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Wednesday, 28 August 2002  

The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 a.m., and read prayers.

GOVERNOR-GENERAL’S SPEECH  
Address-in-Reply

The PRESIDENT—I remind honourable senators that the address-in-reply will be presented to the Governor-General at Government House today at 6.30 p.m. For this purpose, the Senate will adjourn at 6.10 p.m. Cars will be available at the Senate entrance at 6.10 p.m. for the purpose of taking senators to Government House.

COMMITTEES

Procedure Committee

Report

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.32 a.m.)—I move:

That the recommendations of the Procedure Committee in its first report of 2002, presented on 19 June 2002, relating to the adjournment debate, be adopted as follows:

Standing orders 54(4), 55(1) and 57(1), relating to the adjournment debate, be amended as set out in the report with immediate effect.

Senator ROBERT RAY (Victoria) (9.32 a.m.)—I should at least explain why the Labor Party is not willing at this stage to proceed with the 60-day rule. We do not go to the Procedure Committee with an agreed position; we leave it up to individuals to canvass particular issues. I must say that it was probably this morning that we discovered in our own processes that we do not quite know how to resolve our attitude to a standing orders matter—whether we are bound or we are not bound—and we would like more time to look at this issue. We are suggesting going back to the Procedure Committee on the basis that we might be able to look at the reasoning behind it and, frankly, to give us a little more time to consider it. That is what that is about.

The first matter has quite a deal of history, Mr President. I suspect that when you first came here there was an unlimited adjournment debate every night. Think about that. Any one of the 76 senators could get up and speak for half an hour every night—an enormous safety valve. When it was eventually decided to cap the sitting hours, it was moved in the Procedure Committee that we have 40 minutes a night—that is, four nights. I opposed that as Manager of Government Business in the Senate and insisted that we keep one open-ended night, which turned out to be Monday night, when senators could give a half-hour speech. That was to leave a safety valve in this chamber when people wanted to give a substantial speech, given that they could not speak on the first reading of money bills anymore. That was the last refuge, if you like. But eventually, through the wisdom of the Senate, even that unlimited period came down to 10 minutes.

Senator Boswell—That is wrong.

Senator ROBERT RAY—Why is it wrong?

Senator Boswell—You are right; it is wrong that we have lost our say.

Senator ROBERT RAY—I thought you were challenging my historical accuracy—judgment, by all means, Senator Boswell. When the current government were elected, they inadvertently got rid of the unlimited adjournment debate by bringing in set sitting hours—and this was not a deliberate policy—so we found ourselves in a position where we had four limited adjournment debates. I do not challenge that or argue with it but, given the fact that the government goes first in these debates, that left four opportunities a week for the Labor Party to make a contribution. That meant just four opportunities for the Democrats, the Greens, Senator Harradine, Senator Harris and, later, others who may have joined them as they rethought their political philosophy or stopped to smell the roses. That has left a very limited opportunity.

To compound that, we have the adjournment debate late on Monday night, because people are reluctant to keep the staff and everyone else waiting here until midnight. It is also earlier in the week. So the Labor Party suggested that it be on Thursday night. We did so mostly out of merit, on the basis that
we often fold general business early. The government pointed out that they were not too happy with it being on a Thursday night because, on odd occasions, people get up and, to use a cricket analogy, slash outside the off stump, and it does not give much opportunity to respond. Therefore, we came up with the decision that, if you go out on Tuesday night and someone is defamed, they have another two days of parliamentary proceedings to respond. Also, it is basically on a no division, no quorum basis.

On most occasions, the latest we get to the adjournment debate on a Tuesday night is 7.20, and quite often at 10 minutes to seven. So in the normal course of events we assume that we will be up by eight o’clock anyway. But there will be the odd occasion when senators want to exercise their democratic right, and it may go until nine o’clock, and that is bad luck for everyone who wants to stay. That is the logic behind it—there is nothing Machiavellian about it—but it is the last safety valve left in the Senate.

I can remember Senator Tierney getting up and giving three speeches one Wednesday lunchtime because it took him that long to get through the whole theme of what he wanted to say. That is the pity of getting rid of the half-hour adjournment debate. I must say, and I plead guilty to having done this, when I first came into this chamber—and Senator Harradine would know a lot more about this than I would—you could speak for one hour. I am very pleased to say that when we moved to bring it back to half an hour 65 senators agreed with us. Senator Evans voted against it, as I recall. So we do make progress on these things. We should not try to limit senators’ rights too far. The adjournment debate is the traditional safety valve, backed up by Wednesday lunchtimes, which can be quite limiting. Moving it to Tuesday is a much more attractive proposition than Monday night, not the least of which is that you might meet a press deadline on Tuesday—given that you never can on Monday night—although you would struggle, given today’s production schedules, to do that. Occasionally you can. So I do commend this particular one to the Senate, and I say to the Manager of Government Business that we would have preferred to have informed him earlier of our attitude to that. We have just come from our meeting in which that was resolved, so I apologise if he believes we have given him a last-minute ambush; that was not intended. We would like a few more weeks to look at that issue. We may again come down on the negative side; on the other hand we may be able to massage it through.

Senator BROWN (Tasmania) (9.38 a.m.)—There are two proposals here. The first is the proposal that the open-ended grievance or adjournment debate be moved from Monday to Tuesday, and I think that has merit for the reasons that Senator Ray has outlined. I agree that grievance debate, in which any senator can bring forward any matter at the end of the day, is extremely important. It is perhaps even more important for senators who are in the bigger parties than for those of us who are on the cross-bench or in the Democrats because it does mean—and you see this frequently—that senators can come forward and express themselves whereas they might not, particularly if they are newer senators, find another avenue in the Senate proceedings to do that on a matter that is important to them. Senator Ray’s argument about moving it to Tuesday, when it would be earlier, is a good one because very often there are important matters—they are significant ones—that should not be relegated to after 10 o’clock on Monday night. The point that it still allows Wednesday and Thursday for a rejoinder is also a good one; you would not want to see it happen on Wednesday night, for example, or of course on Thursday night.

The other matter worries me: giving ministers 60 days instead of 30 days to answer questions on notice. These are written questions, as against questions asked in question time when an instant reply is expected. They are questions seeking information that may take some time to get, and it is reasonable to expect that the minister would want to refer them to the bureaucracy for consideration and a full and proper reply. It is an absolutely integral part of the working of parliament because it is the opportunity for non-government members, and indeed govern-
ment members if they want to, to get information. As Ralph Nader said in Launceston in 1980—something that others had said long before that—information is the currency of democracy. It is absolutely critical that questions on notice be safeguarded, and I for one do not think 60 days is warranted. In the main, questions are answered within 30 days. In my experience, when ministers are reminded at 30 days or shortly afterwards that a question has not been answered, an answer is forthcoming quite quickly. It is simply because pressure has not been applied to those people who are getting the answers to the questions that the answer has not been forthcoming.

There is no indication in the report from the Procedure Committee that people in the bureaucracy and ministers really need 60 days. There is not an example as to where that would be beneficial. The number of questions is not going to alter; the work has to be done. What I suspect may be behind this is that the government would like to put questions from members of the Senate further down the priority list—and that is not on as far as I am concerned. You would know, Mr President, that in many pieces of legislation where the public is involved there is no 60-day largesse. For example, the new environment legislation, the Environment Protection and Biodiversity Conservation Bill, gives the public 28 days to respond where there is a development which has an environmental or social impact. The public is given the essential opportunity to have an input. How much more difficult is it for members of the public who are suddenly faced with a development in their backyard or with one which is going to impact upon them to get their information together and get their response in in the 28 prescribed days? It is much more difficult.

There is no case put here for extending the 30 days to 60 days. It is a very untoward step. If we parliamentarians are going to be informed and are going to be able to act in the electorates’ interests and in the interests of this nation, we need to be informed as quickly as possible. I could mount a very good case for reducing the 30 days to 15 days, because that would make our work more efficient, that would make the parliament more on the ball and that would make the government more on the ball. To me, to extend this 30 days to 60 days without explanation is just not on.

**Senator ALLISON (Victoria)** (9.44 a.m.)—I want to indicate, for all the reasons stated already on the option of shifting the unlimited debate to Tuesday, that the Democrats agree. It is interesting that this should arise with Senator Herron leaving this place shortly because, as I understand it, he had argued that sensible decisions could not be made and proper debate could not take place in the early hours of the morning and that the Senate should reform its meeting times to reflect what working hours human beings can tolerate. So we do support it in the interests of letting staff go home at a reasonable time and so that we are not in this place all hours.

