pensioners and concession card holders. We will fund important vaccines against pneumococcal, chickenpox and polio for all children. We will invest $25 million to promote community wellbeing and to reduce childhood obesity.

On education, Labor is committed to quality lifelong education for all Australians. We have recently announced that in government we will invest $2.34 billion to rebuild, reform and expand our universities and TAFEs through our Aim Higher package, creating 20,000 new university places and 20,000 new TAFE places each year. We will reverse the government’s unfair 25 per cent HECS hike and abolish full fee degrees for Australian undergraduates. We will fund all Australian schools, government or non-government, on the basis of need. We will give all young Australians the backing to learn or earn through a new Youth Guarantee to support young people in school and make sure early school leavers move from training to work. We will provide free books to the parents of every new babe, develop comprehensive neonatal screening for hearing and sight, and provide parental literacy programs for parents who cannot read to their children. We will invest $8.7 million to get more male teachers into schools and establish a buddy-up program to get more male mentors into primary schools, giving boys appropriate role models. And we propose to establish a national mentoring plan and invest $33 million to create 10,000 new mentors.

I am particularly pleased to outline federal Labor’s plan for higher education in Queensland. Under this plan Queensland universities would receive over $60 million in additional funding by the year 2007. For university students living in my electorate, that means Griffith University would receive an additional $12 million, QUT an additional $14 million and UQ an additional $16 million. This will provide desperately needed funding for Queensland universities to maintain standards. Other sources of new funding for Queensland universities under Labor’s $2.34 billion higher education package include 21,000 more full-time and part-time commencing university places to be distributed across Australia; a competitive $450 million universities of the 21st century fund to support university reform; a $150 million community engagement fund to support regional, rural and outer-suburban universities’ leadership role in local communities; $150 million to reward excellence in teaching and learning; and $347.6 million to properly fund all university places at the full Commonwealth rate, including 25,000 places that the Howard government currently funds on the cheap. Under an alternative government, Queensland universities will receive the support and funding they need to deliver world-class learning outcomes.

On balancing work and family, Labor will deliver effective policies to help Australians balance work and family. We will introduce a new baby care payment worth $3,000 in 2005, rising to $5,380 by 2010, to be paid to nine out of 10 mothers whether they are in the work force or not. We will legislate to ensure that the Australian Industrial Relations Commission takes
into account the need for workers to find a better work and family balance and we will abolish
the Howard government’s antifamily Australian workplace agreements.

On the environment, Labor is committed to injecting 450 gigalitres of water into the
Murray-Darling in our first term of government through a $350 million river bank program
and to injecting 1,500 gigalitres over 10 years to save the river. We will ratify the Kyoto pro-
tocol on climate change and develop a national emissions trading regime. We will promote
renewable energy by raising the mandatory renewable amount. We will protect our fragile
beaches and coasts by investing $31 million in key environmental assets and stopping inap-
propriate coastal development. We will save our rivers and dramatically improve our water
efficiency by a range of relevant programs as well as institute a ban on free plastic carrier
bags in shops and supermarkets.

On better job security, an alternative government would ensure that the Australian Indus-
trial Relations Commission takes into account job security and the need to prevent the misuse
of casual employment. We will also seek to provide protection for 100 per cent of Australian
employee entitlements in the event of employer insolvency, with no additional cost to small
business. On small business, an alternative government will implement a seven-point plan to
reform the Trade Practices Act to give small business a fair go and to strengthen the ACCC. It
will simplify the red tape faced by small business in complying with the Howard govern-
ment’s GST. We will implement a six-point plan to put downward pressure on petrol prices.
We hope that this will provide appropriate relief for small businesses everywhere.

On secure retirement incomes, an alternative government, a Labor government, will set a
‘65 at 65’ retirement income goal for all Australians—65 per cent of an individual’s gross in-
come at the time they are 65 years of age. We would ban excessive entry and exit fees from
funds. We would introduce measures to provide compensation to those who lose their super as
a result of theft, fraud and trustee negligence or unpaid contributions where a business fails.
We would eliminate the contributions tax over time, starting with a two per cent reduction in
the tax from 15 per cent to 13 per cent.

This is a range of the measures which an alternative Labor government would create should
we obtain political office by the end of this year. The overriding philosophy which underpins
the programs we have put to the Australian people is our belief that we should provide oppor-
tunity for all Australians, not just for some—opportunity for all Australians through our pro-
posed reforms to the taxation system; opportunity for all Australians in terms of what we pro-
pose to do with the health care system, principally Medicare; opportunity for all Australians
through what we intend to do by way of reforming higher education, providing more funding
for it and opening up the TAFE system through the provision of additional places; opportunity
for all Australians through an enhanced child-care system so that working mothers every-
where would have an opportunity to access quality centre based care; and opportunity for all
Australians in terms of a better superannuation system which better meets the needs of work-
ing Australian families and individuals, whatever their income and whatever their back-
ground. We have therefore articulated a clear vision for Australia’s future, a vision which is
relevant not just for the nation, not just for families and not just for individuals but also for the
community that I proudly represent in this parliament, on Brisbane’s Southside. (Time ex-
pired)
Mr ANDREN (Calare) (11.43 a.m.)—I want to begin my response to this year’s budget with a look at the tax cuts. The tax package is designed to deliver between $20 and $80 a week extra into the pockets of Australians through a combination of tax cuts for middle- to high-income earners and enhanced welfare payments for lower income earners. The tax cuts were aimed specifically at voters the government believes will be crucial to the outcome of this year’s election. They are cleverly designed so that people on average earnings do not move into the higher 42c tax bracket while taxpayers close to the top 47c regime also get a reprieve. The income threshold attracting the 42c rate has been pushed out to $58,000 and then $63,000 under these measures. The income at which the top marginal rate kicks in will be pushed out to $80,000 by July next year.

While the government and the opposition are engaged in a bidding war around tax cuts in the lead-up to the election, several independent studies are showing a shift in public attitude from more money in the pocket to more social infrastructure. The tax cuts will be eaten up overnight by petrol increases for most, while greater spending of taxpayers’ money—obtained, perhaps, by a modest increase in the Medicare levy—will deliver better hospital services for the long term. That is where public opinion is at the moment, it seems. More and more people want better health and education spending and seem prepared to pay for it, which is a decided shift in public attitudes since similar surveys were taken 15 to 20 years ago.

No government or alternative government has the wit to take the hint, and I think the government that does will perhaps be surprised by the response it receives from an electorate which has seen a downgrading of its social infrastructure—particularly around health delivery—over the last 20 years. We have seen incidents like the one at Goulburn Hospital a week or so ago where a woman with a severely ulcerated leg was asked to go home and wash her bandages and bring them back the next day because the New South Wales state hospital system could not provide fresh dressings. I do not think anyone wants a public hospital system that is forced into such circumstances.

I get complaints time and time again from businesses in the Orange and Bathurst communities who are way down the list for the payment of accounts by the local central west medical service, Mid Western Area Health. It is chronically underfunded. There is an argument that it is chronically overstaffed at an administrative level. These things need to be looked at and the buck needs to be delivered to the area where it is needed most. Again, it underlines a suggestion that I know the Minister for Health and Ageing has been toying with, which is that the Commonwealth take over responsibility for health care. That would obviously involve some constitutional changes. Health and education are two areas in which I do not think a country with a relatively small tax take like Australia can afford the luxury of the duplication that we have with the state administration of the health and education dollars. It would save a lot of politics if the buck began in Canberra and the responsibility ended there as well.

The family tax benefit changes might be welcomed by recipients, but it strikes me that the one-off, immediate $600 payment per child is designed more to address the embarrassment of overpayments that have caused such heartache to so many families. But those many parents unfairly impacted by debts far greater than the $600 will no doubt be grateful for this moderate mercy. The basic problem of how these overpayments are accrued has yet to be addressed. Because most parents need the money immediately, they cannot afford to wait until income tax adjustments at the end of the year, and forecasting income is nigh impossible.
That brings me to the pattern of employment and income in this country. The tax cuts will not have any impact on the many in my electorate whose incomes are below the $52,000 level. In fact, the average income in my electorate is $45,000. While both major parties engage in rhetoric about unemployment rates, neither side is prepared to acknowledge that to be employed and to not be a statistic on the unemployment figures requires but one hour of paid employment per week. A six per cent unemployment rate is meaningless for defining the employment profile of this nation. We should be looking at underemployment and the increasing rate of casual and part-time employment for a snapshot of just how contented people are with their lot. No doubt part-time and casual work suits many, particularly women, but it does not suit the traditional breadwinning male worker. Statistics show that the growth in male casual employment has greatly exceeded that of female casual employment in recent years, to the point where there are now about an equal number of males and females in casual work.

The current research note from the Parliamentary Library on casual employment details one definition of casual work as ‘a job that is short-term, irregular and uncertain’. That means that 28 per cent of the work force, according to the latest figures, is in this situation. Putting aside those who genuinely want casual work because it suits them, I would suggest that one in five working Australians are certainly not relaxed and comfortable in our supposed boom economy—an economy that is showing signs of slowing down. Who will be the first to go in such a downturn? The casual employee.

Casual employment has now been added to unemployment as a device available to finetune the modern economy. Employees in larger enterprises are more and more not valued contributors to an enterprise but units of cost to be put on the payroll or disposed of at will. The parliamentary research paper, which recently found its way into the Sydney Morning Herald, shows a close correlation between unemployment and casual employment which the researchers say suggests that casual employment, with the exception of students, is probably ‘an involuntary work arrangement for many workers’. In other words, most casual workers are not relaxed and comfortable with their situation, as this government and, no doubt, Labor in government would want to kid us.

Another chart in the parliamentary research paper shows another high relationship between level of educational attainment and casual employment. In other words, just as unemployment reflects a lack of jobs, casual employment reflects a lack of ongoing jobs more than it reflects a preference for casual work. Mindful of the remarks I made earlier about the difficulty of estimating income for family tax benefits and the high incidence of distressing debts, the evidence from the research backs all of this up. Compared with ongoing workers, casual workers, according to the parliamentary research note:

...have much greater variations in their weekly earnings, are more likely to have a preference for longer hours, are more likely to have been in their current job for less than one year and are less likely to have been in their current job for more than 10 years. They have greater expectations that they will not be in their job in 12 months. They are less likely to be covered by workers compensation; less likely to work a set number of days each week; less likely to have had a work-related illness, possibly through fear of a reduction in wages or loss of employment; less likely to be a member of a trade union; more likely to work on weekends; less likely to have undergone training in the last 12 months; more likely to have no superannuation coverage; less likely to have worked some hours at home; and less likely to be employed in the Public Service.
All of this confirms the notion that casual work is largely involuntary and not a relaxed and comfortable scenario in a booming economy.

Having said that, I have consistently supported the proposals that small businesses with 15 and now 20 or fewer employees should be exempt from unfair dismissal laws but certainly not from unlawful dismissal. That is the compromise I am prepared to make to ensure that small business can operate without the threat of protracted litigation when the proper processes have been followed to counsel, warn and remove underperforming or disruptive staff. Of course, there is never a case for diluting unlawful dismissal provisions that relate to issues such as gender, race or religion. Small business in country and regional areas like those I represent do, I believe, at this point need that protection.

I am not prepared to countenance the extension of these laws to any larger work force, because the personal small business link between employer and employee that I notice and observe in my electorate certainly gets thinner and thinner the larger the work force gets. I believe that 20 is about right. To illustrate this point, I can look at the recent loss of 200 jobs at the Electrolux plant in Orange—a loss of jobs that, as far as media coverage was concerned, paled into insignificance with the immediate and quite political response of the government to the loss of jobs at the Mitsubishi plant in Adelaide. Yet, when you look at the loss of jobs in the whitegoods industry, first in Email and then in Electrolux in Orange, the impact on the central west community is far greater in terms of impact per capita than it is in Adelaide, I would argue.

Whilst the finger cannot be pointed at the international Electrolux company because it, like any other, is seeking a cheaper work force and competitive costs around the world and, indeed, will remove its small refrigerator plant from Orange because it cannot compete with the cheaper imports from Asia, it does put a huge question mark over the future of the large fridge-manufacturing plant in Orange and whether it can continue to compete in the world market. I intend to ask the government: where is the assistance package for the workers in a community like Orange who will need to be retrained, redirected and re-employed somewhere in the work force? Those 200 workers represent something like 1,200 to 1,500 people in the community. Of course, the flow-on effect to the subsidiary industries that are supporting the whitegoods manufacturer is quite significant. I ask the government: where is the package for rural and regional Australia when it comes to the loss of such a significant number of jobs as that represented by the recent major cutbacks at the Electrolux plant at Orange?

The other major issue that arises from the casual employment scenario is child care. This budget does add to child-care funding. In recent days the government has announced new initiatives, including a $138 million package for rural and regional areas. I am pleased to see that the minister recognises the need for community based family day care and long day care and look forward to this package meeting some of the demand that has built up in my electorate. However, the demand will be great. At Wallerawang last week I spoke with personnel at the Pied Piper facility. They pointed out the impending crisis they are facing through a combination of higher costs, fixed incomes and reduced government assistance.

Another phenomenon in rural Australia, particularly in areas close to metropolitan areas, is that towns like Wallerawang are attracting a greater number of people from the western suburbs of Sydney who are seeking more affordable rent. Many of them are recipients of social security payments and, indeed, many of them are seeking casual and part-time work when
they can, but the cost of child care is a huge factor in that equation. The flow-on effect to an organisation like Pied Piper is quite severe in that they cannot raise their prices because these people cannot afford it, so they are caught in a cost squeeze. They are among other child-care facilities in my electorate—and, I would imagine, in the electorates of members in the chamber—seeking support from the package that the government is talking about. Rural and regional areas in particular need support if they are going to extend their child-care services—particularly long day care, which is the growing area of need. I would say that the pressure is intense for child care for nought- to two-year-olds—sad as it may be that those kids cannot be at home until they grow to the age of two. There is a need for long day care for these children. The service is not only inadequate but unaffordable at the moment. So organisations such as Pied Piper will be seeking some of the limited support available and, no doubt, there will be similar requests from all over rural Australia.

Aged care budget initiatives have been generally welcomed in Calare, especially the move to cut compliance costs through reducing classification categories and a boost for aged care assessment teams. The one-off $3,500 payment per resident is welcome, but one-off fixes of this nature are often ill-directed. There seems to be little discipline in how the money will be spent. It seems that the not-for-profit organisations will easily use this money, but there still seems to be a desperate need for capital assistance for the not-for-profit organisations, particularly in regional areas. Unless and until the accommodation bond is put back on the agenda as a legitimate means, I believe, of accessing aged care payments for nursing homes then this capital crisis is going to continue big time.

Increasing the ratio of aged care places per thousand population members over the age of 70 from 100 to 108 will begin to address some of those shortfalls, although I am not convinced this ratio is anywhere near sufficient to meet the demand across the Central West in particular. There is a waiting list in most centres for long-term care in the Central West, let alone for adequate places for respite care. While the government, in cooperation with the states, has introduced payment for respite care to recognise the job that carers are doing, it is the lack of places that is going to be the problem. There is simply not a sufficient number available in the Bathurst-Orange area. I spoke with carers last week about this very problem, welcome though the support might be.

I would like to quickly talk about a couple of things that relate to the electorate and that should not be regarded as vote-buying exercises as they are very welcome and wise initiatives. There are changes related to the wine equalisation tax. The industry has been calling for abolition of the WET ever since the GST was brought in. It has taken until now for the government to make a move. While it has been welcome, producers in my electorate are saying that the government has chosen to offer a rebate rather than simply abolish this tax based on the volume of wine sold, which is what the industry has been asking for. So the tax remains—it just means that certain low- to medium-volume producers will get it back eventually. Small wineries operate on pretty slim margins and it strikes me they will be faced with major cash flow problems. It would have been much simpler to have allowed smaller wineries to opt out of the tax without the need to apply for any rebate.

The final comment I wish to make is to do with Mt Panorama funding. After all the politics of the last election, when federal funding for Mt Panorama was cynically used as a blatant vote-buying ruse, the announcement of the federal government’s $10 million funding boost
for the circuit was very welcome and very wise. With the likes of Peter Brock banging on the
doors of government down here, the message finally got through that it was an irresistible
national funding priority, whoever happened to be in the seat at any particular time. The fed-
eral Minister for Arts and Sport, Rod Kemp, told me the arguments for supporting Mt Pano-
rama were overwhelming and he also said the Prime Minister had spoken up strongly in sup-
port of federal assistance, despite some raised eyebrows from the Treasury.

I have long argued that public spending of public money should be done on the basis of
need. The public will punish the cynical whiteboard allocation of funds, as we have seen in
the past, so it is good to see Mt Panorama off the electoral agenda, having been funded as a
racing circuit of international repute. I commend the government for that, although it did take
quite a deal of time and a little bit of political argy-bargy in between. They have funded it as it
should be funded: on the basis of need, not who happens to hold the seat at any particular
time.

Ms VAMVAKINOU (Calwell) (12.03 p.m.)—The appropriation bills that we have been
debating here today are, I would say, probably the most forensic vote-buying exercise a fed-
eral government budget has seen in a very long time. The government’s carefully calculated
spending spree, which contains some $52 billion of new spending, including tax cuts to high-
inecome earners, is probably nothing less than a desperate attempt to cling to power.

Certainly it is more of an attempt to cling to power than a concerted effort to address the
many problems and needs of the broader Australian community. These are needs which cut
right across the critical areas of health and education as well as social security and, as we have
seen, impact adversely on the everyday lives of struggling Australian families. Unfortunately,
the government’s short-term pursuit of appeasing a few has compromised the long-term bene-
fits for the majority of Australians. It is for this reason that I wish to make the point that this
budget is very much a wasted opportunity. The government has effectively shirked its respon-
sibilities to the broader community and has failed to offer much-needed genuine relief to the
many Australians who have been seriously disadvantaged by its much flaunted and promoted
economic policies.

There are many casualties of this government’s policies. I would like to look at a particular
group that we all deal with and that I deal with in my capacity as the federal member for Cal-
well. I would like to look at the plight of old age pensioners, who after years of working and
paying taxes have to literally do battle on a daily basis just to get by in their day-to-day living.
Yesterday a study was released which affirms that 70 per cent of elderly pensioners barely
manage to make ends meet on what is a meagre amount at best. Many of these pensioners
have now had to pay back commonly occurring overpayments which result from, in my as-
sessment, what is perhaps the incompetence of Centrelink and also from flawed government
policies.

These elderly pensioners, who through no fault of their own have incurred thousands of
dollars of debts, face stark choices—often including propositions that they should sell their
family home in order to pay back these debts. It is an indictment on this government that it
refuses to address the debt problem that innocent pensioners are hit with on a daily basis. If
this is not enough, in addition to these overpayments, many elderly Australians come into my
office and say, ‘We have just suffered another cutback to our pension,’ or, ‘We have lost our
pension altogether.’ This time it is because many Australians who worked very hard and paid
taxes for many years have managed to own a second home in addition to their family home. These people have found that as a result of the large increase in real estate value, often driven by property developers and so forth, the value of the second home—which for years they have been able to keep and the value of which has kept below the means test threshold—has gone through the roof. As a result of that they lose their pension. They do not get any more income, it is just that their bricks and mortar have suddenly become more expensive—artificially inflated, in most cases. Most of these people come in and say, ‘What am I going to live on?’ This is a very sad indictment on the government. This is a generation of people who have worked very hard all their life, who have paid their taxes and who now deserve some sort of respectable attention from government.

In my electorate the general response to the budget has been pretty much the same as it has been in other electorates across the country, where three out of five families and singles did not receive a single cent in tax relief or family assistance. The Treasurer’s strategists certainly would not have given too much thought to the electorate of Calwell and especially the suburb of Broadmeadows, a suburb which is known for its high rate of intergenerational poverty. Despite the constant chirping and Dorothy Dixers that we get in the House about the government’s economic successes, we never hear the Treasurer talk about his record on poverty. We never hear the Treasurer talk about poverty in this country. This is because the government simply does not want to talk about the 2.4 million families who live in poverty, many of whom have been driven into poverty by the same economic policies that the government constantly flaunts and raves on about, especially during question time.

The government do not want to talk about the 370,000 people on unemployment benefits; they do not want to talk about the 500,000 Australians waiting anything up to 18 months to have their teeth fixed. The government do not want to talk about poverty, because to do so they would have to admit that they have failed a considerable number of Australians. They would have to admit that the prosperous Australian economy is leaving many Australians behind. If they admitted this, they would need to change their policies and budget priorities in order to address this problem. Because they are an opportunistic and deceptive government, they recognise that there are no votes to be won from poverty. There are no votes from poverty for the Howard government. As such, the government ignore the poor and instead chase votes elsewhere where they can buy them, as we have seen in their last attempt in the federal budget.

This budget has essentially failed my constituents of Calwell. Not only does it not address the critical health, education and employment needs of my constituents, especially the battling families and individuals, it does something extraordinarily new for us in Calwell: it maliciously undermines the harmony and character of Broadmeadows. As I have said before in this place, Broadmeadows is a place of hardship but also a place of strong community networks and relationships. It is a place with its fair share of disadvantage, but in recent years Broadmeadows has developed and changed and is proving itself considerably—no thanks to this government, I might say.

This year Broadmeadows received some special attention from the federal budget. We learnt that a new high-security immigration detention centre is going to be located in Broadmeadows. As you can imagine, this came as a great surprise, not only to me but also to the people of Broadmeadows, because there had been no indication of it and certainly no consul-
tation with the community or the council. I had absolutely no idea that the government was planning to relocate its new detention facility to Broadmeadows in my electorate. Because the government has failed in its attempt to sell part of the historical Maygar Barracks—there were three failed bids, I understand—which were put on sale last year, a year and a bit ago, it appears that the government has made some last-minute decision to simply pinpoint Broadmeadows and Maygar Barracks as the new place for the detention centre.

Last year, the community and I tried very hard to persuade the government to give the historical Maygar Barracks and its many buildings to the community for community use. As I said, there are many disadvantaged emerging communities and refugee communities settling in Broadmeadows who are in desperate need of facilities such as halls and centres, which they want to use as places for their community to meet and to worship. They need spaces for their young people to get together for recreational and teaching pursuits. Surprise, surprise: of course the government refused—flatly refused, as a matter of fact. At that stage, it was very busy with its big fire sale of Defence land, probably to raise money to pay for the war effort in Iraq. In refusing to give the Maygar Barracks to the community of Broadmeadows, the government also turned its back on the historical significance of the Maygar Barracks—a place to which locals have very fond attachments, not only directly but through their great-grandfathers, the World War I diggers who congregated in the famous white-tent cities before they went off to Gallipoli.

Despite community protest, it appears that the government will proceed with its ‘gift’—the ‘gift’ that the federal electorate of Calwell received this year from the budget—of a new detention centre. It will spend $6 million of taxpayers’ money to buy a portion of the Maygar Barracks—which effectively it owns anyway; I presume that one department is going to buy it from the other—and then it will spend additional millions to build a 200-bed facility. There is a very cruel irony in this, because Broadmeadows is one of Australia’s most ethnically and culturally diverse regions. It is home to many different cultural and language groups, who, despite their great diversity and often very disadvantaged backgrounds, live harmoniously together.

Significantly, it is also home to one of Australia’s largest Muslim communities, many of whom are recent arrivals to Australia. A significant proportion of these new Australians fled from the kind of terror, violence and poverty that more often than not drive people to seek refuge in other places. Locating a detention centre amongst this community is, I believe, totally and utterly insensitive. It places a centre congruent with many of the residents’ worst nightmares right in their backyard and threatens the social harmony of the many communities that call this area home. It has the potential to incite prejudice and racist behaviour from those who do not understand the complexities and horror of forced migration and the search for refuge.

Converting the barracks into a high-security detention centre will further, I am afraid, stigmatise the Broadmeadows area, which already suffers a reputation of being rough and disadvantaged. This stigma, whether fairly or unfairly, does exist and extends to the residents of the suburb, who are often unfairly discriminated against because of the connotations that the suburb’s name conjures.

Local residents and groups have made tremendous efforts to boost the appearance and reputation of Broadmeadows. In recent years we have seen numerous innovative programs
launched, many by the Hume City Council and the state government. Broadmeadows finally has its first ever library, the Hume Global Learning Centre, which is now a year old. It is a state-of-the-art library, which has brought great benefit to the people of Broadmeadows. Therefore, you can imagine why this gift from the government is such a slap in the face for the residents of Melbourne’s northern suburbs, who have worked so hard and with such dedication to counter the deep prejudice held against them. It is academic to say that there is a great level of unease in the community about this proposed detention centre. As I said, many of the residents are opposed to it, and I understand the Hume City Council has written to the minister for immigration. We strongly believe that this centre runs the risk of setting our community and our efforts back. It sets us back in our efforts to develop and change the perceptions that many people have of Broadmeadows.

For many years the Maygar Barracks operated as a hostel for newly arrived migrants, which is another irony. Many thousands of my constituents lived at the barracks for a time or had family and friends who for a short period called the barracks home, forming deep friendships and relationships with Australia’s other newest residents and negotiating the language and culture of this country which was to become their home. Many of them moved from the barracks into the surrounding areas and still live there today. They still have very fond memories of their stays at the Maygar Barracks. I think it is an irony that the Maygar Barracks are to be transformed into a high-security detention centre, with all the things we have come to associate with such detention centres. The high razor wire fences and prison like qualities will definitely sour the precious memories my constituents have of the place, turning what was once a place of welcome into a place of rejection and containment.

As I have said—and I want to emphasise this point, as it is what struck me when I first found out about this proposed detention centre during the federal budget presentations—it is deeply ironic that Broadmeadows should receive this sort of attention from the federal budget. It is certainly something the community does not want and does not need. It is particularly ironic because the money being spent on this project is money that is desperately needed in other areas in our community. One such area of immediate need in Calwell is the Bridgewater Lakes Estate in Roxburgh Park, a 124-bed aged care facility which is due to be completed and hopefully operational—or so the owners thought—in August this year. That has now been cast into doubt, because the owners of the facility missed out on the necessary allocation of beds in this year’s aged care approval rounds. The northern suburbs of Melbourne in my electorate have a very high need for nursing home and aged care beds. Surely it is more important for a government to spend money to provide good quality beds and accommodation for elderly Australians who have worked hard and given so much to the growth of this country. Surely that should be a priority, and all others, including the detention centre—and some $10 million, I suggest, will be spent on relocating and establishing that—should wait. Surely that money should be spent on providing much needed aged care beds.

But perhaps the greatest victims of federal government neglect in Calwell are the young people who live in my electorate. The government’s policies show a disregard for their future. It is an established fact that education, particularly public education, is the greatest key to opportunity for young people, especially those who do not have the ability to access the non-government education sector. Yet, rather than make education more accessible to the disadvantaged, this government, through its policies, makes it harder for those young people who
cannot afford the best resources and the opportunities that other students in more affluent areas enjoy. These are the students that need the greatest attention and assistance from government, because they do not have the opportunities that other kids have. When you look at the fact that 70 per cent of children attend government schools across the country—including, of course, many in my electorate—it is astonishing that such schools will receive barely enough money to cover indexation, while their wealthier private school neighbours receive an increase of almost 40 per cent in funding. It is not the issue of funding non-government schools that is the problem here; it is the imbalance between the level of funding that is being meted out to the private school sector and the level of funding being meted out to the government school sector—which has a greater number of participants than the non-government school sector.