On the second question, I think it is always the case that if we change procedures in this place it should be for good reason; it should be reform to improve procedures or to solve a problem. My initial response about the answering of questions within 60 days instead of 30 days was to ask the question: for whom does this solve a problem? No doubt, the government has some arguments it would like to put. I have only recently been appointed to the Procedure Committee, so I look forward to hearing some of those arguments. I must say, like Senator Brown, I cannot see any problem being solved.

If we are talking about questions and the time within which to answer them, I think the problem is that some of the answers that are coming avoid the questions that have been put. If this is a problem that the government is suggesting it can solve with a little more time, I am happy to hear those arguments. We do get a lot of questions that are not answered within time. In this place, most senators understand that if they have asked a complex question it will not be answered overnight, and there is a high degree of understanding for the government’s problems in responding. Again, I think the problem has not been demonstrated. Procedurally, of course, we can all stand up after the 30-day limit and ask why the question has not
been answered. I do not see people in this place abusing that procedural privilege. I support the notion of sending section B of the Procedure Committee recommendation back to the committee for further discussion, but indicate that the Democrats, at this stage at least, are a bit disinclined to support it, not having had the seemingly insurmountable problem raised with us.

Senator HARRIS (Queensland) (9.47 a.m.)—I likewise voice my support for the proposal to move the open-ended adjournment debate from Monday to Tuesday. One other issue that has not been raised by any of the senators so far in this debate is that some of us travel long distances on Monday to get here. We try to preserve Sunday to have at home with our families. Therefore, in my case, a typical day would be to get up at quarter past four on Monday morning to travel here, and then sit from half-past 12 effectively until 11 o’clock that night. Not only should there be consideration for the staff within this place, but I also believe that, when we consider the long hours that senators themselves put in, this is one suggestion that is of great merit. I personally would benefit from the ability to have that open-ended debate on Tuesday, especially when we consider that we also have a much later starting time for the Senate on Tuesday.

With regard to amending standing order 74 from 30 days to 60 days, I could not support that in any way, shape or form. As Senator Brown has so very clearly indicated, if the public is required to respond to a government committee within 30 days, if they are expected to do their research and get their submissions together in that time, then how much more important is it that the government be seen to be equally as diligent? On only one occasion in the three years that I have been in this chamber have I had to raise the issue that a question had not been answered within 30 days. The longest I have waited for an answer to a question on notice was just over 300 days.

Senator Robert Ray—I cracked the thousand-day mark for an answer to a question.

Senator HARRIS—As Senator Ray says, he has waited 1,000 days. My point is that the members within this chamber, when they realise that they do have a complex question, are very accommodating to the government. On that basis, I believe that there is no necessity whatsoever to extend the 30 days to 60 days. In actuality, it will make working within this chamber far more difficult because we will have further extensive delays in getting the information that we need to get out to constituents or information that we need in relation to debate on legislation. I indicate to the chamber that One Nation would not support the changing of standing order 74.

Question agreed to.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.51 a.m.)—I move:

That the recommendations of the Procedure Committee relating to standing order 74(5) be referred to the Procedure Committee for further consideration.

Question agreed to.

HIGHER EDUCATION FUNDING AMENDMENT BILL 2002
HIGHER EDUCATION LEGISLATION AMENDMENT BILL (No. 2) 2002

Second Reading

Debate resumed from 22 August, on motion by Senator Troeth:

That these bills be now read a second time.

Senator CARR (Victoria) (9.51 a.m.)—I have been asked to say a few words today about the Higher Education Legislation Amendment Bill (No. 2) 2002 and the Higher Education Funding Amendment Bill 2002. This is at a time when the government is treating this chamber with contempt and is not providing basic information about the financial health of the higher education system in this country. It is at a time when the government is seeking to suppress vital information about the state of the finances of the higher education system in this country, a time when the government seeks to have a debate about the future of higher education, but refuses to provide to the people of this country essential information about the directions of the universities in terms of their capacity to meet the challenges of the contemporary period. It is at a time when the government’s own policies are producing a
crisis in higher education and the government of course does not want to front up to its responsibilities and provide basic information. So it is a time when I am sure the Senate will take particular interest in higher education matters and will need to discuss these issues and these particular bills in some detail.

What the bills essentially seek to do covers two separate issues. Some parts of the bills are essentially noncontroversial and routine, and they go to the cost adjustments under the HEF Act, to changes to the Australian Research Council Act and to some minor matters in regard to the powers and responsibility of the Australian Research Council. I do note, however, that even in that regard, financial commitment to universities' operations has been reduced by $14 million through an allowance for the revision of the estimates of the HECS payment receipts for the year.

However, the substantive issue in these bills is the fact that, hidden away within their heart, is a highly significant change in the way in which the Commonwealth extends public subsidies to private institutions. It has serious implications for the future of financing of higher education in this country. It is the apparently innocuous attempt by this government to extend to four providers—Bond University, the Melbourne College of Divinity, Tabor College in South Australia and the Christian Heritage College in Queensland—public subsidies under the Postgraduate Education Loans Scheme, known as PELS.

My concerns in regard to these bills essentially go to four issues. The first is the criteria on which the government selected these particular providers from a very long list of private providers that are currently operating in this country. My second concern goes to the potential cost to the Commonwealth of this decision. The third is the issue of quality assurance and the accreditation which applies to these particular providers. The fourth issue that troubles me in regard to the approach the government is taking to this matter is the issue of public accountability—that is, what are the terms and conditions under which private providers should have access to public moneys?

It is in this context that I think there needs to be an assessment of the government’s record in the public higher education system, because the contrast is quite stark. What we have here is a record of neglect, a record characterised by negligence by this government, a record that has been continued by this current minister, who may well feel—as I have said before—that removing his earring will somehow or other change his public image and who runs around the country telling everyone ‘Please call me Brendan,’ but who essentially continues the same discredited policy that we have seen throughout the life of the Howard government, a policy which, when we look at the detail, has seen the removal of over $3 billion of funds from our public institutions in this country. So, while we see countries such as Canada, the United Kingdom, Ireland, the United States and a range of other countries seeking to reinvest in public education and making significant contributions towards the reinvestment of public funds in higher education systems, in this country we see the exact opposite policy being pursued.

We have a review under way which seeks to claim that all the options are on the table. All the options are on the table except the possibility of significant reinvestment in our cash-strapped public institutions. All the options are on the table except the basic question about the financial direction of our higher education institutions, because this government seeks to suppress that information. It seeks to hide behind the cloak of secrecy; it seeks to hide behind the bogus claim that this information is commercial-inconfidence. The only confidence this government is trying to keep is to save its political skin, to save itself from parliamentary scrutiny and to save itself from public accountability.

Let us look at Australia’s private income growth in higher education by comparison to other countries. The big claim the government makes is: ‘We’re putting less money into the system because there is more private money coming into the system.’ That is run on the assumption of students paying more.
That is the core of the government’s claim. It has to try to redistribute responsibility for the funding of education away from the public purse, away from government, on to students and in such a way, as I say, that you will see a rapid and dramatic increase in the cost of higher education for students and their parents. This is in sharp contrast to the developments in Canada, Japan, the United Kingdom and of course a number of other places.

We notice that only in the United States does the private system have a higher proportion of fees than we have in this country. So instead of investing in public education, this government seeks to act in a mean-minded, blinkered way which sees education only in terms of costs and not in terms of investment and public benefit.

Looking at the issue of PELS, essentially we have an attempt by the government to cost shift, to cover up its neglect and to force a situation where the policy options for this country are actually narrowed—they are actually reduced. We have a situation where the government has selected four colleges for the extension of public subsidies. The simple question we ask is: on what criteria were those particular colleges selected? We have a list, prepared by the department of education, that says that there are at least 80 private providers operating in this country at this time, yet this government picks only four. We have, of course, some 4,000 private providers in the vocational education system, many of whom actually wish to offer higher educational services. So the potential numbers are much greater than the 80 that I have referred to.

In his second reading speech, the minister said that the criteria went somehow or another to the issue of addressing some existing anomalies in the system. The apparent anomalies are, as I read them, that Bond University and the Melbourne College of Divinity are self-accrediting institutions which are excluded from PELS. They are the only ones in that category. It is claimed by the government that the remaining two providers, the Christian Heritage College and Tabor College, were major providers of teacher education for Christian schools. We get to the nub of the problem here, where it is acknowledged by the government that there was an election promise in 2001 to give access to these providers on the same arrangements as apply currently to the University of Notre Dame. That is, we have a situation where these colleges should be put on table A of the HEF Act, with access to undergraduate HECS places in all courses in principle, but specifically in teacher education.