Following on from school education, of course, is the issue of universities and higher education. In my electorate, the prospect of HECS fees rising—and we have recently seen La Trobe University, one of the major universities in our area, indicating that they would be putting up their HECS fees by 25 per cent—is making education for kids in my electorate less and less affordable. I do not know whether you would call it a pipedream for these young people, but certainly it is becoming a vexing issue because this massive increase in fees comes without any additional financial support for students and their families, forcing them to choose between massive debts in the future or no tertiary education at all. I do not know how that benefits the progress of this country when its young people have to choose not to pursue a tertiary education because they will not be able to afford the debt. I am not sure how that advances our cause in any way.

I have spoken to many students in my electorate, and I can tell you that they are truly worried about their ability to afford a tertiary education. It is not that these students would not benefit from a tertiary education. Intelligence is not the prerogative of the wealthy; intelligence is something that most children have. They have capabilities. They rely on their families and on government to assist them to develop that intelligence for themselves and for the good of their country.

I want to look also at TAFE. A couple of weeks ago I visited the new Koori learning education centre at Kangan Batman Institute of TAFE in Broadmeadows. I can tell you that I saw first-hand some very lovely work that the people there are doing with young people in my region—particularly troubled youth and Indigenous youth, who seem to be totally at the bottom of the ladder in relation to prospects for education. The creation of this new learning centre has provided hope and opportunity to many young Indigenous people, many of whom do slip through the cracks. This is not only about our underresourced government schools; it is that schools are just not catering for their style of learning and their predicament, which impacts on their learning. I have to commend the Kangan Batman TAFE for not only the effort and the planning that it put into servicing the students of the region but its deep understanding of those students who have the greatest need. We are very fortunate to have this TAFE in Broadmeadows. You can imagine we are very disappointed that there is no additional funding or provision for the 15,000-odd young people nationwide who have missed out on TAFE funded places. It is a great disappointment for young people in my electorate and across the country. *(Time expired)*
Mr Byrne (Holt) (12.23 p.m.)—I rise today to speak about a particular matter pertaining to the Child Support Agency. I would like to address the issue of a gentleman who, on 10 May this year, received a telephone call from the Child Support Agency advising him of a serious breach of privacy. That serious breach of privacy was that his personal file—a file containing his personal information that was being carried out of the office by a Child Support Agency worker—had in fact been misplaced on a tram in Melbourne. This was on 10 May.

In fact not only his file had been misplaced; the files of 15 other individuals had also been misplaced. These were files that contained the most intimate personal details: tax file numbers, income details and addresses. I am talking about the addresses of the children for whom these people are paying child support. I am talking about file notes of child support workers about this particular individual. To my understanding, all of that information relating to this gentleman plus 15 other individuals was left on a tram seat in Melbourne on 10 May. Just imagine if you and I were in a similar situation. When we give information to the Child Support Agency we are guaranteed that there is some level of privacy. Very intimate detail is contained in these files. Yet on 10 May this gentleman’s life was laid bare to the public—to anyone who had picked up those files.

I regret to inform this chamber, this House, that those 15 files have disappeared. Someone has those 15 files, which contain the most intimate personal details of bank accounts, tax file numbers, ABNs, addresses and income. Someone is running around the streets of Melbourne with those files. You would think that, given that set of circumstances, there would be a major effort to recover those files, issue an apology and give some undertaking that this would not happen again. The information about this matter was raised in an excellent newspaper in Cranbourne, the Cranbourne Leader. The journalist concerned, Jeanette Langan, wrote about it in the Cranbourne Leader and it has been picked up by the Herald Sun in Melbourne. Let me give you some of his feedback about how he felt:

Everything about me and my children was in there—where they live, what I earn, my ABN, my tax file number and income details. I cannot sleep at night for worrying. What if a paedophile has picked up the folder and he knows all about my kids or a criminal got hold of all my financial details? With the Internet these people these days will steal your whole identity.

He received a written apology but three weeks later has still not been given a list of exactly what went missing, nor any compensation for the days off work he has had to take to reorganise his life, let alone for the stress to him, his new wife and child and his ex-wife and children. As a tradesman he has had to get a new ABN and tax file number and give them to the dozen employers that he works for as a contractor. He has had to close his bank accounts and notify his ex-wife and children that they are at risk. He goes on to say:

And I am not alone apparently. There are other people’s documents in the folders but I can’t find out how many. We have identified about 15. They have breached their own protocol. Documents were meant to travel in a secure case in a private car but this didn’t happen.

A major breach to department rules has been made. Your privacy is a major concern for us and the staff involved have been sanctioned.

However, unfortunately for this particular individual, this was not the first breach that he had been subjected to. He says:
Last year they mistakenly sent me court papers and child access details of a dad in Mildura with the same Christian name as me. I wonder who's got mine? I am just one person and I have had two privacy breaches in 12 months. They really need a shake up in there.

Too right they do. As I said, when you provide information to the Child Support Agency—the most intimate, detailed information—that agency should take whatever measures are possible to ensure your privacy is guaranteed. I would like information from the Child Support Agency as to the other 15 people whose files were left on the tram seat in Melbourne. Have they been notified? What has actually happened to them?

Further, I understand that this matter has been passed on to the Privacy Commission, given the seriousness of its nature. What I would like to see and what I call for in this House today is that the Privacy Commissioner report his or her findings on this matter to the minister and then the minister, with the appropriate names and details deleted, can report back to the parliament—and to me—about what action has been taken.

This is a very serious breach. I have detailed not just one breach but two breaches to the same individual. One would think that is a pretty traumatic event and that that would be the end of it. Matt Cunningham wrote an article about this incident in the *Herald Sun*. Following its publication an individual who has similar privacy breach concerns to those of the person I have spoken about contacted Matt Cunningham by email. The email reads as follows:

I read the article in your newspaper yesterday regarding CSA leaving documents of people private details on a train with much interest.

A clear breach of privacy.

I think the CSA agency problems go far deeper and they are attempting to cover up endemic breaches of privacy.

As recently as 2 weeks ago my personal details were sent without my knowledge to an open work fax at my place of employment.

Everyone in my office had a good read (*I was the last to know*) and this caused me severe embarrassment once this information entered the public domain.

I lodged a complaint with the department who apologized and agreed this was 'a clear breach of privacy laws'. They blamed it on a 'contract lawyer'. This begs the question, is this one of a case or a regular breach of privacy laws?

I think we are establishing the fact that we are getting a fairly regular breach. The email continues:

And should a lawyer working on behalf of the department not know privacy laws. Or are they systemically acting above it?

What procedures are in place to prevent this happening to someone else?

This department has tried to make out this was a one off. However reading your article I don’t believe this to be the case.

For most fathers/mothers involved in this very sensitive process the one sanctuary they have is the workplace.

Perhaps this adds to the high suicide rate amongst parents involved with the CSA.

He then sent another email with regard to this that he would like read into the *Hansard*. This was a complaint that he sent to the relevant agency:
I would like to place the following complaint against your department and would like a written explana-
tion and apology.
I would like to lodge a complaint for a breach of privacy against a Senior Case Officer.
I have not spoken [to] or know who this person is.
I am in the process of being reviewed by the agency.
That did not stop them from sending a fax of all his details to his workplace, however. He
continues:
I have not yet had this meeting.
And have made all child support payments as requested by the department.
Unknown to me your Senior Case Officer has sent a fax of a very sensitive nature to an open fax at my
new workplace.
It seems many people have seen this fax and now I am suffering acute embarrassment due to this fax.
A certain stigma is associated with material of this nature in the public domain. And I feel my reputation
has been damaged and defamed by your department.
I have done nothing wrong yet your department has damaged my career and made my workplace un-
bearable.
This has severely damaged my reputation at my new company.
How is it possible an open fax is sent to a common fax in an office regarding such a personal issue?
Does your department not realize how sensitive and private this issue is?
What processes do you have in place to prevent this flagrant breach of privacy?
I feel that this has severely damaged my future career in this company and I would like to know what
your department is prepared to do about it?
If I do not get a satisfactory explanation I will have no choice [but to] escalate this matter.
I have just cited three examples of very serious breaches of privacy. Fifteen files containing
intimate personal information were left on a tram seat in Melbourne. The same gentleman
who was the victim in that case was sent a letter 15 months earlier with someone else’s de-
tails. He was told the personal life of someone with the same first name. And now we have
another email. We keep on being told that this is a one-off, that this is not a systemic breach. I
say to this chamber that there is a systemic breach and it needs to be investigated. I would ask
that the matter that I have just cited be investigated by the Privacy Commissioner. I would
also request that the Privacy Commissioner release his or her findings to the relevant minister
and that that minister make available to me and to the public an explanation as to why this has
occurred and give a guarantee that this will not occur again in the future.

In researching this matter and in looking for precedents—as I said, we have been told that
this is not systemic—I came upon an article written by Adele Horin and published on 14
March 2002 in the Sydney Morning Herald. The article says:
The Child Support Agency’s Penrith office lost 180 “restricted access” files containing highly sensitive
details about separated and divorced parents.

The files were supposed to have been locked in a special security cabinet. Instead they were stacked
beside a clerk’s desk and thrown out by the cleaners.

The files are considered more personal than tax records. They contained people’s names, their tax
file number, their employer’s name and how much was deducted from their pay for child support.
Restricted access files are kept on high-profile people...

In this case, the files involved parents who worked for the NSW Department of Community Services, the Australian Tax Office and the Child Support Agency itself.

So yet again, some two years ago, we had a very clear privacy security breach. I do not think it is too much to ask the Child Support Agency, on behalf of those people whose files are missing and on behalf of that gentleman in Cranbourne who cannot sleep at night because he is worried about what is going to happen to his children now that their address is out there, to be much more careful with the information it is given. I would also reiterate that I have asked the Privacy Commissioner to investigate all the matters that I have raised and report back to the relevant minister, who can report back to this House, to make the Child Support Agency publicly accountable for the breaches in privacy that have occurred. Moving from the particular matter in micro, much to the member for Deakin’s pleasure—

Mr Barresi—Great contribution!

Mr Byrne—Thank you, Member for Deakin; I know I can always rely on your support—I would like to talk about the budget in general. Unfortunately, Member for Deakin, this is probably some stuff you are not going to like as much. One would think that, with the $52 billion that has been spent, in my electorate as a consequence of this vast truckload of money there would be universal bulk-billing, no doctor shortages, no difficulty in assessing psychiatric care and no difficulty—

Mr Barresi interjecting—

Mr Byrne—Yes, $52 billion. One would think that our poor and disadvantaged would be looked after by the provision of abundant emergency relief funding and community based agencies, that there would be no child-care shortages or aged care shortages and that low- to middle-income earners would be given the tax relief that they are looking for to cope with the fairly crippling levels of personal debt that are emerging in my electorate. I am sorry to disappoint you, Member for Deakin. Let me give you a snapshot of what is actually occurring in my electorate. We will start with bulk-billing. In the past three years, the bulk-billing rate in my electorate has dropped from 91.7 per cent to 76 per cent. That is a 15 per cent drop. When you talk to doctors in the region, what they are saying is that in the next five years there will be no universally bulk-billing doctors.

I have read much about this. In fact, I received in my letterbox from the Prime Minister himself the Strengthening Medicare package. What a delight and joy it was to read! I would presume that, as a consequence of having this money, which I presume is part of the $100 million that has been spent on advertising, all my problems and the problems of my constituents would be solved and therefore they could get bulk-billing doctors. But funnily enough, when I contacted doctors in the region, there did not seem to be an increase in the bulk-billing rate. But how could it be? We have spent $100 million on advertising and we have spent lots of money telling people that bulk-billing is alive and well—and yet the bulk-billing rate in my electorate, which has plummeted precipitously in the past three years, has not jumped. Why could that be? I am a little bit confused.

There is another issue that is near and dear to my heart, and that is the issue of Medicare offices. This is one I must attribute to the ‘about to be former’ member for La Trobe, Bob Charles, who lobbied for a Medicare office in the Fountain Gate Shopping Centre 10 years
ago. Lo and behold, after a sustained five-year campaign that the residents of the City of Casey undertook—in fact, we got a 22,000 signature petition, which I tabled in this place in 2002—we were actually given the joy, during a flying visit by the Prime Minister to Narre Warren some two or three months ago, of an announcement that there would be funding for a Medicare office. I am very pleased about that. I am very pleased for the residents of Casey, who should be given the appropriate credit for the delivery of the Medicare office.

Let me tell you about the Fountain Gate Shopping Centre before they were given that funding. This is a shopping centre that has something like 11½ million movements through it per year. It was the largest shopping centre in Australia not to have a Medicare office. For five years they were told no by the Health Insurance Commission, notwithstanding the staggering number of young families around the region—we have 40,000 children in the city of Casey between zero and 12 years old. Just imagine you are one of the parents of those children and you go to a doctor. If you have sick children, you are going to go to the doctor a lot. You go to the doctor—you do not get bulk-billed, because it is very hard to get bulk-billing in the area—and you have to take your forms somewhere. Where do you take them? You could not take them to Fountain Gate. You still cannot take them there, because they still do not have a Medicare office. The funding has been announced but the office has not been delivered. Where do they go? They have to travel to Dandenong, with queues of 30 people. They have to travel to Warragul. For five years they were told they were not good enough to get a Medicare office. Yet all of a sudden, with the dawn of an election campaign, the impossible has become possible.

So I have written to the Health Insurance Commission, which, very interestingly, instead of answering the questions directly, have gone to the Minister for Health and Ageing. It is very unusual for a government department to not actually respond to a direct request from a member of parliament. Could it be that they were put under pressure because of an election campaign? Perhaps I am being cynical. For five years when we have asked the Health Insurance Commission whether or not they would put a Medicare office in the region, we were told: ‘There are a set number of offices and, too bad, you’re not going to get one until one closes down.’

Then we had the very famous electronic billing system that was going to cure all of our ills, and then, lo and behold, magically as a consequence of the Prime Minister’s visit, we have a new set of criteria and we are now being told that, because of the huge amount of growth in the area, we are suddenly going to get a Medicare office. I hate to tell you this, but for many years, as the member for Deakin would know, up to 80 families a week have been moving into the city of Casey—80 families a week.

Unfortunately my time is running short and I know the member for Deakin is enjoying this presentation. You would think also that, given the amount of funding, there would be an abundance of doctors—that doctors would be positively pululating in Holt. The problem is that we have severe doctor shortages. In fact, in the Hallam Medical Centre, we have a doctor who has 8,500 people on her database but she cannot get another doctor. She is a fully bulk-billing doctor and yet she cannot attract another doctor to the region. She is forced to try to get an overseas doctor. The recommended ratio of patients to GPs is normally about one to 1,400 depending on their micro-socioeconomic grouping. In the city of Casey, with those 40,000 children aged between zero and 12, the ratio of doctors to patients is one to 2,000.

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We have an absolutely chronic shortage of doctors in this region. And yet, with this magnificent presentation—the rivers of money, the fistful of dollars, Member for Deakin, that are coming through—I have not seen any new doctors turn up at Dr D’Argent’s doorstep. I have not seen a flood of doctors come and tend to the sick kids who are winding up in emergency departments in public hospitals because they cannot find a doctor. I am waiting for that, so, if the member for Deakin can enlighten me on this, it would be absolutely fantastic.

I would just like to address one more issue in the time that allows—the much trumpeted tax cuts. Ninety-four per cent of my electorate did not receive a tax cut. I do not know what the statistics are for the member for Deakin’s electorate. He is in a marginal seat, so I think it might be a bit better, because it is a highly targeted package—particularly in La Trobe and Deakin and Aston and other seats. But let me talk about good, working-class areas like Holt: for 94 per cent of people in my electorate there are no tax cuts. They are not thanking the Howard government for the tax cuts; they would like a bit more.

Ninety-four per cent of people in my electorate earn under $52,000 a year—not as many as the member for Deakin, not as many perhaps as the member for Aston, not as many perhaps as the member for La Trobe. Never has so much been given to so few, and we know why—because there is an election. Just like the Medicare office in the city of Casey: for five years there were 22,000 people petitioning the government and, all of a sudden, there is the delivery of a Medicare office because there is an election. This budget is a cruel hoax, and I would invite the people of Holt to pass their vote in judgment at the next election. (Time expired)

**Ms BURKE (Chisholm) (12.43 p.m.)—**I am sorry to break up the delightful talkfest across the table, but I rise to discuss the Appropriation Bill (No. 1) 2004-2005 and its cognate bills and to demonstrate that the people of Chisholm were forgotten when the government was drawing up this budget. Those earning more than $52,000 may receive a tax cut, but any benefits will be wiped out comprehensively by the continuing increase in the cost of health and education services. The $600 payment per child will only go towards paying off family payment debts accrued by local families through no fault of their own. And what of those people earning less than $52,000? They have to go without. Given the Howard government is the highest taxing government in Australian history, local workers earning up to $52,000 have paid more than their fair share of tax and deserve, like other Australian workers, to get some of their money back.

In a $52 billion budget, a substantial level of funding could and should have been directed to saving Medicare. Bulk-billing rates in Chisholm have fallen by more than 10 per cent since 2000. In the short space of four years we have seen a decline of 10 per cent in our bulk-billing rate. While the government has tried to make much of the slight shift in its bulk-billing rate in the March sector, the most recent bulk-billing rate is still lower than the bulk-billing rate in March last year. Of course, with the government sitting on the electorate specific bulk-billing figures, I do not know whether the rate in Chisholm has continued to decline. Anecdotally, I am still hearing about people having trouble accessing bulk-billing doctors, particularly out of hours. Out-of-pocket costs have continued to rise—up by 14 per cent since this time last year. Any tax break is not going to make up a 14 per cent differential that you are now paying to go and see your doctor.

It is worth remembering that, when Labor left office, bulk-billing was at 80 per cent. It has fallen over the life of this government by 12 per cent. Labor is committed to getting it up to
80 per cent again. Labor is committed to getting it up to this level by a planned and sensible approach to Medicare and not spending a small fortune on showing the same ad every day of the week, or sending the same pack to each home. By now we have the message. Save the money and put it back into actually saving Medicare.

This government has also ignored the plight of residents in Melbourne east who are referred for an MRI test. Of the 16 MRI machines in Victoria that are eligible for a Medicare rebate, not one is based in the eastern region of Melbourne—that is, from Box Hill out to the Yarra Valley. This is an enormous area in the Victorian metropolitan area and also beyond. What this means for residents of Melbourne east who are advised by their specialists to have an MRI test is more stress at a time when they certainly do not need it.

Mr Barresi—I’m fighting for one now.

Ms BURKE—Yes, I know you are. When your health is under a cloud the last thing you need is to be put at major inconvenience by travelling to a radiologist kilometres away from your home to find a Medicare rebated MRI unit, for which there is generally a six- to eight-week waiting list anyway. The alternative is to somehow find $500 for a service which many other Australians rightly receive a rebate for. The Eastern Health network has made several representations to the Department of Health and Ageing and has put a strong case that Medicare eligibility should be granted to the current MRI machine owned by the radiological practice based at Box Hill Hospital. Let me re-emphasise that for the member for Deakin: the Medicare rebate should go to the one currently in operation at Box Hill Hospital and not the one in his seat that has not been established yet.

I note that the health minister last week announced that the government will fund 23 new Medicare-eligible MRI machines in underserviced locations around Australia. The minister, having recently acknowledged in the Maroondah Leader that Melbourne’s eastern region was underserviced, must surely be planning to include the MRI based at Box Hill Hospital in this secret list. I look forward to the announcement of this service being given to the people in the east of Melbourne at the most sensible and logical location and not at the one in the marginal seat next door to mine.

I am pleased that the government has finally opened its eyes to the threat that pneumococcal disease poses to our children and agreed to fund a vaccine for all toddlers. I recently tabled a petition in this House signed by more than 250 local parents calling on the government to follow the expert advice of the National Health and Medical Research Council that the vaccine should be provided at no cost to all children under two.

There is nothing in this budget for thousands of Chisholm residents who are on waiting lists for dental care. More than 4,000 residents are on a Whitehorse Community Health Service waiting list. The story is similar at Monash Link Community Health, where the average wait for treatment is two to three years. Dental care is a shared state and federal government responsibility. The state government has recently done its part in our neck of the woods. It has cut waiting lists in Whitehorse by funding in its 2004 budget nine new dental chairs at the Whitehorse Community Health Service. The clinic will go from having one dental chair to 10, with six of the chairs allocated for community and youth dental programs, two for the school dental service and two to support undergraduate clinical experience of dental professionals from the University of Melbourne. This is a very welcome initiative and I say thank you to the
state government for putting these chairs where they are needed—again, in Box Hill, which is a great place to locate services.

The clinic will operate on an extended hours basis, increasing significantly the number of hours of care to be provided and reducing waiting times. So the state government has lived up to its responsibility while the federal government just closes its eyes to the pain and discomfort of so many residents, many of them elderly.

Speaking of the elderly, I am concerned that this budget does not address the long-term care needs of our ageing populace. While I welcome an injection of capital and recurrent funding in residential aged care, it speaks to me of a quick fix rather than tackling a woeful funding formula. According to the Community Care Coalition, up to $405 million has effectively been taken out of the prices paid by government for residential aged care between 1996-97 and 2002-03. In community care, about $120 million of government funding has been taken out of the sector. The Community Care Coalition say:

The result has been an increasingly thin spread of community care services—for example clients only being showered once a week instead of every day and the steady dilution of services provided in residential care—for example, staff not able to spend as much time with individual residents. And as quality is beginning to suffer, many organisations are now considering whether they can continue to provide care at all.

This budget does not deliver enough to the aged care sector. As the Chief Executive of the Victorian Association of Health and Extended Care, Mary Barry, has said, Victorian nursing homes will receive an overall increase of three per cent in the coming financial year, which will be more than consumed by the staff salary increases of four per cent that have already been mandated. Given that nurses working within the aged care sector earn predominantly 25 per cent less than nurses in the acute care sector, this four per cent is going nowhere towards filling the gap and ensuring that we have qualified professional staff working in the aged care industry.

I am disappointed that there were absolutely no funding measures for community care in this budget. I am aware that the minister has said the community care review will be released shortly, and I hope the government has seen fit to adequately fund these vital services which ensure older people can remain living in their homes and communities longer. There is a crisis in community care. We keep saying that people should be able to age gracefully in their homes, but if we are not providing the dollars to support them there they will end up in residential aged care. It is not good economic sense. We need to keep them in their homes. If they can have services provided to them at home where they need it, that will benefit the community at large.

Turning to education, I am disappointed to see that no commitment of any substance was made to additional university or TAFE places in Victoria. Just last week a Victorian state parliamentary committee inquiry into unmet demand for places in higher education found that 13,000 eligible tertiary students in Victoria missed out on a university place this year—that is 13,000 in Victoria alone. Nearly 8,000 of those who missed out were mature age applicants. The committee found that traditional TAFE students were being displaced by university students who were eligible for but could not get a university place. The Minister for Education, Science and Training, Brendan Nelson, does not fool anybody on this side of the House with his talk of new university places to be phased in over the next four years. These places are not
new. They are just backfilling because of a government bungle that allowed universities to put in half-met places. There are no new places out there. The government are just funding those places that already exist.

Does anybody understand, in light of this $52 billion budget, why the government felt compelled to force universities to raise their fees by 25 per cent from next year? In my electorate I am honoured to have two of Melbourne’s best universities, and certainly Australia’s largest: Monash University and Deakin’s Burwood campus. Both of these universities have decided to increase their fees by the maximum amount. I am really concerned for the young people who want to further themselves in university but are scared of being saddled with debt. I and the elder of my brothers and sisters were all privileged to go to Monash University at a time when you did not have to pay fees. My younger brother sadly incurred all the HECS that his elder brother and sisters did not have to. There was no way my parents could have seen their five children go to university if we had all had to pay fees, and we were not the sort of family who would have said, ‘Let’s incur a massive amount of debt.’ It is people from backgrounds like mine who would never have seen the inside of a university who are missing out on education.

I feel, too, for parents—parents like mine who want their children to succeed and who may be placed under further financial strain to make it all possible. It would be tragic if young people from less well-off backgrounds were deterred from furthering themselves through university study because of the prospect of going into major debt. Deciding whether to attend university or not should come down to whether you have the ability, not whether you have the ability to pay. If we want to be a smart country in the future, surely we need to be supporting, not deterring, young people who want to develop their potential.

One issue glossed over in this budget is the concern about lack of household savings and retirement income. The one measure—matched savings for low-income earners—is not a policy; it is a cop-out. How many people on $28,000 or less are going to be able to save $1,000 in order to have the government match it? Few, if any. The government’s current system of co-contributions to super has not even run a year yet, but it has certainly tied up a bucket of money in ads with that cute pink pig. Apparently, they had to re-shoot the ad because the pink pig was too big. If you had measured it, you would have had more money than the government was actually giving you. They have re-shot the ad twice to get the right-sized pink pig. A lot of money has gone into the pink pig but not into people’s pockets.

We have not been able to assess the current system. It has not even run a year, so we do not know if it is working, but the government have said in the budget, ‘We’re going to move from a dollar for a dollar, to $1.50 for a dollar.’ That is not good economics. You need to assess a program to see whether it is working before you go and increase it. It goes the way of the government’s failed baby bonus system—a complete dud, by the government’s own admission. The government have now scrapped that and introduced a new maternity payment in the budget, which is welcome. Copying is one of the greatest forms of flattery, so we in the Labor Party are very impressed that the government have copied our scheme. They have thrown in a few flaws, so we know it is a conservative initiative.

The super measures in the budget were no measures at all; the Treasurer should hang his head in shame. He claimed his next big task after reforming the tax system and introducing the GST was to deal with super, and what we have is nothing. My seat of Chisholm has a

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greying demographic, a high rate of tertiary education and, consequently, a large number of self-funded retirees or those who hope to leave the work force shortly to live comfortably on their super. By virtue of retirees downsizing their homes, my electorate also has a growing number of young families moving in.

What do these groups have in common? What is their community of interest? It is security—not, mind you, fears about an unknown villain who may break into their home or a terrorist threat but concern about their family’s financial future. They want to provide for their kids, live a comfortable but not flamboyant life and retire in comfort. For the populace to achieve this end, they need savings—which is a great worry, because as a nation we are fast becoming dis-savers. John Howard, way back in June 1995, said:

... household savings—and that’s not a bad indicator of, you know ... the money that people have got left over after they’ve put the bread on the sideboard and ... food on the table. ... it went right over a cliff in the last quarter. Now what this indicates is there’s a massive squeeze on mainstream Australia and the people who are being hurt most are the battlers. He needs to look at the figures now, because they are a disgrace. With consumption the main driver of economic growth, the national accounts for the first three months of 2004 reveal that the household savings ratio hit a record low of minus 3.4 per cent. The household savings ratio has now been negative for a record eight consecutive quarters in a row. When Labor left office, $5.80 in every $100 of household income was saved by Australian households. Under the Howard government, this has turned negative, with households spending more than they earn. Overall household debt under the Howard government has almost tripled—from $290 billion in March 1996 to almost $750 billion in December 2003. Household debt has skyrocketed from 85 per cent of household income in March 1996 to a staggering 147 per cent in December 2003.

Most alarming of all is Reserve Bank of Australia data which shows that, in March 2004 alone, we put $13.35 billion on our credit cards—about $430 million a day. On top of this, we racked up $265 million worth of interest payments—almost $9 million a day. The banks are liking this, but it is hurting our back pockets. While we did manage to pay $13.32 billion off our cards during the month, we still owed a record $26.7 billion. That is more than four times what we owed when John Howard became Prime Minister in March 1996. This is a picture of a society that spends, and one that spends money it does not even have. And what is the government doing about this? What is its proposal? What was in the budget? Diddly-squat; absolutely nothing.

Labor, on the other hand, have a plan. We are the party primarily responsible for the only savings individuals have—their super. It was Labor, back in 1987, who took the visionary and bold step of introducing compulsory superannuation. We actually took away a pay increase from people and made them put it into their super. It is Labor who believe that appropriate retirement savings will ensure a secure background for our aging populace. It is the Treasurer who wants us to work until we drop. ‘Demography is destiny’ is not a catchy phrase, and working beyond what people consider their due retirement age is not something the Australian populace wants or should have to embrace.

But we need savings. We need a system that encourages people to place money in a fund which will secure their financial wellbeing in retirement. In addition, as the recent discussion paper by the Consumer and Financial Literacy Taskforce found—and ASIC has echoed this—
we need to get financial literacy on the political agenda. People need to know what to do with their money and they need to know that when they get advice and place that precious sum somewhere it is secure and growing. There is enormous fear out there amongst people about finally having to take control of their super—employees are generally happy with their money going into their super fund. They have faith that the trustees are making wise choices on their behalf. Whilst they do not like seeing negative returns on their investment, they like the thought of it in someone else’s hands. What they dread is the day they will actually have to take charge.

We need a better system—one where consumers are protected and can make informed choices, and one where funds are protected if the trustee takes off with a table-top dancer to Central America. Labor have a plan. It has a significant plan with respect to superannuation. We have outlined this in numerous policy documents. In essence, we have five key elements: simplicity; security, safety and certainty; safer choice; affordability; and fairer taxation.

Genuine savings need to be encouraged and we need to educate all in financial literacy—or the next generation will be like my daughter in thinking you can put it all on mummy’s credit card. The budget did nothing to plug this yawning gap. We need to be doing things about savings. We need to be doing things about telling people that they now need to be putting more into their super. Their nine per cent is not going to ensure a comfortable retirement. You need to start it when you begin in the work force and not leave it until later in the piece. This budget has done nothing in respect of that. It is a smoke and mirrors budget with an enormous amount of money going out but not going anywhere that will significantly help the populace at large.

My seat of Chisolm has been left out. The members of the Liberal Party who encircle my seat in the east of Melbourne can talk about a road—they cannot talk about anything else. They cannot talk about the lack of services in our neck of the woods, they cannot talk about bulk-billing rates and they cannot talk about education. They can talk about a road. They should start talking about things that are important to their constituency. They should start talking about things that their constituency knows that it needs. They should start talking about services and the lack of them in our neck of the woods. They can keep on about a road for as long they like, and they know it is a nice smokescreen for the election campaign. They can talk about it but they cannot deliver on it and so they should start concentrating on what matters to our area.

This is an election budget full of sound and fury signifying nothing. The budget has not helped the struggling families in Chisholm and it has not helped pensioners or self-funded retirees, but it has spent a whole lot of money on targeting a few—maybe those who will ensure the Prime Minister gets to sit out his dotage in Kirribilli. It is a tragic way to run an economy and a country.

Mr MARTYN EVANS (Bonython) (1.03 p.m.)—The success of integrated networks is vitally important to any national economy in the modern age. I refer in particular in this case to the success of the road networks and the telephone networks. These integrated networks in modern society really work because the sum of the parts is greater than the whole. The reality in this case is that if you have a successful network—if you have that network working properly, with all of those parts contributing successfully—then you can make a modern road network work in such a way that it can add value to the economy and the national GDP output
and it can contribute much more in totality than any of the parts could ever do individually. Of course, that works for Australia because it is such a vast country—the distances are so significant. All of our individual states have industries spread across very large distances.

In our rural and regional economy in particular we have agricultural and regional horticultural industries in scattered towns in many electorates. One in particular is the electorate of Wakefield, a particularly important part of South Australia and its regional economy. Stretching from Elizabeth to Clare, it is an important and significant area of 6,000 square kilometres, with industries vital to Australia’s export economy within it. These include the wine industry, which is now doing particularly well. I would like to see the wine industry grow and flourish, but it can only do so if we have integrated networks such as the road network—and, indeed, as far as the tourism industry is concerned, we need to include integrated networks like the telephone network as well.

I would first like to turn to the road network and draw the Main Committee’s attention to the failure in the recent AusLink announcements of the Howard government to properly provide for South Australia’s integrated road network and its growth into the future. While the recent AusLink announcements provided some $11.8 billion over the next five years, which may seem a very significant and substantial amount of money—and it is in anyone’s terms a massive amount of money to spend on the road and rail network—South Australia has significantly missed out. Indeed, to quote John Fotheringham, the RAA’s chief executive, South Australia was ‘dulled’ in this announcement by the Howard government, because out of that massive $11.8 billion road and rail package we will only receive $239 million over the five-year period. South Australia accounts for some eight per cent of the national population, but we will receive a paltry $239 million of that substantial package. Our eight per cent population figure should have netted us a much more substantial amount of money. South Australia does not share with the eastern states the most substantial part of the funding. I know, Mr Deputy Speaker Price, that you are a fine representative of New South Wales, which received a much more substantial part of the funding from the Howard government than South Australia did.

While we should have received a much higher percentage of the figure than we did, we also did not receive the necessary amount of money to allow us to continue to grow and develop the integrated road network that will be required. Wakefield, my own prospective electorate under the redistribution, will receive funding for the Sturt Highway extension during that five-year period, but, while the Sturt Highway is an important road link in South Australia, as is the Port River Expressway link, unfortunately that will not necessarily be enough to ensure the success of the integrated network within South Australia. I think it is vital to see the national highway network as part of that vital economic link: not just as a road network as such, but as an economic network—and one that ensures that the totality of our economic institutions can grow as an economic whole.

Of course, the industries in my electorate that I spoke of—the tourism and wine industries in particular—cannot continue to grow as they have done in the past without that road network. Stretching up through the Wakefield electorate from Adelaide—through Salisbury and Elizabeth, through Gawler, through the Main North Road, all the way through that wine and tourism electorate—to Clare eventually, and through the western side of the electorate, up the recently developed Port Wakefield Road, as the major north-south axis of the electorate, it is
an essential development. The Main North Road from Gawler to Clare is in significant need of redevelopment too, and funding for that should have been provided in this area—the rural part of the electorate—while in the urban part of the electorate we are certainly in need of development of the Main North Road running from Adelaide through Elizabeth and to Gawler. That is an essential part of the future economic development of the Adelaide area itself.

The east-west links within the electorate are also essential. I think it is important to look not only at the major axes of the road networks within an area but also at the cross-links, because many of the smaller communities are vitally dependent on the cross-links within these geographic districts as well. In order to ensure that economic and community development takes place, it is vitally important to look at the east-west cross-links in this case as well as the major axes of connection on a road network basis.

The major AusLink projects have gained recent attention in the media. In the eastern states such major funding was provided particularly, I might say, to coalition electorates. Words like ‘pork-barrelling’ come to mind, of course, although I would not make such a direct accusation. Other colleagues of mine have done so and I am sure they had an adequate basis to make it, but I have not personally undertaken such an investigation because I have had my attention focused on South Australia. I am certain that their basis was no doubt correct.

I think one should also draw attention to the fact that, earlier this year in South Australia, the Prime Minister announced additional funding for South Australia’s local road networks. But the state minister, Trish White, was able to draw attention to the fact that South Australia has again missed out on the local road network funding. South Australia maintains some 11.7 per cent or just over 75,000 kilometres of the national local road network, yet we have received only 5.5 per cent of federal road funding for local roads. This is even after the additional funding that the Prime Minister provided, which will still give us only some 7.2 per cent of the Commonwealth’s financial assistance grants for local roads over the next three years. This is still significantly less than our share of the road network. No other state received such a poor deal.

Indeed, it is comparable to the payment which Tasmania receives for only 2.2 per cent of the network. The reality is that, while Tasmania may have some special case because of the small size of its economy—and I make deference to my colleague the member for Franklin—South Australia should certainly receive an additional grant to bring its funding for local roads back to the national per capita and per road kilometre share, if I can invent such a metric for the purposes of this discussion. South Australia should have that appropriate funding.

I think this case has been made again and again in this parliament and outside of this parliament by the South Australian Local Government Association as well as, in the context of a parliamentary committee of this House, again and again by the state minister, the state Premier and local representatives in this parliament. South Australia has missed out again and again in the context of local road funding. The economic importance of this cannot be overstated.

I have already referred to the importance of economic networks in the context of roads. I also mentioned the economic value of networks in the context of telephone services. I would like to draw a parallel with those telephone services in the context of regional areas because of the importance of the CDMA and GSM networks in regional areas in towns like Clare,
which I have already mentioned, and many of the other regional towns such as Kapunda, Balaklava and Mallala. I will not name all of the towns in my district of Wakefield. The networks are just as important when those networks are virtual and in the ether of our airwaves as they are when they are on the ground, because they contribute equally to economic value. Having one phone in a network is useless. Having two phones has some value, but you can speak only to one other person. When you have millions of phones then, of course, the economic value of a phone network is not countable.

Of course, it is now the situation in Australia that virtually everyone has a mobile phone, as you can tell if you walk down the street or go to a restaurant. The reality is that mobile phones are now ubiquitous in this country and they are equally important in the regional areas. When you go to tourist and wine areas like the Clare and Gilbert valleys and the areas around those, you see the importance of the mobile phone network. As any person who represents a rural or regional community in this House will know, mobile phones are essential in rural and regional areas, but they have a special significance in areas that have a tourist value and we certainly need to boost the mobile phone coverage in country districts.

This government has made much of its commitment to the mobile phone network in rural and regional Australia, without actually delivering that much, I might say. While there has been an increase in coverage in recent years, you can still travel in rural and regional areas—even in significant towns in this country—but not have complete coverage. When you go to many of the areas which are frequented by tourists—and I would cite as an example the town of Clare, which is a major tourist town in South Australia in the context of wineries—they have very limited GSM coverage. Yet tourists frequently go into the rural and regional areas of Australia with their GSM phones, because they come from the major capital cities of Australia. Although the government has committed through Telstra to installing CDMA in rural and regional Australia, because of the better distance coverage which CDMA has, the reality is that tourists often come from the major metropolitan areas and frequently bring GSM telephones with them. Tourists come to tourist areas like Clare, for example, with GSM phones and then discover that there is very little GSM coverage, if any, in tourist towns like that.

Even though GSM coverage is limited, so is CDMA coverage, and these areas are frequently saturated. When you try and get a mobile line, you cannot do so even on CDMA—and certainly not on GSM. These issues need to be taken up by both Telstra and the government, which claims some success in increasing mobile phone coverage but, I suspect increasingly, with little credibility in this area. Certainly, the issue of tourists and the way in which they choose to use GSM phones in areas which are tourist dependent needs to be examined more closely by Telstra and the other carriers at the same time.

While we are touching on the issue of wineries in this context, I think it is very important to note the budget decision to impose a rebate or to relax the imposition of the wine equalisation tax on local wineries. The wine equalisation tax was a very significant one from this government’s point of view. Labor has always sought an exemption from the WET for small wineries and, instead of providing this, the government granted a rebate from the WET for small wineries. While this is welcome in its own regard, the government, instead of doing the obvious, adopted yet another of Labor’s policies—as they have frequently sought to do. They varied this, which is always a mistake for this government. They should have simply done what
we asked and provided an exemption but, no, they moved away from this area and granted a rebate—but one which will only come into effect on 1 October.

Many smaller wineries and those who are suffering from some credit problems in the current season will struggle in the interim period, because the tax rebate will not take effect until 1 October. It is some five and a half months from budget day to 1 October. Given that the rebate will not take effect until that date, what is to happen in the interim period? If you have a large winery with significant financial resources behind it, you can carry customers and the available finance until that date. If you have a winery that is under some financial pressure, if there is already a credit question behind you, then of course there are financial issues that need to be discussed with your bankers in that interim period. That places additional financial stress on wineries in the industry in the intervening period. It creates additional pressure that the industry and small businesses in it, many in my prospective electorate, do not need.

The government had no need to place this additional pressure on wineries. It could simply have made this rebate’s implementation date much earlier. It could have been implemented, for example, from budget night. That is quite a common practice in respect of taxation measures that are introduced in a budget. The operative date could have been much sooner than 1 October; it could have been 1 July. I would not have thought the amount of money involved in having an earlier operative date would have been of such magnitude as to place any great pressure on the budget. Making 1 October the operative date simply indicates neglect on the part of the government, which could have made small businesses in the wine industry far better off had they given this rebate an earlier operative date.

A division having been called in the House of Representatives—

Sitting suspended from 1.21 p.m. to 1.32 p.m.

Mr MARTYN EVANS—In conclusion, the government’s approach to the wine equalisation tax must be on the basis that these small wineries have the opportunity to resolve the issue of their WET liabilities much sooner than 1 October. This additional period from the budget allows customers of the wineries to be aware of the fact that this substantial tax—this 29 per cent tax—will be lifted, but it will be lifted some 5½ months from the date of the budget. This substantial period between the date of the knowledge by the public that the tax will be rebated and the actual rebate of the tax is far too long. If you are adjusting a tax like this to apply a rebate then you need a much faster application of the rebate. To provide this in the public domain for such a long period and not apply the rebate is an absurd policy response. I call on the government to provide a much speedier application of this rebate to ensure that the industry is better provided for. This is a worthwhile policy initiative but it should have been done in the manner which Labor has always called for.

Mr QUICK (Franklin) (1.34 p.m.)—Being the last speaker on the Appropriation Bill (No. 1) 2004-2005, there is not much time so I will try and be as brief as possible. I think the headlines of the Tasmanian daily newspaper The Mercury said it all on the day after the budget was released. The heading was ‘Thanks for nothing’. People might not realise that Tasmanians are disadvantaged in several ways and the disadvantage that is obvious to most of us who live and work in Tasmania and to those of us who represent Tasmania in this place is that Tasmanian workers receive less pay than their mainland counterparts.

Mr Slipper—Is the cost of living lower?
Mr Quick—Not recently. Under the heading ‘Thanks for nothing’ it says that a staggering 88 per cent of Tasmanian workers will miss out on federal government tax cuts. The federal budget paved the way for tax cuts for people earning a minimum of $52,000 a year, but as I said, most Tasmanians earn much less than the tax cut benchmark, meaning that they will miss out on paying less tax out of their salaries. Only 12 per cent of Tasmanians will benefit from the move by Treasurer Peter Costello to raise the thresholds on payable tax—just 12 per cent.

According to the Australian Bureau of Statistics figures, the average Tasmanian wage is $33,186 a year. The figures compiled in November last year show that Tasmanians receive the second lowest pay packet of any state or territory in Australia, earning just $2 a week more than their South Australian counterparts. These are not my figures or my words; they are from the Australian Bureau of Statistics. The Tasmanian Council of Social Services agreed that 88 per cent do not earn enough to benefit from the tax cuts. TasCOSS director Mat Rowell said that they can now confirm that only 38 per cent of Tasmanian families are currently in receipt of either family tax benefit A or B. That is, the vast majority of Tasmanian families will not benefit from the $600 payment.

My time is very limited; I only have another two minutes. The government stands up and says that this is good for Australia and that people earning a minimum of $52,000 a year will get a tax cut, but 88 per cent of Tasmanian families will miss out entirely.

Mr Slipper—But they got money in the last budget.

Mr Quick—Those of us who have been in this place long enough realise that this budget has been targeted at the marginal seats that the government holds or wants to win. The five seats in Tasmania have been and hopefully will be held by Labor members who have been in this place for a long period of time. I think this government is not really fair dinkum about looking after Tasmanian families and when we get to the budget consideration in detail after question time I will raise some of the concerns. At this stage I will finish my speech and allow the parliamentary secretary to close the debate.

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.38 p.m.)—I thank my colleague opposite. I am pleased to bring to an end what has been a lively and extensive budget debate. Again this year there has been a broad participation by honourable members with more than 90 members contributing. This demonstrates the ongoing keen interest of the parliament in the Australian government’s management of the economy and its strategies for the future. The public can be reassured that due consideration has been given to the needs of individuals and the broader Australian community in this forum. I would like to thank all honourable members who have participated.

The discussion has focused on a broad range of issues—from the general state of the economy, to issues emerging in the individual electorates of members, specific funding proposals and the suggestion by the opposition that the government has failed to provide for the delivery of important services. I was interested in what opposition members had to say about the bills and the broader budget. However, not surprisingly, I find myself unable to agree with most of the sentiments expressed. I will take the opportunity to respond to some of the main issues raised shortly but, because of the shortness of time, I may not be able to respond to everyone and in this respect I apologise to those whose remarks will not be addressed.
Before I do so, however, I would like to provide an overview of the package of appropriation bills. I will start with the budget bills. These bills provide for substantial funding totalling approximately $50,426.2 million. They reflect the broad objective of the government to maintain a strong economy and to provide for a range of initiatives that look to the future in terms of boosting innovation, funding new infrastructure and addressing existing demographic challenges, including the ageing population. Some of these initiatives include funding of $3.4 billion as part of the largest ever package of measures aimed at assisting working families who are bringing up children; measures to boost retirement savings, including enhancements to the co-contributions scheme worth $2.1 billion; funding for carers as well as investments to ensure that the aged care sector is able to provide affordable and quality services to the increasing numbers of older Australians; substantial investments in science and innovation and in road and rail infrastructure that is critical to a growing economy; initiatives for diabetics and the hearing impaired; a focus on Indigenous health; additional subsidised medicines and significant rural health initiatives and additional funding to improve our national security arrangements and enhance our defence capabilities and preparedness.

In addition to these initiatives, the budget bills provide record levels of funding to ensure that the Australian community has access to quality and affordable health care and for the education of the next generation. This is consistent with the priority the government places on these fundamental services. Also included in the package of five appropriation bills are two supplementary additional estimates bills. These bills propose expenditure of $787.1 million for important initiatives that can be accommodated this financial year because of the strength of our fiscal position and the effective economic management by the government of the Australian economy generally. More than half the funding in the supplementary additional estimates bills is for a grant payment of $450 million to the Australian Rail Track Corporation for investment in new rail infrastructure projects on the interstate rail system. The balance includes, among other things, provision for $57.6 million in additional payments to the states and territories, $125.7 million in administrative assets and liabilities for initiatives to combat avian flu, $10 million in assistance to Lifeline and a $600,000 contribution towards the Athens 2004 Paralympic Games.

I emphasise that the significant level of expenditure proposed in this package of bills is only possible because of the government’s continued strong management of the economy. The Australian economy has seen a long period of sustained, strong growth since 1996. It is forecast to grow by 3.9 per cent in 2004-05. During this long period of expansion, the unemployment rate has been reduced, inflation has been kept low and interest rates have remained close to historical lows. The official interest rate is currently 5.25 per cent. Employment is forecast to grow by 1.75 per cent during 2004-05 and the unemployment rate is forecast to average around 5.75 per cent. It is currently at a low 5.5 per cent. Inflation is forecast to decline to around 1.75 per cent through the year to the June quarter 2005. The Australian economy has been one of the developed world’s top performing economies in recent years, and this is widely recognised. The OECD’s economic outlook for May 2004 forecast that Australia would remain one of the fastest growing economies in the OECD, with growth of 3.8 per cent expected in 2004, easing to 3.5 per cent in 2005.

This government has a strong record of economic management. The OECD has endorsed Australia’s fiscal policy record and framework. Out of 27 countries in the OECD, Australia is
only one of 10 expected to have a positive balanced budget in 2003-04. During 2004-05 the government is forecast to record a budget cash surplus of 0.3 per cent of GDP. This compares well with, for example, the United States and the United Kingdom, both of which are expected to record deficits in 2004-05. The government’s responsible economic management has ensured that the Australian economy has remained robust and buoyant in the face of a challenging international environment, which included the Asian economic crisis of 1997-98 and the more recent economic global downturn.

The government has reformed fiscal management to ensure sustainable government finances, with fiscal responsibility enshrined in the Charter of Budget Honesty legislation introduced by this government. It has achieved budget cash surpluses every year since 1997-98, except for a small deficit in 2001-02. In addition, the 2004-05 budget forecasts a cash surplus in 2004-05 of $2.4 billion and healthy surpluses in each of the out years. Since inheriting a $10 billion deficit in 1996, the government has turned the budgetary situation around, accumulating $31 billion in surpluses over its last six budgets, since 1996-98. The government is continuing to reduce the debt burden. As at the release of the budget, net debt is forecast to continue to fall in 2004-05 to around $24.7 billion. This means that the general government net debt position is among the lowest in the OECD. For example, as a share of GDP, net debt is well below that of the United Kingdom, Canada, the United States and New Zealand. Net debt will have fallen from 19.1 per cent of GDP in 1995-96 to an estimated 2.9 per cent by the end 2004-05. The continued decline in net debt means that net interest payments are expected to fall to $2.9 billion in 2004-05, from a peak of $8.4 billion in 1996-97. The government’s disciplined fiscal management has contributed to maintaining investor confidence and lower interest rates, which encourage strong and stable economic growth.

Most opposition members have been critical of the spending and reforms proposed by the government. While I do not have the time to address every such criticism, I would like to take the opportunity to respond to some. Opposition members have overwhelmingly criticised the government’s tax reforms, indicating that only one out of five Australians will benefit. The government cannot be accused of doing nothing for low-income earners. It has delivered significant growth in relation to wages for low-income earners, in addition to employment growth. Average weekly ordinary time earnings have grown by 5.2 per cent in 2001-02 and 6.3 per cent in 2002-03. Furthermore, the budget provides a range of specific measures targeted at assisting low-income earners, including initiatives in the family assistance package, which I will cover in more detail in a moment.

These measures come on top of the income tax cuts delivered by the government in the 2003-04 budget and a new tax system. In response to numerous comments from opposition members about the government’s tax record, I point out that the Commonwealth’s tax share has decreased under the current government. To illustrate, the Commonwealth’s general government sector taxation cash receipts as a proportion of GDP have declined from 23.7 per cent in 1996-97 to an estimated 20.9 per cent of GDP in 2004-2005.

The overwhelming majority of opposition members have expressed concern that most families will not receive the $600 increase in family tax benefit A because it will be used to offset debt. The opposition needs to be reminded that a debt arises because a family has earned more than they forecast. Having said that, the emerging trend for the 2002-03 recon-
conciliation reveals that there were fewer people with a debt in the last year and more receiving top-ups. Accordingly, the majority of families will not need the $600 to offset debt.

It is also erroneous to say that paying off a debt will not bring a substantial benefit to a family. They will be able to use the income that would otherwise have been applied to the debt for other purposes. This is a substantial benefit that will greatly reduce the incidence of debt among recipients. The honourable members for Kingston and Fowler question the benefit of the family assistance package for working women. The changes to the family tax benefit improve rewards for work for low- and middle-income families by relaxing the income test. The taper rate applying to the maximum rate of family tax benefit A will be reduced from 30c for every extra dollar of income to 20c from 1 July 2004. This will significantly reduce effective marginal tax rates and allow low-income families to keep more of any increases in private income they receive. The government has also increased from $1,792 to $4,000 the income threshold for family tax benefit B for the secondary income earner and reduced the family tax benefit B taper rate from 30c to 20c for every extra dollar of income. This will allow the secondary earner to keep more of any increase in private income and provide significant benefits for parents who work part time. Secondary earners who return to work will also be allowed to keep any family tax benefit B payments that they were entitled to prior to returning to the work force.

Turning to the maternity payment, some members, including the members for Jagajaga, Burke, Chifley and Isaacs, have criticised it for being in the form of a lump sum and expressed concerns about the effects that may have in terms of teenage pregnancy. On this issue I would highlight the fact that the government scheme includes provision for the $3,000 maternity payment to be delivered in six instalments rather than as a lump sum. This could include a situation where a mother requests it or where a social worker believes that a mother is vulnerable for a range of reasons or at risk of financial problems. The Department of Family and Community Services is currently developing guidelines. I would also note that teenage birth rates in Australia are already low, despite relatively generous welfare and family assistance schemes.

Health issues have also been a major theme of the debates, with the vast majority of opposition members expressing concerns in this area. The government is committed to providing health care to all Australians. The new Medicare safety net will protect all Australians against high costs for a whole range of treatments outside hospitals. All Australians will continue to receive free access to public hospitals as a Medicare rebate and affordable medicine through the Pharmaceutical Benefits Scheme.

Medicare will also provide greater assistance to Australians in need, through new measures such as additional money to GPs when they bulk-bill concession card holders and children under 16. Opposition speakers almost without exception expressed concern about bulk-billing rates. These rates have increased by 1.8 percentage points during the first three months of this year, to 68.3 per cent of all GP services. Bulk-billing figures for the March quarter suggest that the $5 bulk-billing incentive introduced on 1 February this year under MedicarePlus has helped increase bulk-billing rates. The bulk-billing rate for Australians aged 65 and over has also increased. In the March quarter the rate jumped 2.9 percentage points, to 76.9 per cent, compared with 74 per cent in the December quarter. This means that more than three out of four visits to the GP for people aged over 65 are bulk-billed.
In relation to out-of-pocket expenses incurred for services other than those provided in hospital, the government has consistently kept average growth in patient contribution per service under 10 per cent, compared to the previous average growth, which was well over 15 per cent. The year-to-date average annual increase in out-of-pocket costs for such services across all service types is $1.67.

In relation to the issue of pneumococcal vaccination, I am pleased to be able to inform all members that the government has recently announced that it will provide free vaccinations to children up to two years of age. The government has negotiated a low price for the childhood vaccine, which will be available for all babies born from 1 January 2005 and all children born since 1 January 2003. The deal struck by the government secures stocks of the vaccine for Australia for the next two years. This is a great achievement for Australian families, given the tight international supplies of this product. The government is also making pneumococcal vaccine free to adults aged over 65 years. The vaccine will be moved to the national immunisation program so that these older Australians can access it free of charge from their health care provider.

On the subject of dental health, it seems that I need to remind many opposition members who think that the government is not doing enough in this area—including the members for Melbourne Ports, Hunter, Reid, Bass, Throsby and Burke—that dental services are the responsibility of the state and territory governments. Nevertheless, the government will provide access to treatment under a dental health care plan for those patients who have a dental problem that is significantly adding to the seriousness of their medical condition. It is estimated that over 25,000 people per year will access the dental care plans.

Another area of the budget that has come in for considerable criticism from the opposition—including the members for Greenway, Corio, Denison, Bass and Chifley—is aged care. The government is committed to providing older Australians with the support they need to remain independent and in their own homes for as long as possible. It provides substantial support for this purpose through a range of community care programs. The government will provide an extra $2.2 billion over five years—$513 million in 2003-04—through its new Investing in Australia’s Aged Care package. This represents the biggest investment in aged care ever undertaken by an Australian government and builds on significant reforms made since 1997, bringing total spending to an estimated $30 billion over the next four years.

A new initiative is a one-off payment of $3,500 per recipient of residential aged care service to assist the aged care sector to meet improved safety and building standards for aged care homes that have been developed and agreed by the industry. In response to the comments made by the honourable member for Chifley about the lack of probity and tests associated with the payment, I note that the funding is in recognition of the requirement for such improvements to be made, whether these improvements have already been made or not. It is expected that any decision to sell or purchase an aged care facility would take into account any upgrades that have or have not been undertaken to meet safety and building standards. In relation to residential aged care, the government has addressed short- and medium-term requirements as a result of the Hogan review. The government intends to address the long-term needs of residential aged care in the future.