That was the claim. That is not what we see or hear, of course. What these providers have been offering is access to subsidised postgraduate student loans. The claim was undergraduate; they have been offered postgraduate positions. The two private colleges that are offering teacher education have only a handful of students—that is, one or two—in this postgraduate field of teacher education. Almost all their students are working at the undergraduate level. So extending access to teacher education by giving them PELS is a strange move indeed. It is an extraordinarily contradictory move.

It seems—and the claims being made by the private providers to the Senate committee highlight this—that the government has apparently reneged on its election promise to these providers. The private higher education sector have made no secret about what the real the agenda here is. They have said over and over again that the private sector wants access to HECS style arrangements for all students, which could be as many as 15,000.

Mr Tim Smith, from the Australian Council of Private Education and Training—the umbrella organisation that covers the private vocational education providers, mainly, and many others—said, in evidence to the Senate Employment, Workplace Relations and Education Committee on 8 August:

I concede that if you talk about the extension of the HECS scheme to private providers—and that is what we really want; I guess that is our end objective—then you would be talking larger numbers.

In fact, you would be talking about a huge cost to the Commonwealth. As I say, the minister currently has a review under way into higher education, yet he brings this legislation into this chamber now in a very preemptive manner. He does not wait for the
review to be concluded. He treats his own review with contempt. Not only is he trying to suppress basic financial information, he basically treats it all as a bit of a joke. He says that arrangements have been made, an election promise has been made, and arrangements have been entered into which mean that the review process has no bearing on this matter at all.

What we have is an attempt by the government to encourage these particular private providers. Giving them access to income contingent loans will smooth the way and get rid of the barrier constituted by up-front fees which are currently charged by these providers. That will mean, over time, much higher levels of public subsidy. Why do I use the term ‘public subsidy’? I use it because there is absolutely no doubt from all the evidence presented to us in the Senate committee that there is a public subsidy. Only one person from one of the private colleges suggested that there was not a public subsidy involved here. However, all the expert evidence was that this was an extensive public subsidy. Take, for instance, probably the leading expert in this country in regard to student financing matters, Dr Bruce Chapman. He told the Senate committee that the implicit taxpayer subsidy was between 17 per cent and 45 per cent of the loan, depending on the circumstances, the financial arrangements entered into, the income that the incumbent persons might generate, their age and a number of other factors. This is because there is no real interest rate attached to this loan. We all know that within the HECS system itself the government has seriously been contemplating, and is actively pursuing right now, the prospect of extending the real rate of interest to HECS. What will the cost of that be to students if that ever happens? The cost of that particular manoeuvre will be $1 billion. That is what the government is seriously contemplating right now.

What they have in this arrangement is an extension of this interest free subsidy in regard to this particular loan scheme. It may well be that the four private providers might have a lower subsidy. I can see that it is possible that it may not be as high as the 15 per cent, because the department says that it is only 12½ per cent to 15 per cent. Nonetheless, the fact is that public experts—that is, the officials of the department, and I concede that they are the public experts; they are the people that government turns to for advice—say that it is 12½ per cent. Persons outside the department say that the subsidy is a little bit higher than that.

The budget papers indicate that the cost of this measure is $18.7 million over four years. If we were to include the broader number of people actually seeking access to this and if that policy threshold is breached by the government, the cost could well balloon out to $400 million—even without any increase in enrolments. On the current level of demand, the cost of this policy may balloon out to $400 million. As I say, 80 to 90 existing private providers out there want access to this measure and some 4,000 private VET providers want access to these measures. It is therefore possible that there could be a substantially higher level of demand than the government currently acknowledges. With this measure the government is opening a Pandora’s box. There is no policy framework established by the Commonwealth on the basis of how it selects these colleges and there is no apparent understanding of the full cost implications of this measure.

Then of course we have the question of, if a person or a private company seeks access to public funds, what should be the quality assurance assessment processes? We find here that, essentially, the arrangements that have been made under the national protocols have not been taken seriously. The assessments undertaken by the states go to the issue of the courses offered by these institutions, not the institutions themselves. In fact, in the case of South Australia, the assessment is being done on the basis that these are vocational educational providers and not higher education providers—a very significant difference.

Turning to the question of accountability, I asked these institutions on several occasions in the committee proceedings: ‘Are you concerned that the same rules apply to you as apply to public institutions?’ Without fail, all the institutions said, ‘Yes, you did give us
access to public subsidies. It is reasonable for you to expect that we meet the same criteria of public accountability assessments.' They are entitled, under the present arrangements for public institutions, to basic information about staff-student ratios, the finances of the institutions, institutional governance, the courses and the admissions requirements, the learning outcomes, the graduation rates and the policies and practices in regard to equal opportunity and non-discrimination. These are the tests that are put against public institutions at the moment. These are the things required by law and by this parliament to be provided at this time. Of course, this is the information the government does not want to tell this chamber about, particularly in relation to its forecasts on the future operations of these institutions. I think it is a reasonable point: if it applies to the public institutions, why should it not apply to the private institutions?

So in examining this bill, we have to acknowledge that there are some serious issues that need proper and thorough investigation at the committee stage. These are matters that will require a detailed examination. As I say, in a context where the government is depriving this chamber of basic information—information I have sought in a return to order; the government has treated this chamber with absolute contempt—it is appropriate that there be at least some people in this chamber—and there will be some on this side of the chamber—who take their responsibilities seriously and examine the detail of this bill with appropriate scrutiny. Pastor Millis from the Christian Heritage College gave us this assurance:

'We would have no problem with further measures of public accountability to the Commonwealth in relation to participation in PELS. We look forward to seeing that.'

Senator STOTT DESPOJA (South Australia 10.11 a.m.)—The Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002 contain a range of straightforward measures that include funds for six new scholarships and a new graduate program in environment at the University of Tasmania; an advance to the University of Adelaide, my alma mater; a shift of funding from the Institute of Advanced Studies at ANU to allow researchers at the IAS to participate in national competitive funding programs; and variations to funding caps in the Higher Education Funding Act 1988 and the Australian Research Council Act 2001. These are straightforward measures and will not be opposed by the Australian Democrats.

However, the Higher Education Funding Amendment Bill also proposes to create a new category of institutions in the HEFA, eligible unfunded institutions, to extend access to PELS to four private institutions that are not listed on table A or B of section 4 of the Higher Education Funding Act. The government, as we are aware, has been painting this as a minor measure to overcome some of the anomalies at the margins of the whole higher education framework. The Democrats do not believe that this is a minor matter at all. On the contrary, we think that the legislation before us, and its intention, is quite a significant development.

The argument over whether there is an important distinction between private and public universities in terms of receiving public funding was won or lost, depending on your point of view, with the decision to provide Commonwealth funds to Notre Dame—as most of you know, a private university in Western Australia. That decision was made back in November 1998. The fundamental question that the government has now opened up is whether or not there is an important distinction between universities and non-universities. This goes right to the heart of the debate: what is a university? What is it that distinguishes these institutions from other post-compulsory higher education providers? The answer from the government, if you look at this legislation before us, clearly is that they do not think it is very much at all, yet it is precisely these very questions that underpin quite explicitly the minister’s current review of the higher education sector—that is, the Crossroads review.

What this bill does is actually pre-empt mature and comprehensive consideration of these really important questions—questions that we are quite happy to see the govern-
ment examining. That is why we are quite surprised to see legislation that effectively pre-empts the outcome of that review. On procedural grounds alone, I guess there are very good reasons to reject these provisions before us. It is a nonsense to think that the extension of PELS to these four private institutions could be considered as anything but a significant policy precedent to extend public funding to private providers.

An obvious question that needs to be considered is: why these four institutions? Why not the other 90-odd private providers? One of the reasons that have been put forward to justify this proposal is that it honours an election commitment. That is not so. In fact, what the government actually promised was to place these four private institutions in the framework of the Higher Education Funding Act. The then minister for education, Dr David Kemp, the previous minister in this portfolio, stated that this would allow them to be treated on the same basis as Notre Dame. The distinction in relation to the matter at hand is not trivial. If treated the same as Notre Dame and public universities, these institutions could access publicly funded student places, capital grants and other non-research funding programs. This is a great deal more than just access to the PELS.

Senator Kemp interjecting—

Senator STOTT DESPOJA—It seems that Senator Kemp is reliving the halcyon days of the then minister for higher education. I look forward to his meaningful contribution in this place on the bills before us. In light of the far from satisfactory process by which Notre Dame received funding for its Fremantle institution, I think we all know one of the reasons that the government has put forward a proposal that falls short of placing the four institutions on list A and in section 4 of the HEFA. It is well short of that.