Many members opposite—including the members for Jagajaga, Melbourne Ports, Batman, Hunter, Fraser and Corio—have also levelled criticism at the government’s funding of educa-
tion and training. In relation to higher education, the Our Universities: Backing Australia’s Future package announced in the 2003-04 budget represented the most significant overhaul of university funding and governance ever undertaken in Australia. The package will provide an additional investment of $2.6 billion in higher education over the next five years, including funding for more than 35,000 new fully funded university places. This budget will also make higher education more affordable by increasing the repayment threshold for HECS to $35,000. Additionally, the budget reforms include a new suite of loans available from 2005. These loans will ensure that students are not disadvantaged or deterred by a lack of financial means to access their chosen higher education course. Over the next 10 years, the government will provide some $11 billion in new support for higher education.

Turning to vocational education and training—as discussed by the members for Batman, Grayndler, Cunningham and Lowe, to mention a few—the government will provide $2.1 billion for vocational education and training in 2004 alone, including $725.5 million for new apprenticeships. Statistics indicate that there are now 406,900 Australians training as new apprentices, compared with 141,400 in December 1995. The funding of schools was raised by a number of opposition members. The government will provide schools with a record $31.4 billion over four years from 2005 to 2008. This represents an increase of $5.3 billion, or 23 per cent in real terms, over the current four-year period. Every government and non-government school will receive a real increase in funding.

Since the commencement of the debate, the Minister for Transport and Regional Services launched the AusLink white paper. This represents a strategic approach to land transport funding within a five-year land transport plan. It incorporates nationally significant road and rail links into a single national land transport network. The network includes existing national highway and Roads of National Importance programs. AusLink goes a significant way to addressing the infrastructure backlog in road and rail, with an additional $3.6 billion to be invested in the national land transport network in the five years to 2008-09. Under AusLink the government will also continue the successful Roads to Recovery program for local and regional roads in the five years to 2008-09, providing funding of $1.2 billion.

The government also has a very good story to tell in relation to a whole range of other areas including Telstra, electoral legislation and a number of other matters. However, time precludes my attending to all of these. In conclusion, though, the three budget bills for 2004-05 and the two supplementary additional estimates bills for 2003-04 are important pieces of legislation underpinning the Howard government’s activities and reforms to be introduced over next 12 months or so. I commend the budget bills and the supplementary additional estimates bills to the House.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The original question was that this bill be now read a second time. To this the honourable member for Hotham 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.

Question agreed to.
Original question agreed to.
Bill read a second time.
Consideration in Detail

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.56 p.m.)—May I suggest that it might suit the convenience of the Main Committee to consider the items of proposed expenditure in the order shown in the schedule which has been circulated to honourable members. I also take the opportunity to indicate to the Main Committee that the proposed order for consideration of departments’ estimates has been discussed with the opposition and other non-government members, and there has been no objection to what is proposed.

The schedule read as follows—

Department of Immigration and Multicultural and Indigenous Affairs
Department of Family and Community Services
Department of Education, Science and Training
Department of Veterans’ Affairs
Attorney-General’s Department
Department of Transport and Regional Services
Department of Agriculture, Fisheries and Forestry
Department of Communications, Information Technology and the Arts
Department of Employment and Workplace Relations
Department of Defence
Department of the Environment and Heritage
Department of Foreign Affairs and Trade
Department of Health and Ageing
Department of Industry, Tourism and Resources
Department of Finance and Administration
Department of Prime Minister and Cabinet
Department of the Treasury

The DEPUTY SPEAKER (Hon. I.R. Causley)—Is it the wish of the Main Committee to consider the items of proposed expenditure in the order suggested by the minister? There being no objection, I will allow that course to be followed.

Sitting suspended from 1.58 p.m. to 4.00 p.m.

Department of Immigration and Multicultural and Indigenous Affairs

Proposed expenditure, $2,439,682,000

Mr MURPHY (Lowe) (4.00 p.m.)—I raise with the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs this afternoon the issue of amendments to the Migration Act 1958, in particular the enactment of the provisions of statutory rules 1999 No. 69 of the Migration Agents Amendment Regulations 1999 (No.1), known as SR69. Under SR69, clause 2.17 is amended to impose a positive obligation on a migration agent to inform his or her client if the client’s application is vexatious or grossly unfounded. The proposed legislation enacted in the migration legislation amendment of 2003 proposes more punitive provisions to permit strike-out action against a migration agent if the agent has a 50 per cent or higher failure rate for visa applications considered vexatious or grossly unfounded.

MAIN COMMITTEE
The enactments reflect an ever increasing and punitive measure against a migration agent who is charged with the responsibility of assisting his or her client for the purpose of obtaining a visa that is validly entitled to the client. The ultimate power of veto in denying a visa application lies in the hands of the Department of Immigration and Multicultural and Indigenous Affairs. The decision about whether an application is vexatious or grossly unfounded is one that truly rests with the department, which vets the application at the point of lodgement and determines whether that application gives rise to the exercise of a migration power that allows the department to accept the application and the fee. This process therefore relies on a system of pre-assessment. For an application to even be accepted by the department, that application must conform to minimum prescribed requirements—in short, a valid, completed application form, correct fee and appropriate attachment.

If it is the minister’s opinion that too many visa applications are vexatious or grossly unfounded then, rather than enact an ever increasing spiral of punitive provisions and strike-out powers, the better course of action would be to make better use of disciplinary provisions already in place. The department bears the brunt of responsibility in exercising veto on the grant of a visa by execution of the relevant migration power. If there is an increase in vexatious and grossly unfounded applications then the minister is directed to the already extensive disciplinary powers available to her under migration law. Resort to increase punitive provisions does not fix the problem of the defective administration found in the department itself. For example, how many audits of migration agents are conducted each year? I put that to the minister. I also put to the minister: what is the process of pre-assessment of agent and principal visa applications by the department prior to them being lodged with the department?

The solution here is to increase the funding for assessment and investigation of scurrilous migration agent practices, especially in the closely connected areas of migration agents’ clients’ accounts and the making of bogus applications. In other words, there is a close connection between the vexatious application that is lodged solely for the purpose of extracting a fee from the client and the migration agent’s defective migration agency practice.

If the minister is serious about stamping out the lodgement of vexatious and grossly unfounded visa applications, I believe she should turn her attention to four areas in appropriation. I ask the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs to take these up with the minister: (1) increase compliance and investigative powers over the migration agencies, especially with respect to the management of their clients’ accounts; (2) more vigorously examine the exercise of her non-compellable and discretionary intervention powers under the act; (3) exercise the already existent powers without recourse to ever increasing punitive provisions; and (4) ensure that her department is professional and competent in the administration of migration law through proper and competent exercise of its power of approval, refusal and veto. I would be grateful if the minister could look into those matters for me and report back.

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs and Minister Assisting the Prime Minister) (4.05 p.m.)—The government takes very seriously the role of ensuring that consumer protection exists and that the few in the migration advice industry who are unscrupulous in their approach are, indeed, rooted out of that industry. Moreover, it is important that, if anybody makes use of a migration agent, they use one that is reg-
istered. The member for Lowe would understand this. I think he has a registered migration agent on his own staff.

Being the minister responsible for the part of the Migration Act that looks after migration agents, I do not apologise for trying to toughen up the regime as it impacts on those who seek to exploit people’s money first, rather than give good advice first. I do not for a moment resile from the approach that puts consumers first, particularly those from a non-English-speaking background and those who are perhaps new to Australia and used to, in the society they have come from, a system where they have to buy some form of brokerage with any actions or dealings involving government. It is a serious matter. Some people in those sorts of circumstances—they are new to Australia and used to hiring someone to engage in any activity with government—are being exploited, and we hear about this.

It is important that we get that balance right. The vast majority of people who are registered migration agents are happily doing the right thing. The few who are doing the wrong thing are dealt with through the processes of the regulatory authority. I am keeping the pressure on that authority to make certain that they put the consumers first. I think they have heard that language very strongly from me, and they will continue to hear it from me. I think it is also important that we listen to what the member for Lowe has to say. We will look at the technical aspects of his particular request, but at the end of the day the government do not for one second walk away from putting consumers first.

Mr LAURIE FERGUSON (Reid) (4.07 p.m.)—I associate myself with the majority of comments made by the Minister for Citizenship and Multicultural Affairs. Quite frankly, I think the most recent legislation has the balance right and the predominant concerns should be about people who do launch vexatious complaints and do cause so much difficulty in the industry. My concern in this area relates to the question of professional indemnity insurance and the question of people who are left on the beach when people either disappear or go out of business—and also, in relation to the most recently announced move by the minister, with regard to the regulation of overseas agents. The opposition are more concerned about that than about the fact that a few migration agents might be hit over the head—in most cases deservedly.

I would like to talk briefly about a few aspects of the budget in this field. Regarding expenditures for Medicare and social security and the government’s claim that on the expenditure side we will be spending an additional $30 million over four years on promotional measures encouraging humanitarian settlement in regional areas and additional settlement assistance, at estimates I understand that officers of the department were unable to fully clarify the way in which this expenditure will occur or the benefits that these people will receive or not receive in regional Australia. It is our understanding that the majority of them come under the temporary visa provisions and, therefore, would not seem to obtain these benefits. We continue to want clarification of that. We also note again, as we did in the main appropriation debate, that any new spending of $30 million is dwarfed by revenue of $58 million and cuts in other portfolios of $65 million—a net saving to the budget of $93 million over four years in this sector of regional migration.

We are also pleased to note the postponement, after widespread criticism, of the suggested implementation of a new client statistical program for migrant resource centres. That elicited, as I said, a degree of criticism in this sector. One would find it rather ridiculous, as seemingly
suggested initially, that migrant resource centres could not retrieve such basic details as the
suburbs of residence of clients or the names and addresses of, for instance, African clients
when they might be organising an event for the African client base that they handle. That mat-
ter, as I understand it, has gone back to the drawing board. That seems to be a reasonable sug-
gestion, given those criticisms.

I turn to English language tuition and the government’s announcement of up to 400 hours
of language tuition for the 16- to 24-year age group in the refugee sector. The first point we
would make is that the phrase ‘up to 400 hours’ should not be read by anyone as actually
meaning 400 hours. Under the previous system we had claims of up to an additional 100
hours. Under questioning it was revealed that the average was 68 hours and the amount of
hours that were allocated to AMEP service providers had actually been capped so that that
would be the outcome. So, when we speak of the previous ‘up to 100 hours’ and the current
‘up to 400 hours’, there must be a degree of concern as to what that will mean in the real
world. I guess the other question on this sector is whether designation by age is the way to
go—that is, whether it should be based on how old a person is or on their education and their
ability in the language. But we certainly welcome any improvement.

We also welcome the integrated humanitarian settlement strategy. There are indications that
it will do something about the chronic collapse of volunteer numbers in this sector over the
last few years. They tell us—and this is not our invention—that a perception of red tape and
difficulties in actually participating has led to that. I do not think there is any dispute about the
decline in numbers. Also the budget does herald an extension of limited assistance to people
sponsored under the special humanitarian program in regard to case management and coordi-
nation. That change is extremely welcome. I will leave our response to these matters there.

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs and
Minister Assisting the Prime Minister) (4.12 p.m.)—I thank the member for Reid for his con-
tribution. The matter of statistical collection with migrant resource centres had certainly
caused a great deal of concern in the sector, mainly because of the hysteria whipped up by the
member for Reid and others. But, of course, we want to continue to work very well with mi-
grant resource centres and the settlement agency partners that we have. We also want to make
sure that those who are getting settlement services are those who need them most of all, so we
are looking at a way to get a proper collection process in place to adequately reflect the
changing face of our migration program and the changing circumstances of settlement needs
that come from that.

I will go on to the other matter of the additional hours for the 16- to 24-year age group un-
der the Adult Migrant English Program, which is a program the member for Werriwa, the
Leader of the Opposition, actually did not know existed and has been saying around the coun-
try that we need to have. It has been in place since 1948. It is worth putting on the record that,
after 56 years, this program has a lot of experience. Working in with the experience of my
department, it has certainly been able to fashion itself to, in particular, the needs of 16- to 24-
year-olds who need additional hours, as well as to those of other people from non-English-
speaking and very poor educative backgrounds. Because of the changing face of our migra-
tion and refugee program, these people are getting assistance through this budget.

With regard to migration agents overseas, I have released, with my colleague the Minister
for Education, Science and Training, a discussion paper on the matter. We are looking for
ideas on how to deal with a very important part of public policy. Obviously, migration agents registered in Australia are able to fall within the remit of the regulatory regime, but there are people in other countries offering advice. With such record numbers of students coming to Australia to study—a very effective export industry—we need to ensure that education agents and those in migration related activities are taken within the regulatory regime, to ensure the right sorts of outcomes so that Australia’s best interests are met.

As far as settlement funding overall is concerned, I would again invite the member for Reid to understand that there has been an injection of $100.9 million of new money over four years. This funds a whole-of-government response to a very extensive review of settlement services that coincided with the 25th anniversary of multiculturalism as part of official Australian government policy. This is about targeting the changing needs of the profile, which is constantly changing in our migration program. It is about making sure that what we have done to date is still relevant.

While those opposite want to dig back to the past, they have to understand that the program has changed and the response from government has to change. The extra funds which are going in, particularly those going into regional areas, are new and welcome moneys. The way in which all of these moneys are distributed, of course, is always up for the submission of people who seek grants to do particular tasks. But this government does not believe in funding organisations, per se, but funding outcomes. We are not about buying favours, as those opposite have been in the past, and we are not about creating a sense of division and separate development in society. We are about saying, ‘Who needs assistance to get started in Australia—which people from which backgrounds in which circumstances settling in which areas?’ Where people settle, the funds follow, of course, and yet, despite that particular approach, we are also looking at new regional initiatives to get people to actually move into regional areas.

The member for Reid has a very big problem. It is one I will share with you: the member for Reid’s problem is that the premier in his own state does not want people to migrate to Sydney. He does not want more people to settle in the Western suburbs of Sydney. But the New South Wales government has failed to come up with any initiatives that actually help to drive an outcome that is positive and better. This government in fact has provided funds in a regional sense. This government is about investing in people. This government is in fact about changing the perception in the community of how our migration program works. The disgrace for those opposite is contained in this statistic: in 1996 only 35 per cent of people said they supported Australia’s migration program. That figure has now doubled, and that is because this government has been proactive in getting results which reflect the desires, concerns and aspirations of the Australian community, through a migration program that will in fact grow a benefit for Australia. We restored the integrity of our migration program. Along the way, the deliberate investment in individuals has made a difference and will continue to make a difference, providing this government is returned.

Mr LAURIE FERGUSON (Reid) (4.16 p.m.)—Rhetoric about the Premier of New South Wales and his attitudes towards migration to Sydney or whether surveys in 1996—unnamed surveys, unspecified questions—showed a lower level of support for migration are not really pertinent to the question that I asked the minister. My question concerned whether those people that are going to regional Australia through the latest scheme are actually going to receive certain benefits. This was not clarified by the departmental people at the estimates hearings.
and it has not been clarified again by the minister today. Regarding the attitude of the Premier of New South Wales, the minister might not be concerned about the enormous refugee humanitarian intake that comes to Sydney as opposed to the rest of Australia, but it is of interest to us in Western Sydney. Based on the minister for immigration’s recent figures in answer to a question, 20 per cent of the entire refugee humanitarian intake in this country—not just in Sydney—comes to my electorate. That is a matter that concerns people in Western Sydney, and to be so dismissive of it is very questionable.

But, as I said, the question we really want answered is whether the people under this latest regional scheme will receive these benefits, because they do appear not to be eligible for them, due to their temporary status. I am aware of this $109 million figure, but the reality is that this is largely a consequence of an increased refugee humanitarian intake. If you take more people in, it costs more. This is a point which the previous Minister for Immigration and Multicultural and Indigenous Affairs, Mr Ruddock, made extensively when there was talk by the opposition about whether they would increase the intake. He made the point that it costs the Australian taxpayer more money to have a humanitarian refugee come into the country than it does to have a business migrant or a skilled independent come in. We have seen a variety of economic works about that. So part of this claim that there has been some massive initiative by the government in regard to new settlement measures is fraudulent. It is simply a consequence of the change by the minister for immigration in regard to the intake for the coming year.

Those are the two points I wish to look at. We can talk until the cows come home about the Premier of New South Wales and about whether the Premier of Victoria is more interested in migration than the Premier of New South Wales, but one reality is true, and that is that even under the government’s current provisions a number of critics in the industry—not Laurie Ferguson, the member for Reid, but critics of migration and academics—have said that under the current provisions the massive change has been not to rural and regional Australia but, in actual fact, in significant part to Melbourne and Adelaide.

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs and Minister Assisting the Prime Minister) (4.19 p.m.)—Over four years, $100.9 million of new money will fund the whole-of-government settlement services review outcomes. Funding to the Department of Family and Community Services—the former parliamentary secretary is here—and the Department of Education, Science and Training, as well as my own department, targets key areas of settlement need. These include English language and literacy proficiency, employment and access to early intervention services to help those at risk of not settling successfully, particularly families and youth. The whole-of-government package also recognises the needs of our more established migrant communities with the creation of a new program of $11.6 million over four years to strengthen culturally appropriate aged care through the Department of Health and Ageing. In addition to this, more than $166 million over four years will support the increased humanitarian program of 13,000 places.

Through you, Madam Deputy Speaker, I invite the member for Reid to understand that the funding is additional; it is new money. The humanitarian program is not driving it; it is new money—the commitment from this government to provide new money. That $166 million over four years will support an increased humanitarian program of 13,000 places and expand existing settlement services. I invite the member for Reid to focus on that. As I said before in
response to his earlier contribution, it is critical to know that, where people settle, settlement services follow. That is an absolute given.

What we are trying to do is to drive more people with rural partnerships. It is not about Canberra telling regional communities where people must go. I guess that being from Queensland I feel very finicky about this. This is about saying to regional communities: where do you want people? Do you want people? Do you want to work in partnership with us? Do you want us to help you find people to settle? Do you want the skilled migration that helps to drive that? Do you want the people who accompany skilled migrants who may need settlement services? Communities in regional Australia can grow and use migration to their very best advantage. We want to make sure that all regions feel a sense of the benefit that migration now delivers to this country, compared to the way it was under the previous government. That is what we are trying to do here. We are about saying that the result of having settlement services and more people in regional areas is that all other services will follow those people. That is what this government are about.

Ms HOARE (Charlton) (4.22 p.m.)—I rise to speak in this debate because I have some very serious concerns about the Indigenous affairs portfolio. In the budget papers we saw the proposed transfer of all the ATSIS funding to the Department of Immigration and Multicultural and Indigenous Affairs. We have not yet seen any indication of how the Indigenous programs are going to be administered—what departments they are going to go to and how it is going to affect the staff and the delivery of programs to Indigenous Australians. In the Treasurer’s budget speech we did not hear one reference to Indigenous Australians, even though it is an area where huge change is taking place.

A major concern of mine is that there seems to be some confusion within the government relating to the abolition of the Aboriginal and Torres Strait Islander Commission and the transferring of ATSIS programs to mainstream departments. Legislation to abolish ATSIC went through the House of Representatives a couple of weeks ago and was just yesterday referred in the Senate to a Senate inquiry. To my mind, that means that the ATSIC legislation which has been put forward by this government has not yet passed the parliament. It is not yet law, so I understand that to mean that the ATSIC Act of 1989 still exists and is still in operation.

That raises some questions about the staff of ATSIC and ATSIS. To my understanding, if there is a commissioner whose contract comes under the ATSIC Act 1989 then that contract continues unless that commissioner is sacked under that act. Remember that the current legislation has not yet passed through the Senate. That brings me to the concern about staff employed by ATSIC commissioners, such as the PAs to the ATSIC commissioners. As I understand it, their contracts are aligned to the contract of the commissioner. So if the commissioner’s contract does not expire then the personal assistant to the commissioner cannot be sacked.

There is another group of staff I am concerned about—the research officers for the commissioners. I understand they are actually employed by ATSIS, but again their contract is related to the term of the contract of the commissioner and as such they should be retained as research officers for the commissioner until that commissioner is sacked—legally—by the government. That is not something that we in the Labor Party want to happen. However, we do have concerns about the legalities of the position that the government is currently taking in relation to administrative arrangements for ATSIS staff and ATSIC staff.
Madam Deputy Speaker Corcoran, you may not be aware of the huge shemozzle that happened last week with these staff. I know one research officer—and I presume this happened to all research officers around the country—on Thursday at 10 a.m. received a notice of termination from the acting CEO of ATSIC, Mick Gooda. The email did not have a subject title. It said:

Notice of termination

I wish to advise that your employment as a non-ongoing employee with ATSIC will be terminated with effect from close of business Wednesday, 30 June 2004. A notice of termination is attached.

How do you think any of us would feel in that position when we received a notice of termination like that? Then, two hours later, at 12.03 on Thursday, 10 June there was an email with the subject ‘Incorrectly sent termination notice’. It read:

All,

Apparently some of you have been accidentally sent termination notices via email. This was due to a glitch in the mail merge process.

These are people’s lives that we are playing with; these are people’s careers that are being played with. The administrative arrangements are not in place, the guidelines are not clear and the legalities are not clear on how these staff are affected. We really need the government to come clean, particularly when we are looking at the emotional and career turmoil of these people, and we need to find out from the government what it is that they are actually doing.

(Time expired)

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs and Minister Assisting the Prime Minister) (4.27 p.m.)—I thank the member for Charlton. The Leader of the Opposition—her leader—was the first person to announce the abolition of ATSIC. Of course, the move in the Senate yesterday was about doing everything they could to keep it going. Again the Labor Party are showing themselves to be really caught up on detail and failing to understand how things work. In fact, the member for Charlton’s own contribution has failed to understand that, where the money goes, the functions tend to follow. The fact is that we really do not need to see the bill passed to get on with the job that we are currently doing, which is about getting results for the first peoples of Australia, the first Australians, and about getting the right result.

The fact is that, under the member for Charlton—and I presume that this is the latest Labor Party policy on the run—Labor would prefer to see $120,000 spent per week to keep the ATSIC commissioners and their research officers employed doing nothing after 1 July. It would be $56,000 per week in the commissioners’ wages alone. Think about how, every fortnight, a new house could be built in remote Australia for Aboriginal people. Think about how every month water supply systems could be put into place. But the Labor Party want to keep their mates—or people that they want as their mates—employed and career paths created at the expense of the people that are actually meant to be served by what ATSIC, which was their idea, was set up to do. ATSIC is a failed experiment. These are not my words; these are the words of the Leader of the Opposition, the leader of the Australian Labor Party. Yet the member for Charlton has come in here this afternoon and she is against her leader. I am sure the caucus will sort her out.
But it is a bit of a no-brainer to work out where all the different aspects of current ATSIC functions will end up. The Indigenous media organisations understand that the Department of Communications, Information Technology and the Arts are going to be looking after Indigenous-specific media grant programs. They would realise, of course, that people like FaCS would look after community housing and infrastructure. They would understand that health services would be further entrenched within the Department of Health and Ageing and that the Department of Immigration, Multicultural and Indigenous Affairs will continue to have an oversight role in so many other aspects of what is going on. These matters are being sorted out.

In fact, the administrative orders are in the process of being finalised. They will go to the Governor-General for royal assent. They will be disclosed fully and openly to all Australians, including the first Australians. It is pretty easy to work out what is going on. The Australian Labor Party cannot have it both ways. They cannot have their leader say that ATSIC should be abolished and members of their caucus running around saying ATSIC should stay. The Labor Party have to come clean on this. The program changes do not require legislation. We are proceeding. For instance, the ministerial task force met today. The commissioners will certainly continue to get paid, and the Labor Party are happy for that $120,000 a week. That complete waste of money is how they approach a lot of things and it seems to be their latest approach to this.

At the end of the day, the Labor Party have to account to the Australian people why they are delaying the inevitable—why they are delaying real results for the first Australian by digging their heels in at the caucus level in defiance of their own leader. That is what the Labor Party have to explain. Aboriginal and Torres Strait Islander people in this country want change. Only 21 per cent of Aboriginal and Torres Strait Islander people actually voted in the ATSIC election, so the ATSIC commissioners were hardly representative of the views of the ordinary, everyday first Australians. If the member for Charlton and the member for Lingiari, who I suspect is probably going to pop up and do his own thing as well in a moment, want to get up here in defiance of their leader then they are standing for a system which has stood in the way of resources hitting the ground to assist the first Australians to ensure that they have dignity and equality of opportunity. They are standing in the way of a system that will force the secretaries of each government department that takes on these Indigenous specific roles to enforce the outcome through their own department’s systems. It is no good to say that mainstreaming, as they try to dismiss it, has been tried before and failed. What has never been done before is that secretaries to departments and their performance pay arrangements are tied together in getting real outcomes—as they should be—for the first Australians.

Mr SNOWDON (Lingiari) (4.32 p.m.)—We are here to discuss the budget bills, and that is exactly what I want to do. Despite the semantic rubbish coming from the minister opposite, let me ask one salient question: does he have any idea of what the unit cost is of housing our remote communities?

Mr Hardgrave—It might be three weeks then. Four weeks!

Mr SNOWDON—It might be three weeks; it might be four weeks. You have no idea what it costs to provide housing in regional Australia. Answer me this: how much additional dollars are in this budget for Indigenous housing across Australia? Answer the question.

The DEPUTY SPEAKER (Ms Corcoran)—Member for Lingiari!
Mr SNOWDON—He’ll get his opportunity.

The DEPUTY SPEAKER—That is right.

Mr SNOWDON—Then you might tell me how much additional resources are going to Indigenous education across Australia in the next 12 months and in the out years. How much money is going to Indigenous roads across Australia this year and in the out years? How much money is going to Indigenous communities—in particular, the Northern Territory—to promote roads in Indigenous communities and roads in unincorporated areas? I can tell you the answer: zilch! Let us stop this rubbish and let us start talking about a couple of things which you need to respond to, Minister.

Firstly, given that the ATSIC bill has not passed the Senate and given that it will not pass the Senate until at least the Senate committee reports, which we understand will be the end of October, how will the delegations that the ATSIC commission currently has be performed? What responsibilities under the ATSIC Act will the ATSIC commissioners have into the future? What responsibilities will they be asked to perform? How will their budget be developed? I notice there is an allocation for ATSIC in the budget papers but, of course, that presumes the expiration of the commissioners’ roles. How will the statutory responsibilities which they have under the act be performed and budgeted for? What budget appropriations have been made for that purpose? In the case of their staff, what communications—if any—has the minister and/or his office had with the ATSIC and ATSIS offices about the termination of the commissioner of staff and the ATSIC budget for 2004-05? Will the minister approve the ATSIC budget if it makes allowances for the continuation of commissioner staff? Can you answer that question, Minister?

In the Senate estimates hearings, the Acting CEO of ATSIC, Mick Gooda, gave an undertaking to research officers that they will stay on for the tenure of their commissioners—and that is on page 49 of Hansard for the particular day concerned. This clause was also written into their individual employment contracts. Has the Acting CEO misled the parliament? What is the government’s view about the responsibility of the public service, in this case the CEO of ATSIC, to respond to the concerns of the commissioners? No-one is asking for you to maintain ATSIC well into the future. We agree that ATSIC has to be replaced. But we want to put a process in place concerned with ensuring that Indigenous Australians are properly consulted about what any replacement body for ATSIC should look like. We do not accept the propositions underlying the legislation and, indeed, your budget.