The government’s rationale is weak in relation to the cases of Bond University and Melbourne College of Divinity. Yes, they are self-accrediting bodies and the only two that are not on either list A or list B of the HEFA. However, the bland claim that the government is merely correcting a so-called anomaly does not stack up well, considering the less rigorous academic and reporting requirements of the Bond and MCD acts. For instance, neither act requires them to have an academic board at their institution, unlike all other university acts.

If the government’s case is weak in relation to those two institutions, then it is entirely spurious in relation to the other two: Tabor and Christian Heritage. The government’s primary argument for extending PELS to these two colleges is to support the provision of teacher education for non-Catholic Christian schools—these two institutions being Christian colleges—but this argument is not credible either. Teacher education is overwhelmingly provided at the undergraduate level, not the postgraduate level. In fact, according to evidence provided to the recent Senate inquiry into the bill, Tabor College only had one postgraduate student in teacher education in the year 2000. Christian Heritage has only graduated four graduate-entry students in teacher education since 1990. So it is totally ludicrous to argue that the provisions in the bill address any demand for non-Catholic teachers. To do that we would be discussing HECS liable, funded places, but that is not what we are discussing today. However, there can be no doubt that it is precisely that outcome that remains the core objective of the government and of course the private sector providers.

In their submission to the Senate inquiry, Tabor College were most explicit in saying that the bill falls short of what they were promised and indeed what they want. They want to be promoted to list A of the HEFA so that they can access Commonwealth operating grants. Tim Smith of the Australian Council for Private Education and Training, ACPET, is quite blunt about the extension of the HECS scheme to private providers being ACPET’s primary objective. In its submission to the Senate inquiry, ACPET stated: ACPET is ... firmly committed to the concept of “User Choice” ... [and] desires ... the application of Government funding or subsidies to private providers and their students to ensure that all students have equal access to whatever public funding entitlements for tertiary study are in place.
An argument that has been put up by some of the private providers is that being accredited by states and territories should entitle them to Commonwealth funding as well. The Australian Democrats strongly reject that proposition. In our view, this confusion of ‘necessary and sufficient conditions’—if I can put it like that—is not acceptable. ACPET, Tabor, Christian Heritage, Bond University and other private providers are of course fully entitled to lobby for public funding, but in this chamber not only are we entitled to scrutinise but it is our responsibility to scrutinise—in fact, we are expected to do so—and to examine very closely which institutions receive public funding and what accountability requirements we place on the institutions that actually do receive public funding. Manifestly, this government has failed to offer a clear basis as to why these particular institutions should have access to PELS.

One of the key issues that are raised by the bill is whether or not there should be public funding of private providers. No political party in this place has a stronger legislative or policy record when it comes to defending public education and public institutions than the Australian Democrats. Having said that, we also recognise that public funding of private universities is acceptable in specific circumstances where there is no public provision of higher education. That is why the Australian Democrats supported Notre Dame receiving funding for their Indigenous education programs at their remote Broome campus, but it is also why we did not support Notre Dame receiving general funding for their Fremantle campus. However, no credible argument has been put forward by the government as to why there should be any public support for these four institutions. The closest they have come to addressing the specific circumstance is in relation to teacher training, but, as I have already argued and shown, that is a spurious argument. There can be no doubt that the extension of PELS to these private providers is a cost to taxpayers and a significant public subsidy to these institutions.

In what I think is a very significant submission to the Senate inquiry, Dr Bruce Chapman demonstrated that PELS is a taxpayer transfer to private institutions that is likely to be around 20 to 40 per cent of nominal charges, because providers will be able to put up their fees. We have already seen this happen in postgraduate coursework programs in public universities, with Melbourne University, for instance, increasing fees by an average of 20 per cent—and, in one case, 57 per cent—since the introduction of PELS. It is inconceivable that the value of an interest-free loan to the students will not lead to higher prices in most cases.

The Australian College of Theology, a private provider, was most clear about this. In a submission to the Senate inquiry, it stated:

Access to PELS will enable institutions to underwrite their commitment to research more freely, knowing that full-time students can defer the payment of their fees until they are in the workforce.

Quite so. That is how PELS is an indirect subsidy to institutions—it is not just a loan to students. The Democrats insist that where public subsidies are provided there must be public accountability. In the case of universities there are a range of quite strict accountability mechanisms that significantly surpass what is required by state accreditation bodies. Moreover, none of the four private colleges are answerable to the relevant state auditor-general or ombudsman.

However, we should not be satisfied with the robustness of the accountability mechanisms for public universities. There remain some significant gaps in university accountability, as identified in the recent Senate report Universities in crisis and, I believe, more recently by the New South Wales Auditor-General. I note that in the chair’s report on this bill the government appears to support requiring the private institutions to participate in the profiles discussions with the department. We agree but we want to point out that the current profiles process is not satisfactory. The almost obsessive secrecy that characterises the profiles exercise is not conducive to public accountability. This is a debate that has raged for many years.
The Democrats are most unimpressed by the government’s determination continually to hide behind commercial-in-confidence provisions to prevent public disclosure of crucial information on universities. I am aware today that the opposition may move a number of amendments to strengthen the accountability and eligibility requirements of any private institutions accessing PELS. While we are yet to see these amendments, I do want to indicate to the opposition that the Democrats are likely to support any mechanisms that enhance accountability and governance arrangements.

There is an additional reason that this chamber must address accountability, eligibility and governance issues with respect to public funding of private providers and insist on a rigorous and transparent framework, so I look forward to seeing Senator Carr’s amendments. Education is a key element of GATS and if we allow sloppy or nonexistent criteria now then we run a long-term risk that shonky private providers from overseas will be able to leverage public subsidies using the international instruments under GATS.

The Democrats, as this chamber knows, are passionate advocates of the belief that higher education is not merely a commodity; it profoundly contributes to the sustainable development and improvement of society by generating a wide range of public goods. That is not to say that we oppose the internationalisation of education—on the contrary. However, we argue that it would be gross negligence of the Senate and indeed the parliament to undermine the long-term integrity of the higher education sector in this country by allowing poorly conceived precedents—such as we have before us in this bill—that could be leveraged in the future.

As the government has acknowledged at the Senate inquiry into this legislation, one of the reasons for putting forward these four particular institutions was political—it was a political response to specific lobbying by these institutions. We cannot permit higher education policy in this country to be subverted by allowing random responses to lobbying or pork-barrelling in your electorate or helping out your mates. That should not be the basis of determining eligibility for public subsidies in relation to education or any other sector.

As I indicated earlier, this bill poses a very serious question for the parliament: what is it that is distinctive about universities? What distinguishes universities from other post-compulsory higher education providers? It is of some concern to us that there is not, among government circles, a well-considered understanding of the development of a research culture. Specifically in relation to the two institutions—the two theology colleges—there does not seem to be a development of a research culture. Tabor College, for example, simply asserts:

... educators in private higher education institutions are likely to be creative, energetic and resourceful people, who will seek to find ways to pursue relevant cutting-edge research interests despite constraints imposed by limited time and resources.

Both Christian Heritage and Tabor College made claims about their research capability, despite the lack of resources, yet neither could provide any information as to their research outputs. This does not necessarily indicate a particular interest in research.

Senator Tierney—You know that is not true.

Senator STOTT DESPOJA—Through you, Madam Acting Deputy President, I would be happy if Senator Tierney could correct that assumption and put it on the record.

Senator Tierney—If you had bothered to turn up to the hearings you would have heard the answer to that question.

Senator STOTT DESPOJA—I would be happy to have that explained but I am not sure how much time Senator Tierney has spent at Tabor College.

Senator Tierney—You obviously have not even read the Hansard.

Senator STOTT DESPOJA—I think Senator Tierney is forgetting that people can read and access the submissions and can meet with the relevant players in this debate, as the Australian Democrats have done over the last couple of years. In evidence to the Senate inquiry, Pastor Millis from Christian Heritage College stated:
... we would argue that we are primarily a teaching institution and we would contest the view that there is necessarily a nexus between ... research, and standard setting in relation to our teaching.

**Senator Tierney**—You do not understand the history of universities in this country.

**Senator STOTT DESPOJA**—In relation to understanding this issue, when it comes to a debate about public subsidies—that is, taxpayers’ dollars—going to private education institutions, I put on record that the Democrats, not just I, understand this debate all too well. It does not surprise me that there are some members of this government who are getting a little angst ridden because their pork-barrelling at election time and election promises have been found out by this chamber and are now up for scrutiny.

That is why so far Senator Carr and I have put on record what a concerning development this is in relation to education policy in this country. I think that Senator Tierney, as chair of the committee, is going to find it increasingly difficult to support the government’s decision in this instance. But I look forward to hearing his enlightening and no doubt entertaining contribution to the chamber.

For some months the Democrats have argued that this bill pre-empts the Crossroads inquiry. Universities are, without a doubt—and I am sure everyone in this chamber, Senator Tierney in particular I would hope, given his longstanding interest in this issue, would agree—fundamental institutions in our democracy. Subverting their place by reducing them to simply another competitor for students demonstrates a particularly shallow understanding of their significance. I would have thought that on procedural grounds alone there would be members of the government here today who would be saying, ‘You’re right; we have just initiated this grand inquiry into higher education and the needs of the sector over the next few decades. Let’s not pre-empt that inquiry. Let’s not make fundamental changes in policy direction through legislation such as this. Let’s wait for the outcome of the Crossroads inquiry, because we are all keen to have a role in that inquiry.’

As members on the government side would have to acknowledge, the Australian Democrats have been very open-minded in relation to Crossroads. We are not going to stand by while the government implements policy that we disagree with. But we do think discussion of the needs of the sector is appropriate and we are happy to take part in that. Why pre-empt it with a policy change that we believe is as significant as the one before us today in the Higher Education Funding Amendment Bill 2002?

I will also be making amendments to this legislation. I look forward to seeing the opposition’s amendments. Certainly, my amendments seek to deny access to PELS for those institutions to which I referred. I ask for the support of the chamber in moving those amendments. I certainly hope to have opposition support. I look forward to their amendments similarly and at this stage indicate that the Democrats will support any mechanisms to increase accountability and governance mechanisms in Australian universities.

**Senator TIERNEY** (New South Wales) (10.31 a.m.)—I rise today to speak on the Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002. We are debating these bills cognately. Senator Stott Despoja did list a range of non-contentious issues which she said the Democrats would agree to, and I am sure that the Labor opposition will agree to them as well. Both she and Senator Carr went on to spend most of their time discussing the extension of the Postgraduate Education Loans Scheme to four other institutions.

I want to spend most of my time doing the same thing—discussing those issues—but before I do I want to dwell on one of the is-
I agree that it is probably non-contentious but it is something that we should briefly discuss in this chamber because of its historical significance. It has been brushed over very quickly by previous speakers. That issue is the change in the research arrangements at the Institute of Advanced Studies at the Australian National University. Historically, in terms of the evolution of the Australian university system, this is quite a profound change.

The Institute of Advanced Studies was established in Canberra after the war and the reason for doing this came out of the very obvious and glaring gaps in Australian research that developed during the war. Suddenly we were isolated from a range of other countries that used to supply us with materials and we realised that we did not have the capacity to develop a lot of these materials here. To correct this problem, the Institute of Advanced Studies was created and has over the years become one of the world’s leading research centres. People in the Institute of Advanced Studies do not teach; they carry out research only. The institute has produced two Nobel prize winners. It carries out world-class research. The parliament had done up until the last budget was to provide the Institute of Advanced Studies with a block grant of money for research, and the institute did not get involved in the competition for the National Health and Medical Research Council grants, nor did it compete for the Australian Research Council grants. The change that has now been brought about is that they are in this competitive pool with everyone else.

The contribution of the Institute of Advanced Studies has been profound not only in its research outcomes but also in the way in which it has developed research in this nation. It has been like a mother university for research and it has spawned research across Australia and sent out leading, well-trained scientists to carry out research in other Australian universities, which has then enhanced and developed their reputations in research in those areas. I did not want to let this moment pass without putting on the record the very significant achievement of the Institute of Advanced Studies.

Of course, the Institute of Advanced Studies continues and I believe it will thrive. I used to be on the Australian National University Council along with Senator Carr and we both appreciated the terrific contribution of the Institute of Advanced Studies. When these changes to research funding were first mooted there was a lot of concern at the ANU. They had a block grant that was being taken away and they had to compete in the larger pool for funding. But, given their research record and the outstanding scientists they have, I think they will probably do better than they did previously. The taxpayers’ money will follow the best research and that is certainly the way it should be.

The other main aspect of this bill and certainly the one that has set the opposition’s teeth on edge refers to the extension of the Postgraduate Education Loans Scheme, which this government introduced 18 months ago. It is a scheme that has been an outstanding success in the public universities of Australia. In a nutshell, the PELS provides the opportunity for postgraduate coursework students to take out a loan similar to the HECS loan that is available to undergraduate students. It is similar to HECS in that they can pay that back over time. This has provided a tremendous boost to numbers in postgraduate research. Across Australia, when this scheme came in the numbers jumped 19 per cent, which is a great indication of its success. The increase was 30 per cent at James Cook University and 60 per cent at the Central Queensland University. We can see that there is a particular extra benefit in the remoter universities, where students, because of the tyranny of distance and other factors, find it difficult to carry out postgraduate research. It has been a major support for the students.

That brings us to this particular set of bills and the way in which they are extending access to only four other institutions: Bond University, Melbourne College of Divinity, Christian Heritage College and Tabor College in South Australia. The rather strange thing about the way our university system has evolved over the last fifty years is that it
has been an almost exclusive public university system. If you go to other countries, particularly countries like the United States, you find that 30 per cent of the university system is actually private. We have a very small private university sector in this country—it is tiny.

It is rather strange because, when you look at the secondary education system, we have very high provision for private education—almost 30 per cent of secondary education is private. Yet when you look at the university system, we have very little provision. One of the reasons we have a whole lot of debate on higher education and funding is that there has been an absence of a private system, putting great pressure on the public universities at a time when the Australian economy and its needs for research and well-trained people has been expanding very rapidly over the last 15 years.

One of the reasons we have such a low level of development of the private sector is that, up until the election of the Howard government, the legislative framework was incredibly hostile to the development of private universities. You had to be fairly game to try to establish a private university. It is an incredibly expensive exercise. Bond tried it with Bond University and they had enormous difficulties with the financing of that. This Senate and our committee inquired into Bond University in 1995, and it was only through some very generous arrangements by the Long-Term Credit Bank of Japan and also some very good administrative arrangements from the Executive Vice-Chancellor Professor Harry Messel that the whole thing survived. It almost crashed.

The other example of a private university is Notre Dame in Western Australia. The only reason that Notre Dame got up and was operating was that certain senior people in the Catholic Church were determined that this venture was going to survive and thrive. It would not, on a hard-nosed accounting basis, have survived at all. So we need to assist the development of this sector and provide a less hostile framework to its development.

The previous minister, Dr David Kemp, did introduce a number of changes to assist in that process, and the bill before us today does extend that process. We have heard from Senator Stott Despoja and from Senator Carr. They have blind ideological opposition to this because it is private. The excuse that Senator Stott Despoja puts up for not supporting this is that these institutions are not really universities, and she said that this whole matter goes to the heart of what a university really is. It is a very interesting question. Senator Stott Despoja showed her profound ignorance of the evolution of the university system in Australia.

It would surprise the senator to know that, after World War II, at Sydney University the highest award you could get was a master’s degree. They did not even offer PhDs. After the war there was very little research in universities in Australia at all; they were basically teaching institutions. The Institute of Advanced Studies, the forerunner to the ANU that I indicated earlier, was set up precisely because of this lack of research and the fact that they were completely teaching universities. Through the fifties and sixties obviously they developed a research role—spawned by the Institute of Advanced Studies, as I mentioned before.

Let us move to the University of New South Wales, one of the prestigious Group of Eight universities. It started as the Institute of Technology and did not do any research at all. It became the University of Technology and started a bit of research. It was held in fairly low regard when I was at university in the sixties at Sydney and has evolved into one of the leading universities in Australia. My point is that universities evolve, and they evolve particularly with the assistance of government—and that is what this bill is proposing.

If we look at institutions in the CAE sector, which started as totally teaching institutions, there was no research funding at all. But the research funding developed through the Dawkins reforms when the CAEs combined to become universities or joined with other universities and developed their research profile. Senator Stott Despoja is trying to put all this in a vacuum. It is not in a vacuum; it is part of a long-term evolutionary process. Research does go on in these
institutions. Take the Melbourne College of Divinity, for example, or Bond University: there is an enormous amount of research at those institutions. She asks: why don't they show their research profile? If Senator Stott Despoja had bothered to turn up to the hearing, she would have heard the answer to that. The answer was: because they are not part of the officially accredited research system in Australia via putting in for ARC grants, which they are not able to do, they do not have to provide a research profile, and they just have not keep that sort of documentation. It was the same with the CAEs. They did not keep that sort of research profile but there is a lot of research going on. And, indeed, at the Melbourne College of Divinity, 60 per cent of staff have PhDs, so they have done research and are probably continuing to do research. So a lot of these issues that have been raised today are total furphies.