Let me ask you another question, Minister, and see if you can respond to this one. A number of Indigenous coordination centres are to be set out across Australia. There is not to be one in Darwin. Can you explain to me how the concerns and needs of Indigenous people in Darwin—some 10,000 of them—will be met if there is no Indigenous coordination centre? Where will their services come from in terms of Indigenous specific programs and programs which would otherwise be operating in these Indigenous coordination centres across Australia? Minister, this is a serious question. There are serious budgetary implications from the mere fact that this legislation has not passed the parliament. You have made a number of assertions about what Labor’s policy is or is not, but what you have not done—and what I dare say you will not be able to do—is outline to us in detail what the implications are for the budget and the appropriations we are discussing in terms of ATSIC under the Immigration and Multicultural and Indigenous Affairs portfolio, the appropriations made to ATSIC, the appro-
provisions made to ATSIS and the other functions for effective delivery of policy advocacy support and program service to Aboriginal and Torres Strait Islander peoples. How will the commissioners be serviced, given that they still exist? How do you ensure that they can carry out their functions and statutory obligations? How will they be assured that they will get proper advice from their personal staff if you have sacked them? This is a major concern. It is not some frivolous bit of administrative detail. We are passing a budget here where allocations are made for specific purposes. It is clear that those purposes cannot be met because this bill has not passed. *(Time expired)*

**Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs and Minister Assisting the Prime Minister) (4.37 p.m.)*—The member for Lingiari has also caught the Leader of the Opposition’s disease on detail. This year we will spend $2.9 billion on a variety of programs. In fact, that is 39 per cent more than we spent in 1996. That is 39 per cent more than when the member for Lingiari lost his seat at the 1996 federal election—and that is a lot more than zilch. We know that the Labor Party are not real good on numbers because, when they left office in 1996, they said it was a budget surplus and of course there was this massive $10.5 billion deficit, so they do not understand.

The ATSIC commissioners will have little to do. They will need to put an expenditure forecast to the minister. But, in their rush to brief the member for Lingiari, they have so far failed to do that. We will be keeping their funding to a minimum until they do what they have been asked to do. With regard to Indigenous coordination centres, a network of 22 will replace the existing ATSIC and Aboriginal and Torres Strait Islander Services’ regional office to coordinate service delivery in regional and remote areas. They will generally be located where the current ATSIC regional offices are. So that is probably why there will not be one in Darwin under this proposal, if that is what the member for Lingiari is trying to say.

It is fair to say that our proposal means that there will be an Indigenous coordination centre in capital cities, with a local manager and a state manager. The member for Lingiari is again verbalising this whole point and does not want to understand it. As far as matters to do with specific funding and specific areas of assistance to the first Australians are concerned, we are pleased that the proportion of Indigenous children who stay on at school through year 12 has increased from 29.2 per cent in 1996 to 39.1 per cent in 2002-03.

What we are about is in fact liberating the individual initiative of each of these people, making certain that the first Australians are no longer left behind. The member for Lingiari wants to talk today about separate development. The member for Lingiari should look those words up in a thesaurus—he will see a word that he will not want to see. We do not stand for separate development. We want to see the first Australians given opportunities to be very much a part of things in every possible way. What we want to do is make certain of that—as we have done. Since the 1995-96 budget we have more than doubled in real terms the funding for Indigenous specific health programs. It stands at more than $280 million, which is more than double what it was in 1995-96.

But, at the end of the day, we know that these 17 research officers that the member for Lingiari is currently concerned about will provide policy and research assistance to the ATSIC commissioners until 30 June. Nine of the people filling these positions are in fact on loan. They will simply transfer to other Australian Public Service positions, so they are not being sacked—the member for Lingiari has got that wrong as well. The other eight are on temporary
contracts under section 29 of the Public Service Act, which allows for termination where a position is no longer needed. The research officers were provided from around July last year to assist commissioners in providing their policy advisory role in relation to ATSIS. ATSIS will lose the vast majority of its function on 30 June next.

Only a shell will exist—as a result of Labor’s delaying tactics—which is going to cost $120,000 a week to keep a bunch of people doing nothing. I do not know what the cost of building a house in the deepest darkest parts of the member for Lingiari’s electorate might happen to be, but if it is $240,000, $360,000 or $480,000—whatever multiple of $120,000 he would like to come up with—he can account to the Australian people about exactly why it is he wants to spend that money to keep people doing nothing. For the member for Lingiari and, indeed, for the record, let me quote the Leader of the Opposition, the member for Werriwa, the member for Lingiari’s leader. On 30 March he said:

ATSIC is no longer capable of addressing endemic problems ... It has lost the confidence of much of its own constituency and the wider community.

What an understatement! Only 21 per cent of Indigenous Australians actually voted for the ATSIC board. But that sort of situation appeals to the member for Lingiari.

Mr SNOWDON (Lingiari) (4.42 p.m.)—I seek permission from the minister—once I have taken the header off this piece of paper—to table a notice of termination.

Leave granted.

Proposed expenditure agreed to.

Department of Family and Community Services

Mr PRICE (Chifley) (4.43 p.m.)—As my colleagues say, where is the minister? Perhaps the parliamentary secretary might be kind enough to use the telephone. If the minister were here, my first question to him would be: where is the expenditure in this budget that implements the report that was requested by none other than the Prime Minister of this country? I refer of course to the parliamentary report entitled Every picture tells a story.

Mr Ripoll—An excellent report!

Mr PRICE—Why wouldn’t he say that? The member for Franklin made a tremendous contribution to the deliberations of the committee, which delivered a unanimous, bipartisan report. The Prime Minister announced it, the terms of reference were given in June and the committee report was delivered to this House on 29 December—and have we got one dollar in this budget? Have we got one dollar? Have we got two dollars? Have we got three dollars?

Mr Pyne—It’s like Deal or No Deal in here.

Mr PRICE—How much, Parliamentary Secretary, have we got in this budget to implement the recommendations? I am looking forward to the honourable parliamentary secretary’s response, because I know that for a long time he was the spokesperson on child support matters when he was in opposition. I think he applied himself conscientiously. He is now responsible for the Child Support Agency. That is the agency that the Auditor-General has just found is making shocking decisions in relation to cases in the ACT and New South Wales. There is an appalling Auditor-General’s report in relation to the Child Support Agency. He is the responsible person.
I want to ask the parliamentary secretary when we will get a government response. You put enormous pressure on that committee and it delivered the goods. It was not wedge politics and it was not Labor ganging up and refusing to listen to coalition members or vice versa. That committee report was in the best traditions of this parliament. It included a whole raft of recommendations. It came out on 29 December, and we have not had a government response.

I have received a lovely letter from the parliamentary secretary, saying they have implemented some of the nice administrative matters that we recommended, but it does not mention one policy item—not one thing that will provide relief to the clients of the agency. Where is the tribunal? I know that, strictly speaking, it is not within the portfolio. But it was a unanimous recommendation. It was a sea change for people who are facing separation and divorce, for those who want contact with their children and do not get it and for all those who commit suicide at Christmas time because they do not get access to their children. What has this government done with the unanimous bipartisan parliamentary report? They have not had the decency to bring down a government response. They have not had the common courtesy or decency to do that. All they have done is fuel the expectations of people who are looking to the parliament, the Prime Minister and this government for some relief, hope and change.

If I have got it all wrong and somehow in the budget there is $650 million to implement the recommendations—or even if there is $300 million, $200 million or $100 million—I will stand up and apologise, but the parliamentary secretary knows as well as I do that there is not one dollar. There is zero. The callous indifference of members of the executive—and we have two of them here—is just unbelievable. One million children were involved in this committee inquiry—and that is one million children who want to have, by and large, better parents or the opportunity to have access to both parents—and what has this government done? It has built up expectations—a parliamentary reference was announced by no-one else other than the Prime Minister—but absolutely nothing has been done and not one dollar has been put into the budget. And they talk about wanting us to announce our policies and plans! (Extension of time granted) As my colleague has encouraged me to do, I am appealing to the parliamentary secretary, because he knows how hard it is, what a difficult subject this is and how difficult it is to get bipartisan support. This committee report, unlike other parliamentary committee reports, had the real prospect of cross-party support for implementation of the recommendations.

I want to place on record my appreciation of Kay Hull, the chairperson of that committee. I want to express my appreciation of all the members who served on that committee, and I am pleased that the honourable member for Franklin is here, because he has deep views. I am asking the parliamentary secretary not to be trite and not to take any cheap points, because he has been involved in this issue for too long—he would only disappoint himself and his own reputation. Getting reform in this area is terribly difficult. No-one knows that more than me. This has been a real window of opportunity.

I know that the honourable member for Franklin would approach other committee members, saying, ‘How is the government going? How is the response going? Are we going to see some action?’ And I am happy to put on record that I think they have fought very hard for their own report. I do not quibble about that one bit. Each time there would be an expectation given. We would be told that it might be next week or we would get the response that it would be in the budget or that there was another cabinet meeting or that there was some trouble with
the tribunal—that it was unconstitutional. We heard all these things. Even after the budget we were told: ‘Yes, we’re expecting it in a couple of weeks.’

As I said, there are a million children—a million of our future citizens, a million young people—who have the potential to make a magnificent contribution to this country. If you cannot do it for the parents, who actually have a vote, do it for the children. Be frank with us. Tell us what is in the budget. Tell me if I am wrong. I ask the parliamentary secretary to tell me if I am wrong, and I will get up and apologise. I am happy to apologise. Sometimes I make mistakes, but I could not find anything in it.

Mr Pyne—Not you, Roger!

Mr PRICE—Oh, yes, I remember that happening back in 1953—no, sorry, I am joking. But I do make mistakes, and I am happy to stand up and say I am wrong. But I say to the parliamentary secretary: these people, and particularly these children, deserve an honest response, and you have to start meeting their expectations. If you are not going to meet their expectations, get up and say so. Get up and say, ‘Look, it was a wonderful opportunity but it was just too hard.’ Or get up and say, ‘When we were framing the budget, these million children did not come within our radar. In our priorities they just didn’t rate.’ I can accept that. I understand the argy-bargy of a budget. Mind you, this is a budget where we are spending $6 billion before the end of the financial year and some $52 billion in all. But, if those people did not rate as far as the budget is concerned, come and say so. If they were not a priority, come and say so.

I must say that the failure of the government to act has made it harder for us. But I know what the honourable member for Franklin is like. The honourable member for Franklin is going to dig in on this issue. There is no way he is going to let go. Whatever happens after the next election, he will be back here in this chamber saying, ‘What about the one million children?’ If we are in government, he will be demanding action. But I have to say that this has been hitherto an absolute missed opportunity. These opportunities for bipartisan action in an area that I concede is difficult do not come by every night, every month or every year. Yet what was greeted with great apprehension in the Labor Party at the start resulted, we felt, in a tremendous outcome—a committee doing the right thing and really trying to set the path for future reform and immediate benefit for parents and, more particularly, for one million children. (Time expired)

Mr QUICK (Franklin) (4.53 p.m.)—I would briefly like to endorse the expression of concern by the member for Chifley. As he rightly stated, I was a member of the House of Representatives Standing Committee on Family and Community Affairs, and this is probably the most contentious issue that has been put in the lap of federal members of parliament, I would imagine, in the 100 or so years of federal parliament. We had an extraordinary number of submissions—1,700 plus, some of them going to 200 pages. Each of the 10 members had to plough through those 1,700 submissions. We had 55 non-sitting days from when the Prime Minister gave the commission to Kay Hull, the member for Riverina, and we were expected to give up virtually every waking moment away from this place, away from our electorates, to wander around rural and remote areas of Australia—because we decided to stay away from the capital cities. We had people in tears. We heard evidence in camera. We heard of sexual abuse. We heard of suicide. In order to protect people, we had to sanitise the evidence that
was given to us—where people lined their cars up with trees, because this matter has not been resolved.

As the member for Chifley rightly states, this was a bipartisan report. We had people across the spectrum from the Left to the Right. The report is a credit to the 10 members. I remember the very first day of the inquiry. We were travelling towards Geelong for our first hearing and there was a violent disagreement. It was almost a case of turning the bus back because it was a situation of them and us. But we persevered and we struggled through. You can read the transcripts of those many hearings around Australia and learn of the anguish of people—grandparents, parents and young children—in this whole thing. As the member for Chifley says, it involves one million children. There are 800,000 children who only see their non-custodial parents one day a year. This is a huge problem and, if there is not any money in the budget to deal with it, we have created an enormous expectation. If we have not delivered any money, we are going to cause absolute mayhem.

Setting up a tribunal will only deal with future divorces. We still have all the tens of thousands who will have to go through the new regime. They have gone through the Family Court and spent up to $100,000 to get every second weekend and half the school holidays and, as the committee were told today, every fortnight there is a mass migration of up to 800,000 children in Australia going from one parent to another. Every fortnight, 800,000 children move from one place to another, in order to be part of the Family Court process.

I would be interested to know what the honourable member opposite, the parliamentary secretary, thinks about this. I respect him, because I know he has a concern about this. As the honourable member for Chifley said, this is not a trite thing. We are talking about people. It is interesting to note that the honourable member for Riverina has come into the chamber. She is probably doing some work filling in for the whip. But we need to know what is going to happen with this report. As the member for Chifley rightly stated, we have generated enormous expectations out in the community, and the system is flawed.

In the remaining time left to me in this speech, I would like to pay tribute to the work done by the honourable member for Chifley in this area. Over a long period of time, he has been trying to get this whole issue of the Family Court and the Child Support Agency-Centrelink nexus sorted out and resolved one way or another. If I do nothing else in this place, being part of this parliamentary report, Every picture tells a story, will be my badge of honour, it really will. I look forward to the parliamentary secretary’s response.

Mr Ripoll (Oxley) (4.58 p.m.)—I open by commending all the members of the committee who worked on this report, Every picture tells a story. It is a great report. I was not part of that committee, but I do understand and acknowledge the hard work that every single member contributed to the report. Today I want to put a few points to the parliamentary secretary and the minister in relation to the family tax benefit system and the method of payment. In particular, I want to refer to the $600 payment that is being bandied about around the country. I also want to talk briefly about the problems associated with Centrelink and the system that is being administered by the government. To this day, I still cannot understand how it is possible that a system which is so obviously flawed and so obviously does not deliver what it is intended to deliver cannot be completely reviewed and fixed. I have never had a satisfactory response to that question.
It is a system that families, no matter how hard they try and how much effort they put in, just do not seem to be able to get right. They do not get it right because of the formula. The basis upon which their income is calculated really means that by the end the year when the final calculation is done and all the payments are recounted the majority of families actually have a debt to the government. This is not a fair system. There must be a way that the government can fix this system so that people can be paid on a fortnightly basis the money they are entitled to receive, based on their circumstances at that point in time, so that there is no debt accumulated.

I will give the parliamentary secretary one particular example of why this system is so unfair and so unjust. This took place in my electorate. It is just one example. A young woman in my electorate, who is married with a couple of kids, decided only a few months ago that she wanted to return to work. I think that is a pretty noble thing to do and something that we would all support in this place. I cannot see that the government would not support that either. Being a fairly clever woman, she decided that before launching down this path—accepting a job offer and getting fully engaged in the work force—she would check with her local Centrelink office and find out what impact her employment would have on her current circumstances. To her absolute horror, she was told that if she took up a job next week—and she had been on Centrelink family payments for a number of years—she would suddenly have a massive debt to the government. I will not go into all the details, because they are not so important. The important thing is the broad concept of what took place. If this person were to remove herself from the welfare system—if she stopped getting any payments from the government through the welfare system and, instead, went and worked and contributed through the tax system—a debt would be imposed on her. But, if she stayed in the system, not only would she not incur the debt but she would continue to be paid.

I found that odd, so we did a bit of checking and a bit of research, and we found it was true and accurate. She had been paid a certain amount of money, based on the reality that she was not employed and was therefore entitled to a certain amount of money—money which, at the time, she was rightfully due. But, if she took employment, she would have to pay that money back, because it was recalculated and averaged out throughout the year and a repayment would have to be made to the government. She was actually told, ‘You’re better off not taking the job’—nudge-nudge, wink-wink, under the table—‘and staying on family tax benefits. Get your full entitlements. Don’t go and get a job, don’t contribute to the economy and don’t contribute to the tax system. Stay on welfare, at least until the next financial year, because then it all zeros itself out and you do not have to pay back that money that you have been rightfully paid and you can start with a clean slate on 1 July.’

I found that appalling. I cannot understand why this government, the minister and the parliamentary secretary, who is actually here listening, would accept that that is a fair and equitable system and that that is how the government should reward people who are trying to better themselves, get out of welfare, get back to work and do those types of things. That particular case for me really crystallised a whole range of problems that exist in the system, and I would really like to hear a clear, good, concise explanation from the parliamentary secretary, when he responds, of why that situation is acceptable. If it is not acceptable, what is the government going to do about it?
Mr QUICK (Franklin) (5.03 p.m.)—I would like to follow on from the honourable member for Oxley regarding the $600 payment. I would like the parliamentary secretary to answer a couple of questions regarding the $600. According to figures I have from the Australian Bureau of Statistics, the average Tasmanian wage is $33,186 a year. The figures compiled in November 2003 show that Tasmanians receive the second lowest pay packet of any state or territory in Australia, earning just $2 a week more than South Australian workers. Figures compiled show that 88 per cent of Tasmanians did not earn enough to benefit from the proposed tax cuts by the federal Treasurer. It goes on to state:

We can also now confirm that only 38% of Tasmanian families are currently in receipt of either Family Tax Benefit A or B assistance.

I would be interested if the honourable parliamentary secretary could assure me that those figures are true, because if they are and 88 per cent of Tasmanians earn less than $52,000, we are seeing only 12 per cent of Tasmanian families benefiting from the rise in the threshold for payable tax.

Mr PRICE (Chifley) (5.05 p.m.)—I want to again briefly refer to the report *Every picture tells a story*. I ask the parliamentary secretary: has his attention been drawn to recommendation 29 of the report that says there should be proper external review of Child Support Agency decisions? I am on the record as saying that I support the current system of internal review, because it replaced the necessity to go to the Family Court if you wanted a variation. I thought that was an innovation, but I have consistently said—and I am on the public record as saying this—that Child Support Agency decisions, just like Centrelink decisions, should be properly reviewed by a process of external review, similar to the Social Security Appeals Tribunal. I am pleased to say that this was a recommendation of the committee.

In light of the Ombudsman’s report about the decisions in New South Wales and the ACT, would the parliamentary secretary concede that this actually adds further strength to the committee’s recommendations? I seek his assurance that he is prepared to take a fresh look at it. I have some questions on the *Notice Paper*, but I would be indebted to the parliamentary secretary if he could advise whether or not the department has in fact prepared all submissions required of it in response to this report for the consideration of government.

I also want to raise the situation of the St Marys Centrelink office. I must say that the junior minister has monstered me in the press somewhat. It came to my attention that a public notice was put up by the St Marys Centrelink manager that said they would take no further new applications at St Marys and that people had to travel to either Penrith or Mount Druitt, and I took exception to this. But Mr Anthony said that the notice put up by the manager did not exist. In fact, he has insisted that people can put in applications for disability pensions, blind pensions, unemployment benefits et cetera. They can actually go into St Marys, but they will not be processed as fast as they would at the respective offices.

These offices are allegedly centres of excellence. I do not support the two-tier system that the minister is developing. I ask the parliamentary secretary: in this year’s budget, how many Centrelink offices are not going to be centres of excellence? What is the proportion? Is it fifty-fifty? Will 50 per cent be centres of excellence and 50 per cent not be? I know that I am losing staff from St Marys. Could he tell me exactly how many staff? Can he confirm that a centre of excellence—allegedly the Mount Druitt office—is going to be reduced in size by 50...
per cent? Can he confirm whether that is correct? If it is correct, why has the department not bothered to notify the local member?

I say to the parliamentary secretary that the thing I take greatest umbrage about with the manager of the St Marys Centrelink office is that she has publicly said that I was informed. I have never been informed; I have never, ever been informed. I am a phone call away or she is free to drop into my office and talk to me about it. I think the fact these managers do not do it is a gross discourtesy. Can the parliamentary secretary say whether he or his ministers have given specific instructions that Labor members will not be informed of these changes?

Mr Pyne—Now, now, Roger.

Mr PRICE—Well, I hope not, but we are all trying to serve the public here. We can get into the argy-bargy of politics, but these changes are important to us. Can the parliamentary secretary say, for example, that there will be as many non centres of excellence in Liberal electorates as in Labor electorates? Are all National Party electorates going to have Centrelink offices that are centres of excellence?

Mrs Hull—I hope so.

Mr PRICE—So do I, because I think they all should be. I agree with the honourable member for Riverina—absolutely. We would all agree that you should not have first-class offices and second-class offices. I think it is an appalling approach. I can say—and I am sure it is the same for you, Mr Deputy Speaker Lindsay, in your electorate—that the idea that people from Mount Druitt can wander down—(Time expired)

Mr RIPOLL (Oxley) (5.10 p.m.)—I just want to raise one specific issue on top of the ones that the parliamentary secretary has already taken on, and hopefully not in the fear that he will not be able to answer all of them. I raise the issue of the $600, which I mentioned in my earlier contribution. The minister confirmed that the $600 put forward by the government would be indexed and that it would not proportionally, or in any other manner, be lost; that there would not be any clawback of the $600; that the integrity of that $600 would be maintained. I have actually gone and had a look at this to see specifically what changes have taken place. I ask the parliamentary secretary if he wants to make himself aware or informed, if he is not—I am assuming that he would be—about the change from the wage based indexation to the CPI based indexation.

The minister was specifically asked: has there been any change in the indexation? He clearly said: no—no change at all. But when I actually go to the legislation, I find—I will put this on the record—in 6(7)(i) of schedule 4 formula that it says to omit the formula and substitute with CPC rate by 16.6 per cent et cetera. To me that indicates that there is a change, because they are omitting the old formula and substituting a new formula. Therefore, there is an indexation change, and it is quite substantial. It is from wage based indexation to CPI based indexation. What that means in simple terms is that, over a period of about five to seven years, the $600 will be completely eroded. That was a question specifically put to the minister. The minister gave a very specific answer: no. So I would be very interested to hear what the parliamentary secretary’s answer to that specific question is. It was also in another place, in 7(7)(iii) of schedule 4 formula: omit the formula and substitute CPC rate by 21.6 per cent. So in two places we specifically asked about indexation and the minister said: no, it had not changed; no, there would not be clawback. He gave his guarantee, but when we actually go
and check, it is a matter of: don’t listen to what they say; have a look at what they do. Here it is in black and white. Either the parliamentary secretary can explain that their own legislation is actually wrong and they have got this wrong, or perhaps the minister got it wrong. So the question is: who is wrong—the legislation or the minister?

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Family and Community Services) (5.13 p.m.)—I thank the members for Franklin, Oxley and Chifley for their contributions on the appropriation bills in the consideration in detail stage in the Main Committee. I would remind them—the member for Chifley would be well aware of this, being a veteran of the House—that this is not estimates; this is not question time; this is the consideration in detail stage in the Main Committee when members make speeches. The member for Chifley knows that full well, but he has taken the opportunity this afternoon to pepper me with questions to do with the Child Support Agency and Centrelink because, knowing me as well as he has now over many years, he thinks I might fall for the ruse and, out of the goodness of my heart, answer all the questions that he has asked me about the Child Support Agency and Centrelink. I will—because I have great regard for the member for Chifley, especially his genuine desire to improve and his understanding of the Child Support Agency—try to answer as many of his questions as I can, but without obviously giving anything away as he would expect me to do.

The report, Every picture tells a story, was a very good report, and I congratulate the member for Riverina—for her chairmanship of it—and all the members of the inquiry, including the member for the Chifley, who all put in a huge effort in a very short space of time. What the members of the committee and the parliament may not know is that one of the reasons the report came about is that I raised the issue of rebuttable presumption of joint physical custody in the party room on a number of occasions. I raised it on a number of occasions as the Chairman of the Backbench Attorney-General’s and Justice Committee, and it was one of the reasons the inquiry was called. There are many other backbenchers who have raised Child Support Agency issues over a long time, but members of the House will remember that one of the very specific inquiry topics was the rebuttable presumption of joint physical custody, as opposed to every aspect of the administration of the Child Support Agency. That was included as a consequence of my raising the matter in the party room. So I welcomed the calling of that inquiry, and I was surprised at the very short space of time that was given to committee to come up with their report. I congratulate them on the incredible effort they must have put in in order to be able to digest the submissions and also hold the public hearings that they held in order to come up with their very good report.

The government is considering the report and will respond in due course. There are many aspects of the report that have been very favourably received by the government. There are some that are very expensive and some that in a policy sense are a large departure from past philosophy with respect to the Child Support Agency. I will comment on one of those in particular. There was a theme running through some of the recommendations of the report that the cost of children should be investigated and this should be the basis of payments under the child support maintenance program. Many people in the government and the public would argue with that, because the philosophy of the Child Support Agency for the last 15 years has been that children should be able to continue having the standard of living that they would have been able to have had their parents stayed together.
So there are some big philosophical questions with respect to the Child Support Agency: do you fund children on a subjective cost basis—how much they are going to cost, as though they are chattels—or do you say that it is not the children’s fault that the marriage has broken down and therefore they should be able to continue to have the standard of living they would have had had the marriage not broken down? These are big issues and that is why the government has not yet responded to the report. I can assure the members for Chifley and Franklin that the party room is constantly abuzz with requests for responses from the government to the report. I doubt very much that some of the members—the members for Macarthur, Macquarie, Dickson, Riverina and others—will rest until a response is received.

This is in stark contrast, of course, to what happened when the Labor Party was in office. As the member for Chifley would well remember, reports sat on the shelf for many years then, without responses. I well remember the member for Chifley’s excellent report on the Child Support Agency which was produced in 1995 or thereabouts. It was certainly brought in during the first parliament that I was here, and I entered the House in 1993. It had about 500 or 600 pages. It was quite extraordinary. It was very comprehensive. Some aspects of it were picked up by the Labor government of the time. Much of it was supported by the coalition then in opposition. Much of it was never picked up by the Labor government and should have been. (Extension of time granted). Much of the member for Chifley’s report should have been adopted and it sits today unadopted. I respect very much his genuine interest in the CSA, because of the genuine effort that he put in in that parliament. I also respect the member for Franklin and the others who took part in that inquiry.

In terms of what benefit some people who are clients of the Child Support Agency may receive as a consequence of this budget, much of the discussion from the members for Franklin, Oxley and Chifley did not touch on the appropriations, but we will let that go given the good-natured practice of the chamber that we are in. But certainly those separated parents who have more than 10 per cent of the custody of their children will benefit from the changes to the family tax benefit part A—the bonus that is to be received this week or next week and then the ongoing increase of $600 per child that will start from 1 July. So CSA parents will immediately feel an impact from this budget and that will be as a consequence of the changes to family tax benefits.

There is also $67.4 million in the budget for the upgrading of the call centres for Centrelink and the Child Support Agency, which will help the agencies to continue to deliver services to their clients. They will also benefit from that. I think the bipartisanism that the members for Chifley and Franklin talked about is very real with respect to the Child Support Agency. There is certainly no politics in the CSA. It is probably one of the most traumatic areas for members of parliament to deal with. We all have our stories of the horrendous situations that some people find themselves in, both payers and payees, as a consequence of family breakdown. Unfortunately, members of parliament do not hear of any happy stories or stories of mutual agreement; we only ever get the negative outcomes. As a consequence, many of us have a distorted view of the CSA.