Let us go on to some of the issues that were considered in the inquiry. Let us take the issue of administrative accountability. The two institutions Bond University and the Melbourne College of Divinity are self-accrediting institutions and work just like the other universities. Tabor College and the Christian Heritage College have audits done through a state based framework under the supervision of MCEETYA. They are happy, if they come into this arrangement, to be part of the Australian university quality framework. They are also quite happy to fulfil all the requirements of those bodies with respect to accountability. In terms of transparency of government structures, which was raised by Senator Carr towards the end of his speech, they are happy to broaden representation to take into account different areas of public interest.

Senator Carr also noted Professor Chapman's evidence in relation to what is likely to happen to fees if this Commonwealth money is provided. The flaw in Professor Chapman's argument was, first of all, that he had no model to base fee rises on because we have not had this situation before. So it was an assumption that if you give them more money—or if you put more money into the system through PELS—what these four institutions will do is raise their fees. What he was not taking into account were two things: firstly, the Christian mission of three of these institutions, where they are not in the market to make a lot of money; and, secondly, the way in which their fee structures have tended to move over time. Looking at those two aspects, you would come to the conclusion that there may be some fee increases but you would not think it would be excessive. The fee increases—if they do occur—of course return the benefit to the institution in terms of providing additional moneys for its research and teaching activities.

One of the most contentious aspects of the inquiry and of the discussions, and one of the reasons why the Senate sent this bill to the Selection of Bills Committee related to the matter of—and I quote the Selection of Bills Committee—is:

… public support of discriminatory selection criteria …

Three of these four institutions have a religious ministry. That was dealt with very extensively in the inquiry and each of the institutions was questioned very carefully on this. The Bond University and the Melbourne College of Divinity have explicit non-discriminatory practices, which were written into the foundation acts when they were passed. The Christian Heritage College has a process of informed self-selection. In other words, it would be unlikely for a Muslim to want to go to the Christian Heritage College to take a ministry course. Self-selection means: what sort of course would you be interested in? In theory, there may be a problem here but the practical reality is that people tend to self-select. For the very few who do not—and they were questioned on this as well—these institutions will allow other students in. The claim of all institutions was that they did not discriminate and they were quite prepared to waive specific requirements in certain circumstances. They looked at these cases of students who might want to come in, in the way that I indicated, on a case by case basis. They have taken in non-Christian students in the past, so the whole argument there was theoretical. If you looked at what was happening on the ground in these institutions, you could not claim that they were discriminatory.
We have the bill before us. It is a minor extension of higher education. Senator Stott Despoja said: why do it now? Why not wait until after the Nelson review—the Crossroads review—has finished? The reality is that what we are doing with this legislation is implementing a promise that we went to the polls on. We were elected as the government. So, having said before the election that we were going to do this, what we are now doing is keeping our promise, and we are doing it. In terms of the Crossroads review, I do not think this cuts across anything at all. What we had—and it was started by the previous minister, Dr David Kemp—was an evolution of the system to make the legislative framework less hostile to private institutions. What this bill will do is simply continue that process.

Senator WONG (South Australia) (10.45 a.m.)—As the Senate is aware, the Higher Education Funding Amendment Bill 2002 seeks to amend the Higher Education Funding Act 1998 and the Australian Research Council Act. Other senators who have already spoken have made reference to amendments which are non-controversial, such as the amendments to vary program funding levels and other measures including the establishment of an environment graduate course at the University of Tasmania. Obviously, those amendments are not opposed. The controversial amendment to this bill that is proposed by the government is the extension to the Postgraduate Education Loans Scheme, PELS, about which Senator Tierney just spoke. As the Senate would be aware, this scheme provides loans to postgraduate students. Unlike HECS, it does apply to the full market fee charged. In short, this proposed legislation will extend the PELS scheme to four additional institutions: Bond University, the Melbourne College of Divinity, Tabor College and the Christian Heritage College.

The first point that needs to be made is that what is proposed is effectively a loan and the loan gets paid back. It is quite clear if you look at the evidence to the committee that that is not the case. This is clearly a measure that involves a taxpayer funding impost. It involves a cost to the taxpayer. Taxpayers will be funding these postgraduate students at these institutions.

The minority committee report of the Labor senators states that PELS is a significant, if indirect, Commonwealth subsidy to the four private providers in question. As Dr Chapman, whom most people would be familiar with, said, the size of the taxpayer subsidy varies from around 17 per cent to 45 per cent of the amount loaned to students. The department itself estimated a similar figure of 12 per cent as being the subsidy that is inherent in the scheme. In other words, it is implicit in this amendment that there is a significant Commonwealth benefit being provided to private institutions through PELS.

It is unfortunate that that aspect does not seem to have been discussed by the government. They are basically saying, 'We're going to increase the taxpayer subsidy of private education in the higher education sector,' while at the same time, as has been the case since they came to government, they continue to reduce funding to universities in the public education system. I will come back to that point later.

The first policy issue that the Senate needs to consider is this: is it appropriate for such an extension to occur? The first issue I want to address when considering this matter is: why these institutions? It really is strange to many senators, including me, why these particular institutions have been chosen out of the 80 to 90 private institutions which potentially could be eligible for this subsidy. There does not appear to be any sound public policy reason that bears scrutiny for these institutions being picked over others. Even if we accept, as a matter of principle, that private institutions should have access to this public subsidy through PELS, why is it that these institutions have been picked?

One of the arguments that was put was that, with respect to teacher education, two of the providers were unusual in that they provided Christian teacher education. How-
ever, as Senator Stott Despoja pointed out, that does not bear scrutiny. The majority of teacher education courses at the two providers where this argument was used involve undergraduate students who will not be affected by the proposed amendment. In fact, when Mr McComb was asked how many postgraduate students were studying teacher education at Tabor College, his evidence was that in 2000 the number was one. So, on the basis of Christian teacher education, the extension of this public subsidy to that institution is not justified.

One has only to read the government’s own justification as to why it wishes to include these particular institutions in the scheme. It is a fairly tautological justification. Effectively, the government says, ‘We do it because we think we should do it, not because there is any clear public policy reason why these particular institutions should be selected.’ It is the adhocery of that approach which is an issue of concern, particularly when we are talking about quite a significant shift in philosophy with respect to how one funds higher education.

The second issue I want to raise—and it seems strange that people on this side of the chamber are raising this—is the possible funding implications of the logical consequence of this decision. If there is no justification that bears scrutiny as to why these four private providers are the only ones given access to this public subsidy, it seems obvious that other private providers who will lobby for the extension of the subsidy will come to the government and say, ‘If these four get it, why shouldn’t we?’ There are 80 to 90 private providers of higher education in this country. They have a clear agenda, as is their right, to seek additional public subsidy of the provision of private education by themselves. It is pretty clear from the evidence given to the committee that that is the case. As Mr Smith, from the Australian Council of Private Education and Training, said:

I concede that if you talk about the extension of the HECS scheme to private providers—and that is what we really want; I guess that is our end objective—then you would be talking larger numbers.

I do not blame Mr Smith for his position; he is a lobbyist and he is there to represent the interests of the private institutions. But the public policy implication for the government is that once you open the door on this provision of public funding to private education institutions, you open yourself up to similar types of lobbying from other institutions who would regard themselves in the same category. I believe that the government has not adequately considered what the funding implications of this policy could be.

It is interesting that comments have been made by those on the other side of the chamber about blind ideological opposition to this proposal. If there is any party that has a blind ideological position on education, it is the coalition. It opposes properly funding public education. You can look at any aspect—whether it is the provision of funding to the states for primary and secondary education or higher education—and you will see that the government has a real issue with public education. It wants to preserve inequities and exacerbate them. Since 1996, $3 billion has been removed from universities’ operating grants. What sort of investment is that in the education of Australians? What sort of investment is that in the future of this country? Those opposite have the gall to stand there and say that Labor has a blind ideological position on this matter when, consistently, through their higher education policy, they have sought to exacerbate inequality and ensure that rich kids have a better chance of going to university than kids from disadvantaged backgrounds.

Finally, I turn to the issue of accountability—something that the Senate has not seen much of in this area from the government this week, as they have failed to respond to Senator Carr’s return to order motion on the basis that the release of information could affect Australia’s international reputation. It does seem extraordinary that they have refused to release details of the financial state of the public higher education system. One would have thought that this was information which the public had a right to have an interest in and which the Senate had a right to examine. But no; they try to say, ‘No, it’s commercial-in-confidence; we don’t want
you to know about it. We certainly don’t want to have a discussion about it.’

However, the Higher Education Funding Amendment Bill 2002 as it is proposed does not explicitly include appropriate accountability and reporting provisions, as it should in relation to these institutions. It appears from the bill that the minister would have complete discretion in this area. The opposition believes it would be better, as Senator Carr has pointed out, for the legislation to be explicit about public accountability criteria based on the same reporting that is required of other institutions in receipt of public subsidies. You are always talking about a level playing field but you do not have it in relation to this proposed legislation. I understand the opposition will move amendments which deal with this accountability issue and ensure that the proposal, if it does proceed, is subject to appropriate accountability and reporting arrangements that are consistent with those that are required of public universities.

Senator ALLISON (Victoria) (11.01 a.m.)—As Senator Stott Despoja has already indicated, the Higher Education Legislation Amendment Bill (No. 2) 2002 and the Higher Education Funding Amendment Bill 2002 contain a range of straightforward measures that will not be opposed by the Democrats. We do, however, oppose extending the Postgraduate Education Loans Scheme—PELS—to four institutions, three of which are not universities. We reject the notion that the provisions that allow Bond University, Melbourne College of Divinity, Tabor College and Christian Heritage College access to PELS are minor; we think they are not. They are very significant, in fact, for higher education public funding policy.

If passed, the bills will create a dangerous precedent for further shifting of public investment in higher education to private institutions, in our view. We believe these provisions are evidence of poor policy processes. The rationale to justify the selection of these four institutions is weak in the case of Bond and MCD, and non-existent in the case of Tabor and Christian Heritage. Extending PELS for postgraduate teacher training to a college which had only one postgraduate student in teacher training in 2000, for instance, is something of a joke.

It is clear that the decision to extend PELS to these four institutions is primarily driven by a desire to water down any distinctive feature of universities relative to other post-compulsory providers in the name of markets and level playing fields—that and, I would say, a fair old whack of lobbying. Good luck to those four institutions. They and the peak bodies in the private higher education sector are entitled to lobby. However, we say that, by its ad hoc actions, the government has failed to provide a robust process by which to judge future claims for inclusion or to ensure that such decisions are consistent and fair. This leaves the higher education funding framework vulnerable to pork-barrelling or indeed to ministerial whimsy.

The Higher Education Funding Amendment Bill raises some important questions—for instance, what defines a university? To what extent should the higher education sector be further deregulated? Should private providers have wider access to public subsidies on the same basis as public institutions as a means of stimulating differentiation? What criteria should private institutions be required to meet? Ironically, these questions—and they are very good questions—are explicitly asked in the minister’s discussion paper, ‘Higher education at the crossroads’. They are very germane to the ministerial review of higher education, yet the bill pre-empts consideration of these questions. In their submission to the Senate inquiry into the provisions of this bill, the AVCC state:

If the Government does believe it sensible to provide such access in the context of its overall investment in higher education, it should argue its case as part of its current review of higher education, not act precipitantly.

We agree. This is bad process, this is bad government, and it is incomprehensible that extension of PELS to the four private institutions will not create a precedent that all other private providers will want to access.

One of the key issues raised by the bill is whether there should be public funding of private providers. I hardly need to remind senators of the Democrats’ record in defending and advocating public education in
this place. We have consistently opposed privatisation and cost shifting to students and parents because we believe it is a key responsibility of government to ensure that all Australians have access to high-quality, publicly provided education. We do not accept that education is a mere commodity or that students are customers.

Senator Conroy—So you are in the left of the Democrats today, not the progressive centre.

Senator ALLISON—Perhaps, Senator Conroy, you think they are; I am not sure. It is ironic that the key funding instrument in this bill, the Postgraduate Education Loans Scheme, was introduced as a partial response to market failure in postgraduate education—a failure, I might say, that was brought about by this government’s own doing when it cut 25,000 places to postgraduates after 1996. It is worth reminding honourable senators in this place what the Prime Minister said in his somewhat infamous mea culpa speech on 15 April 2000. He made an important admission. He said:

... we believed that every problem could be solved by the unrestrained operation of market behaviour and some naive notion that trickle down economics from that unrestrained operation would solve every problem.

The Prime Minister was talking about the coalition’s general approach, of course, but the comments are particularly apposite to the context of education policy. This bill simply demonstrates that the government is still locked into the same naive belief in the marketplace that the Prime Minister bemoaned just 2 1/2 years ago.

One of the arguments put up to deflect concern about extending PELS to private institutions is that the subsidy goes to the student and not to the institution. The Democrats think this is disingenuous. While it is true that students who cannot afford up-front fees do benefit by access to an income-contingent, deferred payment mechanism, there is no doubt that PELS represents an indirect subsidy to the provider. This comes about by increasing demand and it allows institutions to simply put up their fees.

According to the well-respected economist, Professor Bruce Chapman, the size of the taxpayer subsidy to the student varies from around 17 per cent to 45 per cent of the amount loaned to students, the variability being contingent on the level of HECS debt students have when they commence their postgraduate course and on other factors, notably gender. It is likely that some students would effectively be receiving a gift from the Commonwealth. Christian Heritage College has advised the Senate committee of inquiry into this bill that its postgraduate students are typically between about 40 and 50 years of age, with an average age of 40. Clearly, some of those will never pay off their debt.

The cost to taxpayers does not just lie in there being a transfer to institutions. As the National Union of Students point out in their submission to the Senate inquiry into this bill, taxpayers bear the cost of: bad debts, and I note the department has estimated that the rate of bad debt has risen from 13.5 per cent to just under 20 per cent between 1996 and 2000; the subsidy to students through an interest-free loan, although I strongly suspect NUS are not recommending that commercial rates of interest be applied; and, finally, the opportunity cost to government and taxpayers. So it is of considerable concern to the Democrats that there is no real accounting for these costs. Indeed under accrual accounting this scheme is shown as ‘profit’ for the government. In the artificial world of accounting practices this may be correct, but in the real world there is a cost—an economic cost.

The Democrats believe that, where public subsidies are provided to any institution, be it public or private, there must be full accountability. Public universities are required to fulfil a range of obligations which significantly surpass those required of private higher education institutions accredited by state and territory governments. Moreover, these obligations surpass those of the two self-accrediting institutions: Bond and Melbourne College of Divinity. That is not to say that the obligations on universities are adequate. The recent New South Wales Auditor-General’s report, for instance, raises some very serious questions. The Democrats understand there are diminishing returns on excessive accountability and reporting re-
quirements. However, we are very unlikely to support extending real public subsidies to institutions, be they direct or indirect, without adequate accountability mechanisms in place.

The Christian colleges have argued that they go through a robust accreditation process through the respective state mechanisms and this is sufficient to access the full range of Commonwealth funding mechanisms, including HECS. The Democrats dispute the assertion that going through the hoops of state and territory accreditation processes is of itself a warrant to access Commonwealth funds. We also have some reservations about those state and territory processes.

The Democrats are strong supporters of the intent and ethos of the MCEETYA national protocols for higher education approval processes, which were signed off by all jurisdictions in April 2000. However, we note with great concern that thus far only New South Wales has actually enacted legislation to bring its state processes into line with the national protocols. I am aware that Victoria and Queensland are not far off doing so and that these two are also widely regarded in the sector as having good processes in place. However, the Democrats are concerned that the other jurisdictions, notably the Northern Territory and South Australia, are not so well regarded. This makes no particular claim on Tabor College, but we do stress that we find it difficult to support extension of public subsidies while the MCEETYA national protocols are only given lip-service by the states. The opposition may move a number of amendments to strengthen the accountability and eligibility requirements of any private institutions accessing PELS. We look forward to analysing those amendments closely. Certainly the regime in place in this bill for the four private institutions is not satisfactory, and that is why we cannot support the bill.

Earlier in this debate, Senator Tierney attempted to cast the Democrats’ well-founded concerns with this bill as being blind ideological concerns. That is nonsense. The Democrats have supported public funding going to private providers. We did support funding of Notre Dame’s Broome campus because there was a genuine need and there was no public provision in that place. What we do say, however, is this: give us good reasons why there should be public funding of private colleges. Is this such an onerous request? But this government has manifestly failed to provide good reasons. There may well be a valid reason to support non-Catholic teacher training, but that is not what this bill provides. It is about postgraduate, not undergraduate, education, a distinction that seems to have eluded Senator Tierney. Tabor College had one postgraduate education student in 2000. Christian Heritage have graduated four since 1990. This bill does not go to any shortages, either real or imagined. So the sad reality remains that it is this government that remains beholden to ideological agendas in education, certainly not the Democrats.