After 10 years, over 50 per cent of clients of the Child Support Agency now self-regulate their payments. So while the CSA does 90 per cent of assessments of people from broken marriages, the payee and payer in 52 per cent of cases actually send the money to each other rather than requiring the Child Support Agency to compulsorily acquire resources. That is a
huge improvement. But we as members of parliament would never hear about that because we only ever get the very unhappy stories. So there is a bipartisan view on it. I can assure the members for Chifley and Franklin that the government will respond to the report by the whole committee at an appropriate time.

The Ombudsman’s report has also been recently handed down. As the parliamentary secretary responsible for the Child Support Agency’s administration—I was the very lucky one who was given that job in the reshuffle—that has come to me. I can assure the member for Chifley that we will respond to the Ombudsman’s report in due course.

Mr Albanese interjecting—

Mr PYNE—You may well say so, Member for Grayndler. I am happy to serve in whatever capacity the party chooses. There are a number of recommendations in the Ombudsman’s report. The CSA is certainly not fighting any of those recommendations. The Child Support Agency is quite happy to adopt most of the recommendations. The government is considering the report and will hand down a response to that very soon. All Centrelink and Child Support Agency offices are under review all the time. Member for Chifley, you would know that. Circumstances change. I can assure you that the CSA offices in Western Sydney are under review, but there is no suggestion at all that they will be closed in the near future. There are particular circumstances in Penrith, which you might well know about, Member for Chifley. The staff are fully aware of them, and we have been working closely with the union to try to make sure that clients and staff of the CSA are happy.

I can neither confirm nor deny any of your many questions with respect to particular offices, and you would not expect me to do so. As for informing members of parliament, I can assure you that there is no suggestion that the CSA or Centrelink have been told not to inform Labor MPs of changes. Certainly that would be my understanding. I agree with you: these things are not partisan. A Labor member of parliament is equal to a Liberal or National member of parliament in terms of the services that are delivered in their particular electorate. They should be properly informed and should understand the circumstances. (Extension of time granted)

There is another issue to do with the Child Support Agency and the family tax benefit. The member for Franklin talked about the expectation that has been raised by the report of the whole committee. That is true: an expectation has been raised by that. It is an area where every person believes that their particular cause is the most important and must be adopted. The government hope to meet and fulfil as many of those expectations as we can. You would know, because you came in in 1993 as well, that the government can only do so much to make people happy. But we will do as much as we can.

You also asked about the family tax benefits and the impact on Tasmania. I would be very cautious about accepting your figures. It would surprise me enormously if 38 per cent of Tasmanians were entitled to receive family tax benefit part A. It does not really jell with your figure on the number of people on low incomes in Tasmania. Families on low incomes are the ones who are eligible for family tax benefit part A, so I would have expected the figure to be closer to 90 per cent of low-income families in Tasmania being entitled to family tax benefit part A. Perhaps that is something you might like to take up with either the department or Senator Patterson’s office. She is the minister responsible. I cannot on the spot here answer...
those questions, but they are on the record now and I am sure that the minister’s office will follow that up.

As to family tax benefit part B, we got all of the usual rhetoric from the member for Oxley and a bit from the member for Franklin about family tax benefit parts A and B. The reality is that family tax benefit part A is about consumers or taxpayers making their own decisions about their income and self-regulating. The reality is that the vast majority of people who receive family tax benefit part A receive the right amount of family tax benefit or in fact get a top-up. So 70 per cent of people who receive family tax benefit part A get either more money at the end of the year because they have underestimated their income or exactly what they should have received all year.

Thirty per cent of people have an overpayment because they have underestimated their income. The reality is that you could not expect that 30 per cent not to have to repay the debt that they owe to the Commonwealth when they are in exactly the same financial situation as all of those who have received the right amount or in fact got a top-up. Those people have a choice. This government is all about choice and the family tax benefit is all about choice. People can decide what they wish to estimate in terms of their income. In doing so, they will determine how much they will be paid. If they do not believe that their income can be successfully estimated on a fortnightly basis, then they have the option of not taking family tax benefit part A until the end of the year and getting a bonus, if you like, at the end of the year. But that is a matter for families to decide. It is not a matter for the government. I will not be responding to all of the rhetoric of the member for Oxley with respect to the family tax benefit.

Needless to say, this is the most generous government with respect to family tax payments in the history of the Commonwealth. The reality is that you could not expect that 30 per cent not to have to repay the debt that they owe to the Commonwealth when they are in exactly the same financial situation as all of those who have received the right amount or in fact got a top-up. Those people have a choice. This government is all about choice and the family tax benefit is all about choice. People can decide what they wish to estimate in terms of their income. In doing so, they will determine how much they will be paid. If they do not believe that their income can be successfully estimated on a fortnightly basis, then they have the option of not taking family tax benefit part A until the end of the year and getting a bonus, if you like, at the end of the year. But that is a matter for families to decide. It is not a matter for the government. I will not be responding to all of the rhetoric of the member for Oxley with respect to the family tax benefit.

Needless to say, this is the most generous government with respect to family tax payments in the history of the Commonwealth. In the next week or two, there will be a $600 bonus for the people who receive family tax benefit part A, the carers allowance and the carers payments. From 1 July, of course, per child there will be an ongoing increase of $600. As a consequence of that I think the government should be congratulated for the support it gives to families in Australia. This budget has seen a huge increase in the support for families. I would also add that we are reducing the withdrawal rate of family tax benefit parts A and B from 30 per cent to 20 per cent and we are increasing the FTB part B income test threshold from $1,825 to $4,000 a year. All of these things are very positive for families.

Finally, of course, with respect to families, the maternity payment of $3,000 per child will be introduced from 1 July 2004, increasing to $5,000 by 2008. I am the father of twins and I would have been delighted if this had been introduced four years ago. I would have been absolutely over the moon. Sadly, I have missed out on that. But from 1 July those families who have twins will receive $6,000 and they will be very pleased with the coalition government. I thank the Main Committee.

Proposed expenditure agreed to.

**Department of Education, Science and Training**

Proposed expenditure, $2,283,346,000.

**Ms MACKLIN (Jagajaga) (5.29 p.m.)—**I have a few issues that I want to raise with the Minister for Education, Science and Training. The minister would be aware that the budget includes an allocation of $6 million a year for three years as a partial contribution to the estab-
lishment of a medical school at the University of Western Sydney on the condition that matching funding is contributed by both the university and the New South Wales government. I would like to know from the minister what negotiations have taken place with the University of Western Sydney and the New South Wales government to make this funding a reality. Most importantly, I cannot see any reference in the budget or in the minister’s statements about the allocation of new medical places or that there will in fact be any medical places at this medical school. If the minister could inform me about those matters, I would appreciate it.

While we are in this area, I have a couple of other issues on schools. The minister has distributed a fact sheet on school funding. In fact, it says ‘School funding—the facts’. I am wondering why this so-called fact sheet omits an extremely important fact. It purports to demonstrate where the funding comes from for different types of schools. It compares The King’s School with Fairvale High School, for example—two relatively similarly sized schools in the same sort of area in Sydney. I wonder why the fact sheet does not include the fact that some of these schools operate with up to $10 million more than the government schools that are listed here, because of the private fees that are charged. I would have thought that, if this truly was a fact sheet, it would include the private resources that are available to the private schools. That would give a much more accurate assessment of the resources that are available to schools.

It seems to me to be of grave concern when this suggests that The King’s School is actually operating with fewer resources than Fairvale High School. I do not think anyone who has been to either school would suggest that that is the case. As I understand it, The King’s School operates at about $9 million more—that is 150 per cent more—than Fairvale High School when you take into account the fees that are available to The King’s School. I would suggest that it would be very important for the minister to amend this fact sheet and include the private resources that are available to a school like The King’s School so that we can more accurately understand the level of resources that are available. The fact sheet also claims that, under the Australian Constitution, state schools are the responsibility of state and territory governments. I ask the minister where precisely this claim is made in the Australian Constitution. If he could give me the section of the Constitution, I would appreciate it.

Also on schools, the minister would be aware that there is substantial discrepancy in the capital funding available to government, Catholic and independent schools. He would be aware that, in the latest national report on schooling—it is a bit old; it is from 2001—per student expenditures are: for government schools, $336 per student; for Catholic schools, $786 per student; and for independent schools, $1,664 per student. These figures cover the total expenditure on capital made per student in each of these three different types of schools. I would like to know how the minister justifies these differences. Just in case he thinks he might blame the states, I remind him that the federal government has not increased its capital funding of government schools since 1996. (Extension of time granted) I would like to know on what basis he continues to refuse to increase funding to what, from these figures, are patently the most needy schools when it comes to capital—that is, government schools. As far as I can see—and the minister might let me know if this is wrong—the most recent schools funding package which he announced at the end of March has no increase in capital for government schools. If he could confirm that, it would be helpful.
As those seem to be the circumstances, I wonder why that is the case. I find it hard to believe that the minister is not aware of the urgent need to upgrade, refurbish and provide new facilities for many government schools. That is particularly the case in very disadvantaged areas. In relation to that—I know the minister is very well aware of this—we have seen the greatest increases in general recurrent school funding over the last four years going to those independent schools that, you would have to say, by any measure already have the most lavish capital facilities.

We have already talked about The King’s School, and I am sure the minister is aware of its extraordinary facilities. Noting that the figures for capital for independent school students are way above those available in other schools and, I would suggest, would most likely be much higher in these high-fee independent schools, I ask the minister to let us know whether the additional hundreds of millions of dollars in recurrent money that has gone to these very wealthy schools—the King’s School, for example, as well as Geelong Grammar in Victoria—has been channelled into even more lavish capital facilities at these schools while public schools like Fairvale High School have received no increase in capital from this government.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (5.37 p.m.)—I will have to work off memory on some of these things. Firstly, on the University of Western Sydney, notwithstanding the lobbying and efforts made by the members for Macquarie, Parramatta and Lindsay, the member for Macarthur should probably take more credit for this than anybody. Certainly, for more than a year he has been lobbying hard to see a university medical school established at the University of Western Sydney. I hesitate to use this expression, but I have to say that in what appears to be the context of an emerging crisis in health care in Western Sydney the government believes that one of the substantive ways of addressing that in the longer term is to see a medical school established at the university.

In terms of consultations, I was aware that the New South Wales government was sympathetic to if not supportive of the establishment of a medical school at the University of Western Sydney. At least one report appeared in the *Sydney Morning Herald* approximately four months ago—it might have been a bit before or after that—in which the New South Wales Premier was reported, at least, as being a strong advocate of a medical school being established.

I phoned the Vice-Chancellor of the University of Western Sydney, Professor Jan Reid, and asked her whether the university would in fact respond favourably to the member for Macarthur’s advocacy and support the establishment of a school. I said to her that I did not expect that she would just say over the phone, ‘Yes, we’d love a medical school,’ but rather that she might like to make some preliminary inquiries. She came back to me a couple of days later and said—this would probably have been in February, maybe March—that, yes, the university would indeed like a medical school. I said that that would of course require a capital contribution from the Australian government, as well as places.

As a consequence of that, the government has announced, as you know, that $18 million will be made available in capital infrastructure to support the construction of a medical school at the University of Western Sydney. It will be $6 million each year, I think, over ’05, ’06 and ’07, from memory. That will be conditional upon an equal contribution from the New South Wales government and also borrowings by the University of Western Sydney. In fact, the Vice-Chancellor of the University of Western Sydney said to me herself that of course the
university would borrow money for its contribution to the capital. In fact, from memory, the University of Western Sydney has either no debt at the moment or a very low level of debt—as in fact is the case right across the university sector.

As far as places are concerned, the places for the medical school will be allocated from the 25,000 which the government is about to announce as part of its higher education reforms. Also this year, we have commenced an additional 234 HECS funded places in medicine right across Australia. On the school fact sheet, basically the government is providing information to people in terms of public funding of schools. If the member for Jagajaga is concerned about the government’s fact sheet then she and other Labor members must be outraged by the Australian Education Union’s advertising campaign, which does not even take into account the state contribution for school funding, let alone the fees that are actually paid by parents.

The fact sheet shows that The King’s School educates 1,350 Australian children and receives $3.6 million in public funding, and Fairvale High School educates 1,377 Australian children and receives, I think, $15.9 million in public funding. The fact sheet is putting the facts across to the community in relation to school funding by governments—that is, the public funding—because a false and misleading perception has been created in the community. A lot of good, everyday, decent people are being led to falsely believe that schools like King’s and these non-government schools are receiving more public money in support of their education than are children in government schools. (Extension of time granted) In fact the truth is quite different.

I like to talk about this when I address groups of young people. For example, I was at Unley High School in Adelaide last week. It is considered to be one of the best high schools not just in South Australia but indeed in Australia. A student asked me: ‘Why are these kids that go to private schools getting more money for their education than kids at government schools? This is what I have been told.’ I said to the students, ‘Okay, hands up those who think that all students should receive the same amount of public money in support of their education no matter where they go.’ Do you know, almost every child put their hand up. Nationally, in an egalitarian society that is what most people think. They think that all students should get the same amount of taxpayers’ assistance for education. The reality is that every child who attends a non-government school receives less public money in support of their education than if they attend a public school.

Ms Macklin—What about the private money?

Dr NELSON—Do you want answers to these questions or not? There are 2,652 non-government schools in Australia—that is, 2,652 Catholic and independent schools in Australia. In terms of the level of public funding that The King’s School receives from the federal government, do you know, Mr Deputy Speaker Lindsay, that it ranks at 2,548, if you take one as receiving the highest amount of funding and 2,652 as receiving the lowest amount. That means that, if a student leaves, for argument’s sake, The King’s School and goes to the Fairvale High School, that student will receive 4½ times more public funding in support of his education than he currently receives at The King’s School.

Ms Macklin—And a whole lot of private money.

Dr NELSON—You are either interested in the facts or you are not. These are the facts of it. The other thing that the Labor Party needs to understand is that it does not matter whether it
is The King’s School, Xavier College, Trinity Grammar or any of these schools, within those schools are parents who have made enormous sacrifices for their children. There are parents there who have three or four jobs between them, who never have a holiday, who drive a 15-year-old car, who live in very modest circumstances, and the Labor Party members scoff at this.

Ms Macklin—I am laughing at you.

Dr NELSON—I will tell the Labor Party that, when I was practising medicine, I had a receptionist whose entire income—and she had three jobs—fully funded the education of her son at the Hutchins School, having lived in Claremont in the northern suburbs of Hobart. Those parents have made the choice to forgo a much higher level of public funding for the education of their children, take a much lower level of public funding for their children and make sacrifices in the process. Labor members ought to remember that 47 per cent of people in this country who earn more than $104,000 a year have their kids in government schools, 48 per cent have their kids in non-government schools and the rest have them in both. At the other end of the spectrum, one in five parents in Australia who earn less than $26,800 a year—one in five—have their kids in a non-government school.

Ms Macklin interjecting—

Dr NELSON—Exactly. They are Catholic and independent schools. I am asked about the Constitution. Under section 96 of the Constitution, state governments have responsibility for providing schooling to children. As to capital funding, at the moment the Australian government provides $106 per head per child for capital funding in a government school. This government provides $97 per child in a Catholic school for capital works and $74 per child for the 459,000 students currently in independent schools. So, from this government, if you attend a state school, you will get $106 per head in support of capital works. If you attend a Catholic school, you will receive $97 per head for capital works. If you attend an independent school, you will receive $74 per head. But the so-called high fees schools that are demonised so much by the Australian Labor Party do not get— (Time expired)

Mr SNOWDON (Lingiari) (5.47 p.m.)—I want to raise with you a couple of specific questions about Indigenous education. In particular—and I do not want to go into a diatribe about what I think of the government’s performance in that regard generally—I want to raise two particular issues to do with the review of the Indigenous Education Direct Assistance program and the proposals to change IEDA programs—in particular, ASSPA and the Aboriginal Tutorial Assistance Scheme. I take you to the introduction of this report and reflect upon the fact that there are 3,800-odd ASSPA committees around Australia. Evidence to the Senate says that only 10 of those committees responded to the government’s proposals. They are extremely concerned that the changes to ASSPA will dramatically and detrimentally affect the education of their children and their role in their children’s education. They are most concerned to ask that you do not proceed with these changes until there
has been an adequate process of consultation and discussion with the school communities that are to be affected.

In addition, in relation to the tutorial assistance program, given that they were not engaged in the process, they wonder why you would want to provide tutorial assistance only for three defined years in a child’s education when it is very clear from any educationalist that what you need to do is go through the full educational life experience of these children, not get them when they fall through the cracks after they have failed a government test. It is most inappropriate that this should proceed. This is what is happening, Minister, if you are not aware of it.

I have been asked by these committees and these parents of Indigenous kids in the Northern Territory to request that you do not proceed with these proposals as you are currently intending to do and that you go back to those communities and talk to those parents and their school communities to establish what they think of your government’s proposals. Clearly, they have not expressed a view to you previously because they have not been engaged. I note very clearly that this report was developed internally by your department. It was not done externally and it was not done in a way which would engage parents or their school communities. Most particularly, it was not done to engage remote-community parents.

I am most concerned about this, Minister, and I want to make sure that you respond to this in a way that guarantees that these parents will not lose any of their confidence in these ASSPA processes or the IEDA program itself. Aboriginal parents place a great deal of faith in the fact that these additional assistance programs provide them with the capacity to be involved in their children’s education, and they are concerned about the impact that it will have on them. I ask that you respond to that and make sure that these parents are not disappointed and that you go back and talk to the 3,800-odd parent groups and consult with their school communities about the impact of your proposals.

Dr Nelson (Bradfield—Minister for Education, Science and Training) (5.51 p.m.)—I will come to that. With regard to capital funding from this government, we are providing $106 per student in a state school, $97 per student in a Catholic school and $74 per student in an independent school. But the Block Grant Authority, with which the member for Jagajaga is fully familiar, distributes that money to the independent schools. You will find that those so-called high-fee schools are not getting any of that capital works money. It goes to poorly resourced low-fee independent schools. In fact, in terms of the overall contribution for capital, what makes the difference—whether it is in a government school or a non-government school—is parents. It does not matter whether it is through cake stalls, raffles or parents with second or third jobs, parents going the extra mile make all the difference.

With regard to funding for capital works over the next quadrennium, $1.1 billion will be made available for government state schools. That represents a 12 per cent increase in funding at $112 million, and there was an 18 per cent increase of $68 million for the non-government schools because of what we are doing with Catholic schools. As far as the package for school funding over the next quadrennium is concerned, of those 2,652 Catholic and independent schools, if you take the 100 that are getting the greatest increase, they have an average socio-economic status score of 83, which is very low. Of those 100 schools, 23 of them are special schools that look after children with disabilities—particularly with physical and intellectual disabilities—and the other 77, as I said, have an average SES score of 83. They are receiving
$1,484 extra per student over the quadrennium, so they are getting the greatest increase. If you go to the 100 schools that are getting the lowest increase, they have an average SES score of 121, which is very high. In fact, the highest SES score is 130. Those schools are receiving an additional $484 per student over the four years. So the schools that are getting the highest increase, 23 of which are special schools with kids with disabilities, are getting $1,484 per student over the quadrennium and those with the smallest increase are getting $484.

The next issue relates to Indigenous Australians. Firstly, there are the ASSPA committees, through which the Aboriginal Student Support and Parental Awareness committees have been receiving about $16 million a year. There are 3,800 of these committees. I looked at this very closely because all Aboriginal people in Australia—I do not care whether they are in metropolitan Sydney or Melbourne or whether they are in the remotest parts of the country in the electorate of Lingiari—face challenges greater than those faced by those of us who are non-Aboriginal.

Mr Snowdon—We know that. Answer your question.

Dr NELSON—I am coming to that. The problem is that at the moment the ASSPA money has a very long tail. In other words, would you believe that we have a lot of schools in the northern beaches of Sydney with relatively small sums of money—as low as $220 going to each of the schools for ASSPA committee activities. Then we have other schools with very large Aboriginal enrolments, predominantly in regions and electorates like the electorate of Lingiari, that are attracting up to $140,000 in ASSPA funding, with very small numbers of students. That tail actually adds up to a significant amount of money. What we are trying to do is target the Aboriginal education dollar predominantly and increasingly into remote and regional parts of the country, particularly when educational outcomes are not being delivered.

Mr Snowdon interjecting—

Dr NELSON—That says more about you than it does about me.

Mr Snowdon interjecting—

Dr NELSON—the member for Lingiari says that 10 responded. One of the constant themes that came through to me in the first year I was in the portfolio, in meeting Aboriginal— (Time expired)

Mr ALBANESE (Grayndler) (5.56 p.m.)—I will not take very long, so maybe, eventually, the minister can get to answer the question in the last minute or so. Given that we have only five minutes to go, I do not have much option. I want to raise the issue of ANTA funding. The fact is that, due to the minister’s intransigence on the failure to offer growth funding in the ANTA agreement, negotiations broke down at the end of last year at the Brisbane MINCO. I understand that a further MINCO was held in Adelaide last week. I am hopeful that negotiations will be recommenced to ensure that there is actually an ANTA agreement in place.

It is quite extraordinary that the minister has a lot of rhetoric about the importance of the traditional trades—boilermakers and carpenters—who he says are paying for people to go to university, as if there is some objection to that process, and yet we have a situation whereby we actually have no ANTA agreement in place. The minister has indeed pinched some of the money that would have been there for ANTA to carve off a separate funding formula for this year. So I call upon the minister to listen not just to the Labor Party but to organisations such as ACCI, which have called for growth funding to be in the ANTA agreement.

MAIN COMMITTEE
I also call upon the minister to take note of the House of Representatives Standing Committee on Education and Training report *Learning to work*, which is about VET in Schools, and suggest to the minister, without breaking party secrets, that Labor’s promise to commit ourselves to pay for TAFE fees from the Commonwealth VET in Schools program has been extremely well received. It is something that the government, if it were fair dinkum about these initiatives, would surely match. I will leave it there to give the minister a brief amount of time.

**Dr NELSON** *(Bradfield—Minister for Education, Science and Training) (5.59 p.m.)*—We received 10 submissions from ASSPA committees. There was consultation with a random selection of 400 ASSPA committees, directors-general of education, the Catholic and independent schools sector, ATSIC and ATSIS, Indigenous education consultative bodies, Indigenous support units in WA, Queensland and New South Wales, and a selection of vocational education and training providers. Three discussion papers and questionnaires informed the review. There were 62 written responses to discussion paper No. 3, the majority of which were from school education providers.

As the principal of one school in western New South Wales—and I will not name the school—said to me in relation to the ASSPA funding, ‘I basically write something for them and then we put it in.’ I was told that the ASSPA funding at another school supports the barbecue with the families. The review that we conducted found that there was very little relationship between the ASSPA funding and the educational outcomes for the children. So what we are now doing is moving the ASSPA funding—which is $62 million, from memory, over four years—to project based funding. We will support and encourage ASSPA committees in their applications for that funding, but we want it to relate to the educational outcomes for the kids. We particularly want to give priority to non-metropolitan Aboriginal students. I do not care what anybody says: that is where the need is greatest. As far as the ANTA agreement is concerned, the reason there is not an ANTA agreement is that the states decided at the end not to sign it.

**Mr Snowdon interjecting**—

**Dr NELSON**—For obvious reasons, we have national benchmark reporting and testing in literacy and numeracy in years 3, 5 and 7, so we are providing in-school tuition at a cost of I think $104 million to support Indigenous students who are having difficult with literacy in particular. In addition to that, we provide transition support for students in years 10, 11 and 12 at risk of leaving school to try and keep them at school or to make a successful transition into the work force or some other form of education. We will also provide a person on a one-to-one basis with them in the school environment—again, at a cost of $42 million.

**Mr Snowdon**—What is wrong with intervention in years 1 and 2?

**Dr NELSON**—In addition to that, this government is funding through IESIP programs, as you know, preschool activities to support Indigenous students particularly. There is IESIP money generally to support the education of students. We are wheeling out the scaffolding program again through IESIP. Indigenous specific funding is provided throughout school education. As far as in-school tuition is concerned, the government is focusing on those critical years of 3, 5 and 7 in literacy and numeracy in particular, because that is where we have our national benchmark testing and reporting, and programs are provided in advance in the earlier years to support them in any case.
As far as the ANTA agreement is concerned, the reason we do not have an ANTA agreement is that the states and territories decided they did not want to sign it. The government put $220 million of additional funding on the table, which represented a nominal 12 per cent increase. But in real terms, Access Economics—which the states restated an enormous amount of confidence in on Friday—forecast demand over the three years of the triennium that were proposed to be funded to be 2.9 per cent and 1.7 per cent respectively in the second and third years. The Australian government put a 2½ per cent real increase in funding on the table. We asked the states and territories to match it with a 1.5 per cent real increase in funding. The end result of that would have been 71,500 additional places over the next three years. In addition to that, to get around the impasse in relation to the construction code, where we want freedom of association in workplaces where we are funding construction activities, we asked—

Mr Albanese—What has that got to do with anything?

Dr NELSON—The member for Grayndler is reflecting his own ignorance. There are three reasons why we do not have an ANTA agreement. The first reason is the construction code, because the states and territories would not agree to it.

Mr Albanese interjecting—

The DEPUTY SPEAKER (Mr Barresi)—Order! The member for Grayndler will not be so dismissive!

Dr NELSON—I offered the states the opportunity to roll money out of infrastructure above and beyond the trigger threshold and put it into places, which would have funded another 61,000 places a year. They said no. The second reason the ANTA agreement does not exist is that they would not agree to increase the funding for user choice. The third reason it does not exist is that they were looking for—

Mr Albanese—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER—Is the honourable member seeking to ask a question?

Mr Albanese—If we are going to do it formally, we will do it formally.

The DEPUTY SPEAKER—Is the honourable member seeking to ask a question?

Mr Albanese—Yes.

The DEPUTY SPEAKER—Will the minister allow a question?

Dr NELSON—Sure.

The DEPUTY SPEAKER—the member for Grayndler will proceed.

Mr Albanese—Does the minister acknowledge that it is not appropriate to use the industrial policy issue in the ANTA agreement because, at the end of the day, it is TAFE students who suffer because of what is essentially an ideological position of the government? Why should that issue be included as a compulsory part of the ANTA agreement?

The DEPUTY SPEAKER—the minister’s time has expired. Minister, you have the opportunity to answer that question if need be.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.05 p.m.)—This government does not believe in seeing hard earned taxpayers’ money wasted with inappropriate work practices on building sites that are being funded by the Australian government, whether they are building schools, TAFE facilities, hospitals or anything else. This govern-
ment has a policy across all programs that where Australian government money is being used to support capital works it must comply with the construction code. I offered the states and territories, in the context of the ANTA agreement, the opportunity to roll money over, above and beyond the trigger threshold of $10 million on a capital works project, to fund additional places. They declined to do so.

There were three reasons for non-agreement. Firstly, this government believe in user choice—employers having the ability to chose a public or private provider—and we wanted to increase the funding for that. The states and territories could not reach agreement on that. The second issue was the construction code. Thirdly, they argued for a larger quantum of money. The member for Grayndler referred to slicing money out. In fact what the government have done is to take $29 million out this year to directly tender for places for sole parents, people with disabilities, Indigenous people and mature age workers returning to the workforce. By definition, they will predominantly be places that are likely to be with larger public providers. Since last Friday we have commenced negotiations on the ANTA agreement. To inform that agreement, we have been doing a lot more work in relation to forecast demand.

Ms MACKLIN (Jagajaga) (6.06 p.m.)—I want to follow up with the minister the issue of the medical school at the University of Western Sydney. He indicated that the places for the medical school will come from the reallocation of the 25,000 over-enrolled places. Is that correct?

Dr NELSON—Yes.

Ms MACKLIN—I would like to know how many of those 25,000 places will be allocated to the University of Western Sydney’s medical school. How will they be funded, given that the cost of a medical place is so much higher than the average cost of a university place? Could the minister let me know the answers to those questions?

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.07 p.m.)—These are 25,000 places, as I said in the House today, that would have been, and are, in the process of disappearing. At a net cost to the Australian government—or the taxpayers, more directly—of $547 million, these places are going to be fully funded. From those 25,000 additional places which would otherwise disappear, an allocation will be made to the University of Western Sydney for medical places. I will be making an announcement about the number of places in the very near future.

Ms MACKLIN (Jagajaga) (6.08 p.m.)—The second question I asked was: how are they going to be funded, given the much higher cost of a medical place compared to the average cost of these 25,000 places which you have demonstrated the overall cost of? That is at an average cost.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.08 p.m.)—I will make that clear when I make the announcement.

Ms MACKLIN (Jagajaga) (6.08 p.m.)—Okay. We will just keep pursuing things and maybe we will find something out today. There is another issue I want to raise. Some concerns have been raised with us about the Higher Education Information Management System that the government is intending to introduce. What sort of testing has been done for this system, at both the institutional and the system level? We do have concerns about this system and would like to know at this point what testing has been done to make sure that it works.
Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.09 p.m.)—I am advised that, as I suspected would be the case, the system is still in the process of being developed and implemented. I do not think that we are yet at the point of being able to test it, if you are to use that language.

Ms MACKLIN (Jagajaga) (6.10 p.m.)—Given that it is in the process of being implemented, I would have thought that you would be making sure that the whole process was going to work and that, as it was being implemented, they were going to test whether or not it will fall over.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.10 p.m.)—The nature of these things is that you cannot actually test something until you have put it together. We are in the process of working cooperatively and very enthusiastically with the university sector to get this built and implemented as quickly as possible for a lot of reasons, not the least of which is that many of the new reforms in higher education are predicated on making sure that the Higher Education Information Management System works. In fact, the advice that I have had is that, notwithstanding the teething problems you would expect with any system, by and large the implementation is going quite well.

Ms HALL (Shortland) (6.11 p.m.)—I wanted to place on record some real concerns I have about education and the impact it is having within the Shortland electorate. The Shortland electorate, as I am sure the minister knows, has a very low number of people attending non-government schools. Eighty per cent of all students attend government schools, and, of the other 20 per cent, 14 per cent attend Catholic schools. I have been approached by schools and parents in my area that are greatly concerned about the direction of the government’s policy. They hold the strong belief that their schools are being disadvantaged by government policy. They are very upset that the wealthy private schools are getting the giant’s share of the money through the Commonwealth. They are also most concerned that major capital works programs are not being undertaken within their schools. They have sent me lists, and I have here a couple of those that I grabbed from my office on my way to the chamber.

Over $3 million worth of work is needed at Belmont High School for major capital works over three years. They need multipurpose centres, performing arts centres, technology access, building modification, an upgrade of staff facilities, an upgrade of the electrics to sustain the IT expansion, and technology such as laptops and PCs to reduce teacher-student-PC ratios. They need to employ paraprofessionals to remove teachers from bureaucratic functions, and they need an additional GA. They need additional staffing to support special programs and the programs that the government is placing great emphasis on. They need facility maintenance. This school is particularly upset that they appear to be missing out on money—

Ms Macklin—That is because they are!

Ms HALL—That is right. As the shadow minister said, they are. They finish by saying, ‘Our school is no longer fit for its purpose: C21 learning.’ It really upsets me that, just because students happen to live in the Shortland electorate, they would not have the same access to the same quality of education that students in more elite areas have. I do not think that where a person lives and their access to private schools should determine their ability to access quality education. I find that very disturbing. I think that it is most upsetting that the government has decided to entrench its policies of catering to elite education rather than catering
to the majority of students. Whilst I say it is 80 per cent in Shortland, I believe it is something like 70 per cent of students throughout Australia.

Another school—the Warners Bay Public School, which is a primary school—list the resources they need. They have very limited resources, including those needed in the language field or TVs and DVDs—the kinds of things that I believe are probably a little more important than an extra cricket field or playing field. They need home reading resources, covered walkways, PA systems, a full-time computer consultant, a maths consultant and counsellors—all the types of things that schools that this government directs money towards have plenty of.

In the time that I have remaining, I will quickly point out to the minister that part of the Shortland electorate takes in the Central Coast of New South Wales, which has the lowest retention rate of all schoolchildren in Australia. It also has the lowest rate of students attending university. I think it is very sad that the minister was unable to come up with more resources for the University of Newcastle and the Ourimbah campus. The students of the Central Coast have really been disadvantaged under the Howard government. The people of the Central Coast know this, and they are very disappointed. They really expected better from the minister and the Howard government. (Time expired)

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (6.16 p.m.)—I will go to the second issue first. The University of Newcastle, from memory, got a minimum of $18 million additional funding under the Commonwealth Grant Scheme. In addition to that, students for the first time are receiving scholarships to support them with their real problem—that is, their living costs when they are at university. Also, shortly, when I announce the place allocation, if at least anyone is going to be happy on the other side, it should be the member for Shortland. I will put it that way. The opportunities for education at the University of Newcastle will be significantly expanded.

On the school funding issue, this year enrolments in New South Wales government state schools are going to drop by a half of one per cent. The Australian government is a minority funder of public schools, and has been under successive governments—Labor and coalition governments—and, in fact, its funding is called supplementary funding. Of the funding for New South Wales state schools, 88 per cent comes from state governments and 12 per cent comes from the Australian government. This year, in the budget that we are supposed to be debating, this government has increased its funding by six per cent to New South Wales state schools, where enrolments are dropping by 0.5 per cent. Why is the government increasing its funding by six per cent? Because that is the cost of getting a school door open. It relates to the real costs of delivering education services in schools.

Last year, the New South Wales government, which is primarily responsible for funding the schools to which the member for Shortland referred, increased its funding to New South Wales state schools by 0.8 per cent—less than one per cent. The inflation rate is running between two per cent and three per cent. The cost of running schools is running more between 5½ per cent and seven per cent, depending on where they are. I say to the member for Shortland: the real question that she should ask—and I join her in this; I will be very interested to know—is that, when the New South Wales government delivers its budget, what will its increase actually be to the funding of its state schools and will it in fact be six per cent? Last year, this government increased its funding to New South Wales state schools by 5.7 per cent. As I said, the New South Wales government increased its by 0.8 per cent. An extra $292 mil-
lion would have gone to New South Wales state schools last year had the New South Wales government kept up with the Commonwealth in terms of indexing funding to its own schools.

It is fundamentally important that all Australians—and particularly people in this parliament—understand which level of government is responsible for which things and, most importantly, appreciate that, overall, the 2.2 million kids in government state schools in this country got $20 billion to support their education last year—$2.5 billion from this government and $17.5 billion from the states and territories. The non-government schools—Catholic and independent—did not get half of that. They did not get $10 billion; they got $6.2 billion. Parents put their hands deep into their pockets to pay $4 billion in fees.

Ms HALL (Shortland) (6.19 p.m.)—I appreciate the information that the minister has shared with us here today, but I think that the minister misses my point. He misses the emphasis that I was trying to place in my contribution to this debate. I was placing emphasis on the fact that the Commonwealth, as well as the states, has a responsibility for the education of all children attending school.

Ms Macklin interjecting—

Ms HALL—You agree?

Ms Macklin—State schools are not only the responsibility of the state governments. I am glad to hear that—

The DEPUTY SPEAKER (Mr Barresi)—The member for Shortland has the call.

Ms Macklin—That is wonderful; it’s a revelation.

The DEPUTY SPEAKER—Member for Shortland, keep going.

Ms HALL—I do not mind that interjection—

The DEPUTY SPEAKER—The chair does.

Ms HALL—It is very pleasing to see that the minister has confirmed to the parliament that the Commonwealth has a responsibility for students attending both public and private schools. There is a Commonwealth responsibility there. The point I was making to the minister is that under his government and under his leadership as minister there has been quite a distinct change of emphasis. Instead of providing an equal quality of education to all students, there has been a change. There has been a shift in emphasis, and those students who are attending the wealthy schools are doing just a little bit better—or perhaps we should say a lot better—under the Howard government.

I find that particularly disturbing, because there are no category 1 schools in Shortland. There is no university in Shortland either, Minister—that is within the Newcastle electorate. The students from the Shortland electorate attend either the Newcastle campus or the Ourimbah campus, because the Shortland electorate is on the Central Coast and in Lake Macquarie rather than in Newcastle. That is why I brought up the issue of students being disadvantaged on the Central Coast. The minister would be aware that he was approached by a consortium of the local councils and businesses on the Central Council that are very concerned about the direction in which the government is going and about the implications for the Ourimbah campus. Whilst the minister visited the campus and made a couple of noises, we are still not happy with where the government is going.
I think that it is very important for the minister to remember that he is the minister for education for all students. The students in the Shortland electorate look to him in the same way that the students in his electorate look to him. They look to him to ensure that they have equal opportunity in education. They look to him to ensure that they have the opportunity to go to university because they are bright young children who have worked very hard, have achieved and have earned themselves a place in university—not because mum and dad can afford to pay for them to go to university. I do not see why a student who comes from Windale in my electorate—which is quite a disadvantaged area where the population really relies on governments, both state and Commonwealth, to ensure that they get an education of quality—should be treated as a second-class citizen. Those people should not be given a second-class education. They should be able to have the same quality of education as students who are living on the North Shore of Sydney.

The point that I was trying to make—and maybe the minister missed it—is that I feel that under his government that has changed. There is no longer equality across education. The government’s approach to education has been to foster elitism and to foster opportunity for those who can afford to pay. Choice is now connected to a person’s ability to pay and not linked to a person’s opportunities in life. If we ensured that a very egalitarian type of education existed—and that a more uniform type of education system existed—we would provide students in Shortland electorate with much better opportunities than this government is providing.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.25 p.m.)—I have already substantially covered all of these issues, so there is no point repeating what I have said. But there is one thing I will point out: the chance students in the electorate of Shortland have of getting into Newcastle University is actually better than the chance students in my electorate have, because students in Shortland get five points added to their UAI to get special entry. I strongly support that, by the way, for all the reasons that the member for Shortland pointed out. In addition, the state Labor member who is on the council of the University of Newcastle voted in support of a 25 per cent increase in HECS. When asked by the Sydney Morning Herald why he did so, he said, ‘Of course I would—any sane person would.’ Apparently he had no idea that the Labor Party was opposed to it.

Ms MACKLIN (Jagajaga) (6.25 p.m.)—Just to follow up on these issues, when the member for Shortland was making her contribution she emphasised the importance of the Commonwealth making its commitment to students in all schools and the minister nodded. I just want to go back to a question I asked the minister earlier, which was in relation to a statement in his school funding facts sheet. I asked him which section of the Constitution actually says that state schools are the responsibility of state and territory governments. He referred me to section 96. I am having a look at section 96, and it does not say anything of the kind. Maybe it is a different section that the minister is referring to, but I would appreciate it if the minister would indicate where in the Constitution it says that state schools are the responsibility of state governments. He says this, of course, to try and suggest that he does not have any responsibility for so-called state schools—and he puts a lot of emphasis on the S.

The point that I would make is that it is very plain that the responsibility of the Commonwealth is to all children in all schools. We do have a responsibility to children in government or public schools. That responsibility is there for all to see through the contribution that we

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make, no matter how small. Of course, I am constantly concerned, as the member for Shortland is, about the low level of spending provided to our government—or public—schools. But, that said, the funding that the Commonwealth does provide indicates that we do have a responsibility. I assume that the minister is providing this funding properly, under the Constitution. He should acknowledge that we have a constitutional responsibility for these children, as much as the states do.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.28 p.m.)—The Australian government will be committing $9.8 billion over the next four years for state schools. There will be $2.6 billion this year—a 5.4 per cent increase across the board this year alone. Watch out for that when the New South Wales state government budget is delivered. It is section 96 of the Constitution that gives the Commonwealth the authority to pay money to the states in order to provide schooling. Just in case the member for Jagajaga is in any doubt about this—

The DEPUTY SPEAKER (Mr Barresi)—Is the member for Jagajaga seeking to ask a question?

Ms Macklin—Yes, I am.

The DEPUTY SPEAKER—Will the minister allow the question?

Dr NELSON—Yes.

Ms MACKLIN (Jagajaga) (6.28 p.m.)—I just want to be very specific. Yes, that is exactly what section 96 does: it gives authority for the Commonwealth to give grants to the states for various purposes. It is not a section that says that state schools are the responsibility of state governments. Where is that in the Constitution?

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.29 p.m.)—I would have thought that it was self-evident that the states then use that funding to run schools and do other things. If there is any doubt about this let me point out that as Australia’s Minister for Education, Science and Training I cannot visit a state school unless I write to the relevant state minister and ask permission from them, because state schools are regulated, administered and primarily funded by state governments. Further to that, whereas 12 per cent of the recurrent funding for state schools comes from the Australian government, half of the 88 per cent that the states put in is actually money that has come from the federal government in the first place. What is happening here is that the opposition is trying to transfer funding responsibility for schools across to the federal government.

The DEPUTY SPEAKER—Is the member for Jagajaga seeking to ask a question?

Ms Macklin—Yes, I am.

The DEPUTY SPEAKER—Will the minister allow a question?

Dr NELSON—Yes.

Ms MACKLIN (Jagajaga) (6.30 p.m.)—So the minister in fact cannot tell me which section of the Constitution says that state schools are the responsibility of state governments. That being the case, I think he should withdraw this funding fact sheet which says:

Under the Australian Constitution, state schools are the responsibility of State and Territory Governments.
Will the minister now withdraw this paper, which he calls a fact sheet and which has a blatant untruth in it?

**Dr Nelson** (Bradfield—Minister for Education, Science and Training) (6.30 p.m.)—Far from withdrawing it, I can assure you we will be enthusiastically distributing it.

**Ms Macklin**—Which section is it, Brendan? I will just ask you again, then. Where is the section in the Constitution? Which one? It doesn’t exist. No answer.

**Dr Nelson**—I have already answered the question.

Proposed expenditure agreed to.

**Department of Veterans’ Affairs**

Proposed expenditure, $410,614,000.

**Mrs Vale** (Hughes—Minister for Veterans’ Affairs) (6.31 p.m.)—I am privileged to be available tonight for this consideration in detail stage of the appropriation legislation. Are there any questions from the other side?

**Ms Roxon**—I am actually here for the next category. I understand my colleague, the member for Cowan, is on his way, but we are proposing to move to the Attorney-General’s portfolio while we endeavour to find him.

**The Deputy Speaker** (Mr Barresi)—I thank the member for Gellibrand. The minister has the call.

**Mrs Vale**—This budget delivers in a very responsible and sensitive way for our veterans and war widows. It was $604 million and it builds on a record budget allocation of $10.6 billion in 2004-05 for veterans and war widows. I will not make a long address, but I notice the absence of anyone here to actually ask further questions on this portfolio. In my mind, it builds on the fact that, in the budget in reply speech from the opposition, there was not one mention of veterans and not one mention of war widows. I think that this silence has not gone unnoticed by the veteran community. On the understanding that we are here to consider this budget, it is very disappointing, to say the least, to see that there are no questions to be asked on behalf of veterans.

Proposed expenditure agreed to.

**Attorney-General’s Department**

Proposed expenditure, $2,392,872,000

**Ms Roxon** (Gellibrand) (6.33 p.m.)—I thank the Attorney for being here to answer questions. I have questions in three areas and, if it suits the Attorney, I will ask each of them separately. The first is in relation to the Aboriginal and Torres Strait Islander legal services which, as of 1 July, will come under the Attorney’s department. We have asked questions in other places about what steps have been taken in terms of the handover to the Attorney-General’s Department from the department previously administering it. I am also conscious of a number of issues that have been raised about serious problems with the tender document, which I know will have a huge impact on the capacity for legal services to be provided to Indigenous people.

Given the Attorney’s background in this area, I know that he will be able to address my concerns, particularly in relation to two matters. My first concern is that the tender document enables any service provider who is successful under this tender document, if it is used, to

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refuse services to an Aboriginal person who has a prior conviction. We all know that a major problem in the Aboriginal community is that we have not only repeat offenders but Aboriginal people who are often convicted of minor and repeated offences. They often end up incarcerated as a result of multiple offences, although no individual offence would be significant enough, on its own, for them to end up in jail ordinarily.

I am also particularly concerned that the tender process allows for non-Indigenous services to tender for the provision of services to the Aboriginal and Torres Strait Islander community. In fact, there is no requirement in the tender documents for any particular input from Indigenous staff or advisory boards. Quite apart from the handover of services, this is an issue that I think the Attorney needs to address, in that there is a serious issue of cost shifting that may occur: if Aboriginal legal services do not continue to provide services to this community, we will find that more and more people are turning up to legal aid commissions. I understand that all the legal aid commissions have written to both the Attorney and the minister currently responsible, to raise their concerns about the impact this will have on legal aid money. So, indirectly, it relates to the package that has been announced in terms of the overall legal aid budget.

Those are the main issues that I hope the Attorney can assure me about given that, in a number of days, they will be his responsibility. The questions that were asked in the other place in relation to this were not adequately answered, unfortunately. We have services that do not know what is going to happen, while the minister’s own department has recently released for discussion an Indigenous justice paper which makes recommendations that run seriously counter to the whole philosophy in the tender document. I just wonder if the Attorney can advise us on: how those two matters sit together; what his views are on how this will be administered within the Attorney-General’s Department; whether any adjustments will need to be made in terms of the budget; and whether he has addressed these particular concerns about acting on behalf of people with prior convictions and about lack of control or input from Indigenous community members?

Mr RUDDOCK (Berowra—Attorney-General) (6.37 p.m.)—I thank the honourable member for her questions in relation to this matter. I do take an interest in the provision of legal services, particularly those for Indigenous Australians. The changes that have occurred in relation to ATSIC and ATSIS are not intended to dismantle the provision of specific legal assistance services for Aboriginal and Torres Strait Islanders, but it was the case that ATSIS, as it was reviewing arrangements for the provision of Indigenous legal services, was very conscious that the performance of the organisations had been very variable. I hope, in a spirit of reasonableness and perhaps even bipartisanship, that there can be some acknowledgment that some of the Indigenous legal services have functioned extraordinarily effectively, delivering a comprehensive range of services in the most cost-effective way—but I have to say that that has not been the case universally. There was a review of which I was apprised that compared the cost of delivering Indigenous legal services with those of other legal aid bodies. While I am only remembering the figures indicatively, I think some Aboriginal legal services were able to deliver them at a cost that was about 25 per cent that of legal aid bodies; in other cases, the cost was outrageously more. Quite frankly, I think it was appropriate that there should be some review.
In the context of looking at how that might be done, ATSIS came to a view that it should be through a contestable process. As I understand it, what was circulated was a draft tender document. That has been exposed. It was released on 4 March for public comment. Comments have been received and issues arising from the proposed tender processes are being considered by the government. It would be inappropriate of me at this stage to foreclose argument in relation to consideration of those issues, save to say that the two points raised by the honourable member had been raised with me by some state attorneys and by those interested in the provision of Aboriginal legal services.

I just want to make this point: this is not about cost shifting to other legal aid bodies of Indigenous clients. It is about trying to put in place the arrangements in a fairer, more appropriate way, and the funding that is available for Aboriginal legal services will be quarantined. I make that very clear. To the extent that I can, after a fortnight, look more closely at some of these issues, I can assure the honourable member I will. But I understand that there are already indications that some of the existing Aboriginal legal services have been prepared to submit tenders. They have been seen to be of a very high order, and those are bodies that do have Indigenous representation. I would want to see how the process unfolds before I come to a view that organisations that have not been delivering effectively for Indigenous people ought to continue to be funded as they have been in the past if the process reveals that more effective provision can be obtained in other ways.

Ms ROXON (Gellibrand) (6.42 p.m.)—I thank the Attorney. My concern remains the flip side of his answer, which is: there is nothing in the current exposure tender draft that would ensure that those services that have been operating effectively and efficiently would be given some inside running, as they should be. We will obviously keep an eye on that when the minister in two weeks time—

Mr RUDDOCK (Berowra—Attorney-General) (6.42 p.m.)—I spoke to the former head of ATSIS about this as recently as today. I do not think there will be any indication that he has given to me that, where bodies have been working in the way in which I have described, they will be disadvantaged.

Ms ROXON (Gellibrand) (6.42 p.m.)—It is a little disingenuous to use ATSIS, who have not even seen any of the terms of the document that were released, as an excuse for doing this. But I am sure your conversation with them was useful. The second question that I wanted to ask the Attorney was in relation to the legal aid funding increase that appears in the budget and the offer that has then been distributed to the various states in relation to that extra money. I am wondering if the Attorney can give me a little more information about how the new funding formula and the division of funding, particularly between states, was calculated? The Attorney would know that in Queensland the increase was of the order of 17 per cent but in New South Wales and Victoria there was nothing more—I do not even think it was keeping up with the legal CPI. I am wondering if the Attorney can spend a little time to take me through the detail of how those calculations were actually made.

I also would like the Attorney to give some information about the contracts that have been provided to the legal aid commissions as part of the offer with this new increase. Could he advise how they were actually drafted and why they were drafted as contracts between the Commonwealth and non-government organisations, when obviously the legal aid commissions in all of the states and territories are statutory authorities and the negotiations and

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agreements between them have a form which is different as a result of that? I am also wondering if the Attorney has had an opportunity to look at the Senate committee’s report into legal aid and whether any consideration of the issues that have been raised in that report will be factored into the negotiations and discussions that will now be held with the legal aid commission in relation to the offer that is on the table as a result of the budget.

Finally in the legal aid area, could the Attorney provide some information about how the rate was struck for private practitioners? There was an increase, but I am just wondering what the basis was for that new rate and how it relates to a discussion paper of, I think, several years ago that dealt with this issue and suggested that there should be a national fee scale for private practitioners? The Attorney would be aware that the offer that is being made is for $120 an hour in most jurisdictions but, I think, $140 an hour in the ACT, although it is one of the smallest client base areas. I wonder if the Attorney-General could advise whether there has been any consultation with the legal aid commissions about these rates.

Mr RUDDOCK (Berowra—Attorney-General) (6.45 p.m.)—I will try and remember all of the issues that have been raised, and I am sure I will be aided by the honourable member if I overlook any of them. The issue of funding has to be seen in the context of the fact that there are quite significant demographic and economic variables between the states. The demographic variables include the numbers of people who are on certain benefits. As I understand it, Queensland has a disproportionately higher proportion of supporting mothers—I think that is the particular group that was drawn to my attention. I must say that I have not sought to interfere in relation to the funding model that was used. I certainly sought to satisfy myself that it was reasonable but I did not substitute my opinion for those of the experts who brought their knowledge to bear. I note that the Senate was trying to work out whether it could more effectively develop a model of its own or review the model that was being used. The funding officers were determined after a review of the model used to distribute legal aid.

As a result of the review a new model has been developed. The new model changes the distribution formula in several ways to address concerns that have been raised by legal aid commissions and to recognise changes in demographic and economic circumstances in each jurisdiction. There were a number of distributive effects. There was a significant increase in the share of funding for Queensland, recognising it has a higher proportion of unemployment and incidence of divorces involving children and persons receiving a single parent payment, and the commission also has a low cost per case which acts to increase potential demand. There was an increase in the share of funding for Western Australia, which had struggled to meet demand under its current funding, and an increase in the share of funding to the Northern Territory, which had difficulty in meeting the need in its regional and remote areas. The share of funding for New South Wales, Victoria, South Australia, Tasmania and the ACT was thus reduced in comparison to that of the others.

The funding is not determined solely on the basis of the model, which is seen as an instrument for measuring demographic and economic changes in time. In recognition that no commission is yet meeting total demand an adjustment has been made for those commissions whose funding share is reduced under the model to enable them to maintain current service levels. That is the explanation that I am prepared to offer.

In relation to the Senate review, I think that report was tabled out of session in the recent non-sitting period. While I am aware that the Senate has some views about levels of appro-
priation that might be made and so on, I have to say that the budget outlines the government’s negotiating position in relation to funds that are available for agreements. I am fairly flexible in relation to these matters. Certainly, we had sought to negotiate with the commissions. I have had a letter from one state attorney that says that he would prefer that the negotiation be with him. As far as I am concerned I do not see any reason why it should not be, but the negotiations will be on the basis that the Commonwealth’s offer has been fixed in the budget itself.

In relation to the issue of the solicitor’s fees, there has been a concern about low fees paid by some commissions for family law and veterans work. It was for that reason that funding has been provided to assist the commissions to increase their fees to a minimum of $120 per hour. Some commissions already pay that rate, but I am told that Queensland, South Australia, Western Australia and Tasmania will benefit as a result of this decision. An additional $100,000 will be provided to the ACT to assist the commission to increase its fees to $140 per hour. The commission has serious difficulties in obtaining legal services from private practitioners at its current rate of $130 and the decision was taken for that reason.

Ms Roxon interjecting—

Mr RUDDOCK—The other practitioners are prepared to work for that fee in the other states and sufficient numbers of people are doing so. That is the reason the decision was taken as it was.

Mr PRICE (Chifley) (6.51 p.m.)—I thank the Attorney for his presence here today. I want to raise with the Attorney the recommendations in the committee report Every picture tells a story, particularly the proposal to establish a new tribunal. The Attorney may be aware that there was a lot of newspaper speculation about the constitutionality of such a tribunal and whether or not it traversed the Brandy decision. I want to draw to the Attorney’s attention the fact that the committee not on one but on two occasions now has sought the views of the Commonwealth’s chief legal adviser, Mr Burmeister, and I am indebted to him, as is the committee, for pointing out that he felt very strongly that the issue of contact and residency is administrative in nature and distinguishes the tribunal in terms of the Brandy decision. I ask the Attorney whether or not he has sought his own advice as to the constitutionality of the proposed tribunal.

I also say that there was speculation, again, in newspapers that the cost of the tribunal was going to be some $650 million. I know that the committee recommended that the tribunal should consist of three members but, like former Chief Justice Gleeson, I think the tribunal is really trying to communicate that we need to break the monopoly of the legal profession in dealing with these matters. Whilst I cannot speak for our spokesperson or even other committee members on these matters, I say that I do not have a difficulty with it being a single member tribunal and I do not see that that is in any way departing from the report. In relation to the investigative arm, I also say that I think the principal benefit of that recommendation is to really demonstrate the shortfall in family law matters when serious allegations are made. I wonder whether the Attorney would also comment on enforcement, as there was a lot of speculation again in the press about enforcement. I have always believed that the greatest enforcement measure would be the variation to present contact and residency arrangements.

If imprisonment or fines were involved, that clearly is a judicial matter and that would have to go before a court—quite properly—but, again, if people are looking for a more favourable
decision in a court, it would be an issue of judicial review on an error of law or what have you and a court then returning the matter to the tribunal.

Does the Attorney have any comment to make in relation to the $650 million that was bandied about? Has he had his officers look at some of the state operations, such as what used to be known as the Landlord and Tenant Tribunal in my state? I always get the name wrong; it has another name. These tribunals operate so effectively at such low cost to the Commonwealth but dispense justice in small claims tribunals. Is he able to indicate when he may be able to respond to the report or has he already responded but is waiting for an overall response from other government departments?

Like my colleagues on the committee, I see the recommendation of a tribunal as a breakthrough. Is the Attorney able to indicate, for example, despite his predecessor’s faith in the Magistrates Court, to what extent a number of judges have now been made redundant on the basis of the effectiveness of the Magistrates Court? All I can say to the Attorney is that the committee did, in good faith, work very hard to deliver a report by 29 December—a report the Prime Minister had asked for—but to date we remain bereft of an indication from the government about the direction in which it will proceed on this bipartisan, unanimous report by the committee.

Mr RUDDOCK (Berowra—Attorney-General) (6.56 p.m.)—Might I say that I know the amount of work that goes into preparing committee reports. I think this report, with the level of bipartisan support that it had and prepared in the way in which it was, is an excellent report. It speaks well of the parliament for the outcome that was achieved. I just make that clear.

The report is one that is obtaining a good deal of attention from the government. My role, as one of the ministers who carries responsibility for aspects of the areas in which the committee made recommendations, is to put to government a submission on how you might deal with the recommendations if you were minded to implement them. The recommendations were very wide ranging. I think there has been an element of speculation in some of the comments that I have seen in the press, which are not necessarily based in reality.

Let me just say that I have not seen any suggestion that, if you were to implement the recommendation—and there are various ways in which you might implement it—it would cost that amount of money for a tribunal per se. It depends upon whether you are implementing some of the other recommendations that relate to various forms of counselling and the investigatory body that you have referred to. You then get a series of add-ons. They are not necessarily add-ons; they may in fact be recommendations that you could implement discretely. We have not concluded our view, but $600 million is not appropriate.

On the constitutionality of the proposal, I was aware that the government’s Chief General Counsel, Mr Burmester, appeared before the committee and gave certain advice. I cannot tell you about advice given to the government. We do not normally table our opinions in relation to these matters. But I am aware that Burmester gave some advice that there were aspects of the judicial function that could not be divested to a tribunal and there were other elements of decision making in relation to family law matters that might be able to be dealt with by a tribunal. It is important to understand that, if you were going to implement the recommendation, not all of the work that would be undertaken by magistrates or the Family Court would be able to be divested to a tribunal. I just make that very clear.
Mr Price—But by agreement.

Mr RUDDOCK—That is a different issue. Sometimes you can get agreement and people still decide to challenge it later. The whole issue of constitutionality would arise. I might say that a former Solicitor-General of the Commonwealth, who was not appointed by this government, also has a view on these matters. His view is that much of the recommendation that the committee made might be beyond its power. The only point I would make is that, while there is certainly the advice of the Chief General Counsel, it is an issue that is not necessarily uncontestable. I just make that point.

I understand why the issue of the investigatory arm is pushed. You were right to raise it as an issue of concern. If you have children who are being abused and you need to get independent verification of that, you need to get it from somewhere. One of the things the Family Court has been doing, I think through Project Magellan, is looking at how it can get that level of advice in a trial from family and community services departments in their various forms in each of the states and territories. The reality is that the range of issues that those departments have to deal with in relation to children, for which the states or territories have responsibility, are testing the capacity of those organisations. Unfortunately, they do not see family law matters as having the same priority as other matters. (Extension of time granted) I would like to conclude in relation to this issue. The difficulty we have is in relation to the extent to which there should be cost shifting by the states from the role that they should properly be fulfilling as the Commonwealth sets up its own investigatory arm. That is an issue.

Mr Price—I wouldn’t die in a ditch over it, though.

Mr RUDDOCK—It is an issue. The only other matter I would raise is the workload of the Family Court and the Magistrates Court, which has been growing. If the growth had not been there, you might well have seen magistrates replacing Family Court judges. But, as I understand it, while there were some appointments that were not filled, because of magistrate appointments, it has not meant that we could simply substitute a Federal Court judge with a magistrate directly in every case. Obviously, we continue to look at these matters in terms of the workload that needs to be met.

I am concerned about the time that it takes for some of these matters to be raised. I would like to see family courts being more informal in the way in which they operate. I have taken an interest in these matters over a long period of time. I think, for a whole variety of reasons, a degree of formality that has grown up over time may not be necessary. I was particularly interested in some of the commentary of the committee that was not developed into recommendations. I have certainly looked at how we might, if we wanted to, take up those comments. This is not a matter in which we are seeking to delay; it is a matter on which there is a very significant level of dialogue and consultation within the government to implement recommendations in the best possible way, being conscious that this has been a very important report—one which we believe brought great credit to those members who were involved.

Ms ROXON (Gellibrand) (7.03 p.m.)—I thank the Attorney-General for that information, which has obviously been a matter which many people on both sides of parliament are dealing with. I might encourage the Attorney, if and when the government is in a position to do this, to consult closely with us. I think that most people would feel that family law and family breakdown are issues that rarely divide along party lines. If we are serious about changing any structure in the future, the good example set by the committee in being able to deal with this
contentious issue unanimously does mean that any further options which the government might have developed in a different way should be discussed in detail with us. We look forward to the opportunity to do that.

I might also just ask the Attorney in passing, given that he has raised the question of workload for the Family Court, if he would like to comment on why it is that in the budget we have announcements about eight extra federal magistrates to deal with immigration matters when, in fact, the pressure on the court for assistance in family law matters is actually well in advance of the workload that is required in immigration matters. I would like it if the Attorney could give me assurances that those new magistrates are going to be operating across all areas of the federal magistracy rather than being eight allocated immigration magistrates. That would be something that I would think would be useful for the community to know.

My last area of questions in addition to that question about the federal magistracy goes to community legal centres. I wonder if the Attorney can talk to the parliament in a little more detail about the decision to provide no extra funding in the budget for community legal centres. The Attorney would be aware that a very strong proposal was put forward by the National Association for Community Legal Centres that suggested in particular that there were major viability problems for many community legal centres. I am conscious that one of the critical issues that was raised was the ongoing viability of many community legal centres. I was hoping that you might be able to provide us with some assurance or guarantee here that you are confident that all community legal centres will be able to remain open after 30 June this year given that there is no increase in their budget and very strong cases have been put as to the increasing costs for running their services, which provide a great support to many people in all of our electorates.

I am wondering if, in addition to that, there are any longer term plans for expanding CLCs and providing better support. The first question is on the viability of the current services but the second question is about any long-term planning. I am wondering if the Attorney might want to comment not just on the additional cost that clearly any service would be facing—that is, increased cost of rents and telephone services and others—but also on whether the Attorney is aware that the current average pay rate for a principal solicitor in a community legal centre is $46,200 per annum whereas an equivalent person in private practice in Sydney or Melbourne would earn between $75,000 and $110,000 per annum. I am not, of course, asking whether consideration has been given to providing comparable rates, but has any consideration been given to making sure that qualified legal practitioners can actually be paid if they work in community legal centres—and still meet their rent, phone line services, electricity bills and others?

Mr RUDDOCK (Berowra—Attorney-General) (7.07 p.m.)—I would be happy to provide the honourable member with some statistics which have been made known to me over a period of time. The point I would make is that community legal services operate in areas in which the advice at times will be in relation to federal matters—that is, matters for which the Australian government is responsible—and in other cases will be on matters that arise under state jurisdiction. While some states have contributed to the ongoing cost of meeting community legal services, in other states there is no contribution.

Ms Roxon—So you still don’t have to keep up with inflation?
Mr RUDDOCK—I simply make that point. In New South Wales I think it is most generous. I think it gets around 40 per cent in Victoria. It is around 33 per cent or 35 per cent in Queensland. I will get you the table, but these are indicative figures. In South Australia it was about 20 per cent. In Western Australia they are talking about making contributions, but essentially it is in the order of one or two per cent. I do not think there is any contribution in other territories or Tasmania.

Ms Roxon—I should have asked you about the New South Wales review as well.

Mr RUDDOCK—The only point I have made is that, when I see that there is a commitment across the board to community legal services in a bipartisan way, where the states—your fraternal colleagues—are pulling their weight, I might be prepared to go with new policy proposals. But, in terms of the information that I have before me, if I took it to an expenditure review and asked my colleagues to provide extra funding I do not think they would be saying, ‘We think that the Commonwealth ought to be putting more in while states do not think it is worthy to make a commitment at all.’ That is the only point I am making. These are your fraternal colleagues. If this is—

Ms Roxon—You didn’t even ask for any more.

Mr RUDDOCK—if your fraternal colleagues start pulling their weight then I might go cap in hand to the ERC and see if I can get some extra money out of it.

Mr GRIFFIN (Bruce) (7.10 p.m.)—I would like to raise a question with the Attorney-General with respect to the Office of the Federal Privacy Commissioner, which we have spoken about briefly in a private capacity on an earlier date. I would like to set the context of that by quoting from an interview earlier this year between Chris Uhlmann and Malcolm Crompton, the then federal Privacy Commissioner. It is a quote that I have used before. It is quite detailed, but I think it does get to the nub of some of the issues facing that organisation. The interview was in February and went as follows:

CROMPTON: What has happened is that we have had a surprising response to the wider private sector privacy law that came into place a couple of years ago where our complaints workload has gone up five-fold—quintupled. Unfortunately we were only funded for a doubling of the complaints workload before that came into place and we haven’t been given further funding. What we have had to do instead has been to reallocate resources within the office into the complaints area. Got a lot more people doing work in there, but unfortunately it’s not enough to clean up the backlog, so much as to try and stop the backlog getting any longer. So we’re doing our best but there is a very finite resource restraint unfortunately.

UHLMANN: So in a couple of words you’re not coping?
CROMPTON: Well it’s not getting worse.
UHLMANN: But it’s not any better though?
CROMPTON: Unfortunately it’s not getting any better. I really am sorry about that, but resource allocation is a challenge for any government, and those are the resources they have given us. What I’m responsible for is to make sure that the Government and the public are well aware of the implications of their resource decision making and this is one of those implications.

UHLMANN: It must affect then all of your other services.
CROMPTON: It does.
UHLMANN: So is your Minister making an argument to the Government about getting some more money?
CROMPTON: Quite seriously that is an issue for you to take up with the Attorney General or his staff, but the thing that I can say is that I have made them continuously aware of the issues from the moment the private sector privacy law started a couple of years ago. I have kept them continuously up-to-date, I have made the Attorney aware of the amount of money that I believe would be needed to begin to address this problem. How he has taken that forward is a matter for him to answer.

UHLMANN: Are you disappointed?

CROMPTON: Of course I’d like to be able to offer a better service than I am able to offer. Up to now for example in the areas that directly affect individuals I have literally had to cancel the audit program that the office is empowered under the law to conduct. That means I am no longer able to audit federal agencies or credited organisations for the way they do their business simply because I haven’t got the resources. I have moved them instead into trying to handle the individual complaints that people make, because I think that is the first line that we have to offer to people. But even having done that and reduced resources in other parts of the office unfortunately I haven’t been able to reduce the backlog.

My understanding from the Attorney, when he has been quoted publicly on this issue, is that he maintains that this is principally an issue more in relation to priorities and systemic issues within the organisation. I guess that some time has passed since that particular interview and the particular complaints from the outgoing federal Privacy Commissioner. It is always interesting when you see outgoing government appointments—they tend to be a lot more forthcoming in their views about the way their organisation has been treated. I congratulate Mr Crompton on his honesty about the situation facing OFPC. I would be interested in hearing the comments from the Attorney-General on that particular issue.

Mr RUDDOCK (Berowra—Attorney-General) (7.14 p.m.)—I thank the honourable member for the questions he has put to me. I might just say that I announced this week, or at the end of last week, the appointment of the new Privacy Commissioner, Karen Curtis. Her appointment begins on 12 July. The only point I would make in relation to the resources is that obviously these matters are the subject of comment from time to time. I imagine that the head of any statutory body would want to obtain or garner more resources for the work that they have to undertake.

In relation to the Privacy Commissioner, there was new work in implementing private sector amendments that came into effect on 21 December 2001. The cabinet approved at that time initial funding of an additional $5 million for the implementation of those arrangements with ongoing funding thereafter. Currently that ongoing funding is of the order of $1.413 million. The workload of the commission increased as a result of that additional activity. I have noted that from time to time. My view is that you do not necessarily continue to fund to whatever workload emerges in a particular organisation. Sometimes you have to look at whether or not there are systemic issues that might suggest that you should undertake the work that comes to you in a different way. That is a matter that I will want to talk to the new commissioner about. I am on the public record as saying that the systemic issues are matters that I think ought to be looked at as much as the question of resourcing of the organisation in itself.

I might say that, while it is not my responsibility, I have noticed that at the moment in New South Wales, where there is a privacy responsibility, the New South Wales government has in fact been reducing funding in this area. You may care to have a look and see how your fraternal colleagues also view the issue of privacy when you are pursuing with me a view that I should be finding extra resources.
Mr Griffin (Bruce) (7.17 p.m.)—I am always bemused when a member of the New South Wales Liberal Party talks about the issue of fraternal colleagues, but that is just by the by. With respect to the response from the Attorney, I would again like to come to a response interview that he had with Chris Uhlmann the week after the Crompton interview—again in mid-February—which raises issues around the system but also makes a point about the issue being dealt with in a budgetary context. I will again quote from that before I make a couple of comments. The interview went as follows:

Uhlmann: Mr Ruddock, have you taken this issue forward?

Ruddock: Obviously in the budget context we look at all of these questions, and the information that’s provided by statutory officers as part of the consideration as to the way in which resourcing ought to be applied. But I’d go back to the starting point of your article in CHOICE. I haven’t read it, but what I have read indicated to me a matter which is of concern to me, I might say, and that is that there is a lot of information that these credit reference organisations obtain which appears on the face of it to be incorrect and it suggests me that there is a systemic problem. The question you have to ask itself is whether you address the systemic problem. I mean part of the issue I think was that most of the mistakes were likely to jeopardise creditors or credit bodies being able to follow accurately whether or not people they were dealing with are of concern. And most of the information it seemed was information about names and dates of birth and so on that were incorrectly recorded, which means that you probably wouldn’t get an adverse reference. But I think that the approach that CHOICE were taking in asking for a look at the systemic system involved in this sort of information was probably the correct one.

Uhlmann: Certainly, but beyond that in your Bailiwick I suppose, has the Privacy Commissioner got enough money to do his job?

Ruddock: Well the question you have to look at is whether or not he is getting an artificially large load of cases because there is a systemic problem. I mean he is claiming there’s been a five-fold increase in complaints and that what has happened is that his budget has only been doubled. I mean there has been a substantial increase in resources that the Privacy Commissioner has received, but you have to look at the question, and we would do this in a budget context, about whether more resources are appropriate given just that there’s an increase in the number of complaints, or whether you’d look behind the complaints and ask yourself whether there’s a systemic problem that needs to be addressed.

On that question, there certainly are systemic problems that need to be addressed, but the fact of the matter is that we are still dealing with a situation where, for two years now, there has been a significant increase—a quintupling—of the workload for the Privacy Commissioner. The circumstances are that we have not seen the funding increase to match that.

That last paragraph is a quote from me from an earlier speech. The point I arrive at from there is that these systemic issues are not new. I appreciate that the Attorney has only been in the position for a little time now. The commissioner was saying in the earlier quote that he had been raising these issues for quite some time now. I wonder if the Attorney could give us any advice about whether in fact the department has previously looked at those systemic issues and, if not, why not. On from that, when we look at the question of the likely basis of systemic problems in this area, I can appreciate that systemic problems can lead to a rise in complaints to a degree, but I question whether a quintupling in those circumstances is likely to be explained away to the extent that would be required in order to allow the Privacy Commissioner to be able to do its job.

I remind the Attorney that just a matter of weeks ago—in fact, in March—there was a Privacy Amendment Bill which, as I understand it, loaded some extra responsibilities onto the
Privacy Commissioner, again with no increase in funding. I also ask: given that the matter was considered in the budgetary context, as he says, but the result of that was in fact a very small cut to the funding of the commission for the coming budget period, is that the proper response? I know from discussions that I have had with the Attorney that the very small cut related to a particular issue, so I am not making a point that it was a cut in any dramatic sense, but there certainly was not an increase. In fact, in actual terms, there was a very small adjustment down. In the circumstances where we are dealing with a quintupling, in a situation where systemic problems have obviously been in place for some time and where the Privacy Commissioner maintains he has been raising these issues with government for some time, and we are now here some four months later with a new commissioner coming into place—and that is an important part of what needs to be done—does the Attorney really believe that this matter has been dealt with expeditiously by the government?

Mr RUDDOCK (Berowra—Attorney-General) (7.21 p.m.)—I find most of the matters that I deal with are dealt with far more expeditiously than I have seen issues in this department being dealt with at earlier points in time under various administrations. I just make that point. I am not known for sitting on my hands if an issue can be addressed.

Mr Griffin interjecting—

Mr RUDDOCK—Well, people have different views about these matters. Let me just make the observation that you were very generous in terms of our private discussions in reflecting the dialogue between us. That is as I would expect, I might say, given our longstanding familiarity—you may not want it to be friendship—with each other. But the point was simply that this small reduction resulted from a non-recurrent funding in 2003-04 for Comcover insurance premium and other minor reductions. It was not an effective cutting of the organisation; it was just a variation that occurs. But it is quite clear that we did not increase the overall appropriation for the Privacy Commissioner, and I am not asserting that we did.

I thought the discussion with Mr Uhlmann was very civilised. Usually my wife would correct my grammar, and I listened for some awkward expressions that I might have used, but, putting that to one side, I thought it was a fairly accurate reflection of what I believe is the situation. If you have a large number of individual complaints that are being received because organisations in the private sector are collecting information in a particular way and people believe they have a remedy by an individual complaints mechanism, you have to ask whether or not, if you changed the systems and had the organisations addressing these issues in a far more effective way, you would reduce the level of complaints.

I have not asked my department whether they have a view or have investigated this matter. I will now ask them, but I have not asked them. Given her background, I do intend to discuss with the new Privacy Commissioner whether or not the systemic issues can be addressed. My preference is for that, rather than just seeing an inexorable increase in individual complaints, if they can be addressed in other ways.

Mr GRIFFIN (Bruce) (7.24 p.m.)—I will be brief, given the time of night and the need to move on to other things, at least tomorrow. On that issue of the new Privacy Commissioner, I would like to quote briefly from an article in the *Australian* to give us the context of how that may well in fact go. The article was headed ‘Privacy boss to face tough times’ and said:

New Federal Privacy Commissioner Karen Curtis faces an uphill battle for resources needed to do her job, privacy advocates say.
Ms Curtis, appointed to a five-year term by Attorney-General Philip Ruddock, takes over as privacy watchdog at a time when the Office of the Federal Privacy Commissioner has been forced to drop services to cope with rising consumer complaints.

Although her appointment has ended a long search for a new commissioner after Malcolm Crompton’s resignation, a change in the office’s fortunes is not expected.

“The most difficult challenge facing the office is the fact that it’s trying to do too much with too little,” Australian Consumers’ Association IT spokesman Charles Britton said.

“Sadly, I don’t think the new commissioner is likely to easily get more out of this Government. There’s no magic wand that’s going to convey extra resources.”

Anyone “brave enough to walk into that job confronts that absolute problem of trying to get two square pegs into one round hole”, he said.

That’s going to be a huge challenge for her. I think she’ll be told to manage with what she’s got.”

Although I agree with the magic wand point, I alert the Attorney to the expectations in the community sector about how that might actually go. I certainly wish the new commissioner all the very best of British in terms of trying to work through those issues, because I suspect that Mr Britton is right about the likelihood of the resources front. I would certainly be interested to hear back about what the department has advised on this issue. With respect to his other point, certainly I have always considered him to be a friend, in the context of where one has friends in this place; but I certainly would not broadcast that too loudly amongst some of my colleagues.

Mr RUDDOCK (Berowra—Attorney-General) (7.26 p.m.)—I have read some of those articles, as you might expect. I will be interested to see what Mr Britton has to say about what has been happening in New South Wales.

Proposed expenditure agreed to.

Main Committee adjourned at 7.28 p.m.

MAIN COMMITTEE
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Australia Post**

(Question No. 2848)

Mr Price asked the Minister representing the Minister for Justice and Customs, upon notice, on 4 December 2003:

(1) Has Australia Post management requested Australian Federal Police assistance to investigate a widespread network within Australia Post accessing and downloading hard core and child pornography; if so, when.

(2) Is he able to say when any investigation may conclude?

(3) Have any charges been laid against any individuals?

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) No.

(2) Not applicable.

(3) No.

**Indonesian National Police**

(Question No. 3503)

Mr McClelland asked the Minister representing the Minister for Justice and Customs, upon notice, on 11 May 2004:

(1) In respect of the 2002-2003 Budget measure “Provision of five boats to the Indonesian Police”, what sum was spent during (a) 2002-2003, and (b) 2003-2004, on providing these boats?

(2) How many boats have been delivered to the Indonesian Police?

(3) In respect of each boat, (a) when was it delivered, (b) what is its (i) length, (ii) draught, (iii) beam, and (iv) displacement, (c) what is its maximum speed, (d) what is its range, (e) how far off-shore can it safely conduct patrols, (f) what is its complement, (g) what weapons, surveillance and communications equipment does it carry, and (h) who constructed it.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) (a) $0.705m was spent during 2002-2003; and

(b) $0.139m has been spent between 1 July 2003 and 30 April 2004.

(2) Five boats have been delivered to the Indonesian National Police.

(3) (a) All five boats were delivered to Indonesia on 25 August 2003. (b) (i) length of 8.0 metres; (ii) draught of 0.5 metres; (iii) beam of 2.5 metres; and (iv) displacement (light) of approximately 2,700 kilograms. (c) 45 knots. (d) 200 nautical miles. (e) Up to 15 nautical miles from the coast. (f) Two crew and up to eight passengers. (g) The boats were not fitted with weapons or surveillance equipment when delivered. As built, each boat is equipped with a VHF radio, a 27 MHz radio, radar, depth sounder and global positioning system. (h) LeisureCat Australia Pty Ltd, 23 Possner Way, Henderson WA 6166
Bankruptcies
(Question Nos 3580 and 3581)

Mr Murphy asked the Attorney-General, upon notice, on 24 May 2004:

(1) Further to the answer to part (a) of question No. 2059 (Hansard, 3 December 2003, page 23742), is the Minister able to say what the former occupations were of each of the bankrupts whose occupations have been recorded by the Australian Tax Office (ATO) as (a) invalid pensioner (10 bankrupts), (b) other pensioner (23 bankrupts), (c) retired (1 bankrupt), and (d) unemployed (29 bankrupts).

(2) In respect of each occupational category of bankrupts in part 1, how many had previously reported to the ATO that their occupation was barrister, lawyer or solicitor.

(3) Further to the answer to parts (b) to (i) of question No. 2059, is the Minister able to say what the former occupations were of each of the bankrupts whose occupations had been recorded by the ATO as (a) invalid pensioner, (b) other pensioner, and (c) unemployed.

(4) In respect of each occupational category of bankrupts in part 3, how many had previously reported to the ATO that their occupation was barrister, lawyer or solicitor.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) I must first explain that information about the former occupations of bankrupts is maintained by the Insolvency and Trustee Service Australia (ITSA) and not the Australian Taxation Office (ATO). That information is given by the bankrupts themselves.

The former stated occupation of those bankrupts who gave their occupation as either invalid pensioner, other pensioner, retired or unemployed and who had been made bankrupt on four occasions is as follows:

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No of People</th>
<th>Previous Stated Occupation</th>
<th>No of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid Pensioner</td>
<td>10</td>
<td>Invalid Pensioner</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unemployed</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drivers, Road Transport</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nurse</td>
<td>1</td>
</tr>
<tr>
<td>Other Pensioner</td>
<td>23</td>
<td>Other Pensioner</td>
<td>15</td>
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<tr>
<td></td>
<td></td>
<td>Telemarketers</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Invalid Pensioner</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Housewife / Househusband</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unemployed</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Metal Fitters and Machinists</td>
<td>1</td>
</tr>
<tr>
<td>Retired</td>
<td>1</td>
<td>Metal worker</td>
<td>1</td>
</tr>
<tr>
<td>Unemployed</td>
<td>29</td>
<td>Unemployed</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drivers, Road Transport</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Labourer</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Carpentry and Joinery</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Student</td>
<td>1</td>
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<td></td>
<td></td>
<td>Shop Manager</td>
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<tr>
<td></td>
<td></td>
<td>Administrative Officer - Govt</td>
<td>1</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
None of the bankrupts in respect to part 1 of the question reported that their former occupation was barrister, lawyer or solicitor.

The former stated occupation of those bankrupts who had been bankrupt on 5, 6, 7, 8, 9, 10 and 12 occasions is as follows:

### Bankrupt on Five Occasions

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No of People</th>
<th>Previous Stated Occupation</th>
<th>No of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid Pensioner</td>
<td>8</td>
<td>Invalid Pensioner</td>
<td>5</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Housewife / Househusband</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Metal Fitters and Machinists</td>
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</tr>
<tr>
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<td>8</td>
<td>Other Pensioner</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drivers, Road Transport</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Housewife / Househusband</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shop Manager</td>
<td>1</td>
</tr>
<tr>
<td>Unemployed</td>
<td>5</td>
<td>Bus and Tram Driver</td>
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</tr>
<tr>
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<td>Housewife / Househusband</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Electrical Trades</td>
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</tr>
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<td></td>
<td>Labourer</td>
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</tr>
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### Bankrupt on Six Occasions

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<td>Housewife / Househusband</td>
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</tr>
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<td></td>
<td></td>
<td>Housewife / Househusband</td>
<td>1</td>
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<tr>
<td></td>
<td></td>
<td>Retired</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laundry Worker</td>
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</tr>
<tr>
<td>Unemployed</td>
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### Bankrupt on Seven Occasions

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</thead>
<tbody>
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<tr>
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<td>Housewife / Househusband</td>
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### Bankrupt on Eight Occasions

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</thead>
<tbody>
<tr>
<td>Unemployed</td>
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<td>Farm Hands</td>
<td>1</td>
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<tr>
<td>Pensioner</td>
<td>6</td>
<td>Pensioner</td>
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### Bankrupt on Nine Occasions

<table>
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<tbody>
<tr>
<td>Pensioner</td>
<td>4</td>
<td>Pensioner</td>
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<tr>
<td></td>
<td></td>
<td>Vehicle Painters</td>
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<td></td>
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<td>Labourer</td>
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### Bankrupt on Ten Occasions

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<th>Previous Stated Occupation</th>
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</thead>
<tbody>
<tr>
<td>Pensioner</td>
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<td>2</td>
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QUESTIONS ON NOTICE
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<thead>
<tr>
<th>Occupation</th>
<th>No of People</th>
<th>Previous Stated Occupation</th>
<th>No of People</th>
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</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>1</td>
<td>Unemployed</td>
<td>1</td>
</tr>
<tr>
<td>Pensioner</td>
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<td>Housewife / Househusband</td>
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Bankrupt on Twelve Occasions

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No of People</th>
<th>Previous Stated Occupation</th>
<th>No of People</th>
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</thead>
<tbody>
<tr>
<td>Pensioner</td>
<td>1</td>
<td>Unemployed</td>
<td>1</td>
</tr>
</tbody>
</table>

(4) None of the bankrupts in respect to part 3 of the question reported that their former occupation was barrister, lawyer or solicitor.