Senator CROSSIN (Northern Territory) (11.13 a.m.)—Here we have another shift in public funding for education in this country moving into the private sector. We have seen this government absolutely committed to ensuring, certainly in the schools sector, that funding that should go to public education provision and institutions is siphoned off into the private sector. Now we can see that they want to open the gates and ensure that that happens in the higher education sector more than it does now. The two bills before us, the Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002, seek to address a number of measures connected with Commonwealth funding under the provisions of the Higher Education Funding Act, or HEFA as it is known.

There are a number of routine and minor measures that we will be supporting, such as the new graduate program in environment at the University of Tasmania. But there is one aspect of the head bill, one that every speaker today has concentrated on, that I think will particularly cause concern around the country in this sector. That is the extension of the Postgraduate Education Loans Scheme, or PELS as it has come to be known, to four additional higher education providers in this country. These four higher
education providers are not currently listed in table A or table B in section 4 of the act.

The threshold question central to this debate considering whether or not these bills should be supported is whether or not public subsidies should be provided to higher education providers in this form and whether or not this subsidy should be extended to these particular higher education providers. We know that these bills were sent off to the Senate’s Employment, Workplace Relations and Education Committee for an inquiry. I attended that day of inquiry, and I must say that I have been somewhat puzzled by this bill and fail to understand why some institutions and not others have been picked by this government for the extension of PELS. We are yet to receive a decent explanation about that. The institutions that have been picked are Bond University, the Melbourne College of Divinity, the Christian Heritage College and Tabor College in Adelaide. Why not, for example, the Sydney College of Divinity? Why was it missed out of this list? Why not, for example, even the Institute of Chartered Accountants? Why not the Bible College of Victoria or the Australian College of Theology? Why not any of the other 90 that I have on a list currently before me that are non-university providers of higher education in this country? Why is it that only these four institutions have been decided upon?

One might say that there is somewhat of a provision for the extension of PELS to Bond University—perhaps there is a case. Perhaps it could be justified on the grounds that Bond University meets criteria relating to the definition of a university, including its legislation, its quality of staff and research, and the range of disciplines that it offers. We know that there is some sort of output, in relation to Australian research grants, going towards a component of research being offered at that university. Similarly with the Melbourne College of Divinity: it has self-accrediting status, it is affiliated with the University of Melbourne and it is also included on the list of institutions for Australian Research Council grants. So you might say that there could be an argument for two of the four. Interestingly enough, even the Australian Vice-Chancellors Committee, who put in a sub-

mission to the inquiry into these bills, although they did not appear at the hearings, recommended that two institutions that were self-accrediting and legislatively established bodies should be admitted to access to PELS, but that the remaining two—Christian Heritage College and Tabor College—should not.

During the hearings, a number of witnesses provided evidence to us that they believed that this provided not only a subsidy to students but also, through PELS itself, significant indirect assistance to the institutions in question. Here we have a Commonwealth subsidy that will be made available to the four providers in question. How does this happen? It happens because, when we have PELS, even though it is a loan to the postgraduate student, the money is actually provided to the institution. So the funding does go to the institution in an indirect way, although it benefits the student at the end of the day. It will be interesting to see if this happens over the coming years, because PELS is a relatively new innovation in relation to higher education. It is similar to HECS in higher education, although it is not for undergraduate students but for postgraduate students, where they get a loan to help with up-front fees in the postgraduate area. It opens the gates to allow these institutions to increase the tuition fees, which of course will enable those institutions to get an even greater slice of the public purse if that happens. There is no doubt that some of these institutions in coming years will capitalise on the capacity to increase their tuition fees in this way.

The inherent public subsidy in PELS is fundamental. It means that questions of accountability immediately arise in connection with the four providers. One would assume that, if they were to have access to public education funding and be provided with assistance from the public purse, in some ways these institutions should be publicly accountable for that money. It is true that there are three other private higher education institutions that are currently in receipt of public subsidies of various kinds, including PELS: the University of Notre Dame, the Marcus Oldham College and the Avondale College. They all receive public funds, but they are
also obliged to submit themselves to any accountability and reporting requirements contained in the Higher Education Funding Act. This is the case because each of those colleges is listed in either table A or table B of the act. Remember, these four institutions are not going to be listed in either table A or table B. In fact, this government has been somewhat clever by half in the formulation of this act and will be seeking to create a new category called ‘unfunded institutions’. That is rather misleading really. Even though the government would say that they receive no direct remitted funds from the Commonwealth and that reporting and other requirements would not apply to them, it is rather misleading to group them as unfunded institutions because they will be getting funds of some kind from the public purse.

In return for their Commonwealth subsidy, the four providers named in this new bill would have placed on them absolutely no obligations or responsibilities whatsoever to the Commonwealth, this parliament or the people of Australia to account for the manner in which they provide postgraduate courses to their students. One of the key issues that arises in this debate is: how can the Commonwealth assure itself that these four providers do have the capacity and the appropriate structures and processes in place to ensure that they offer an educational experience that is on a par with the other institutions?

Senator Tierney made a point in his speech that, during the hearings, these institutions gave a commitment that they would in fact become accountable, that they would line up and ensure that they would be answerable to the Commonwealth in relation to their funding and that they would be happy to be part of any scrutiny and analysis. But I do not actually believe that they understood what they were or could be embarking upon. I did not get a feeling from the hearings that the people from these institutions who appeared before us actually fully understood the difference between being a self-accredited university and one that simply gets the tick from a state or territory authority. But I will perhaps go on to that a bit later in my speech.

The submission from the Department of Education, Science and Training refers to an election commitment that was made by this government. The submission went on to outline the commitment:

... access to grants and subsidies should be on the basis that a higher education provider:

- is established by statute and included on the Australian Qualifications Framework register as a self-accrediting higher education institution; or
- has been rigorously assessed as being capable of delivering educational outcomes of a prescribed standard, and
- assures the Government of the probity of their governance arrangements and their continuing financial health.

These are issues that these institutions will now need to address if this government does ensure that they sign on the dotted line and makes these institutions—and there is no indication that this will be the case under this legislation—actually sign up to any obligations or responsibilities in relation to accountabilities similar to those of other higher education institutions.

The department goes on to note that the government intends to address the matter of how these principles can be put into effect through its current policy review. I think that is another anomaly we see in these bills before us. We all know that there are many documents out there relating to the review of higher education. Of course, the first of those was the Crossroads paper. I think there have been seven now, released almost on a weekly basis, that address different areas of higher education. It is the review of higher education that you do in a public sense when probably you have already made up your mind about where higher education in this country is going to happen. I would not be surprised if it ends up being a Clayton’s review, but at least they are going through the motions of seeming to consult with the broader public about the way higher education ought to go in this country.

But it is interesting that, although the review specifically does not go to the exten-
sion of PELS in higher education institutions, one of the key aspects of that review currently before the Australian public relates to whether or not there should be an extension of public funding and public subsidies to private institutions. It does not say how or in what measure it ought to be done, but it is interesting that that is one of the issues that is up for debate. It cannot be up for debate if, in fact, these bills before us suggest and legislate for an extension of that public funding to four private institutions through the expansion of PELS. It really makes the review very disingenuous. It pre-empts any outcome of that review. To me, it would have made much more sense—or it would at least have been an attempt at a genuine effort by this government—to have withheld this legislation for at least a year after that review was finalised. Of course, we now know most definitely that one of the recommendations of that review will be a suggestion by this government that PELS be extended to private institutions. So why bother to have a review in higher education when one of the aspects of that review is now being legislated and debated in this chamber? It pre-empts the outcome of that review and predetermines what the broader public may feel about this review.

As I said, it is interesting that the Australian Vice-Chancellors Committee has suggested that PELS be extended to two of those institutions but not to all four. So is it any wonder that a number of the witnesses who appeared before us were fairly cynical about the motives of this government in relation to its current review of higher education? So why bother to have a review in higher education when one of the aspects of that review is now being legislated and debated in this chamber? It pre-empts the outcome of that review and predetermines what the broader public may feel about this review.

Two of the providers, Bond University and the Melbourne College of Divinity, are in fact self-accrediting institutions established under acts of state parliaments. The remaining two are actually subject to accreditation by their state authorities—that is, the Queensland Office of Higher Education in the case of the Christian Heritage College, and the South Australian Accreditation and Registration Council for Tabor College. But I do not think that this in itself allays any concerns about the accountability and quality assurance of these colleges. I am sorry, but in my mind that simply says that these two are like registered training organisations. In my mind, they have no different status than an RTO would in those two states. That sort of status is quite different from the status conferred on institutions that are part of our higher education sector in this country.

In the case of the two self-accrediting providers, it is apparent that their acts of establishment differ in some important ways from those establishing mainstream public universities. But, as far as the Christian Heritage College and Tabor are concerned, these providers are responsible to the state accreditation authorities that oversee their course provision, which is no different from private providers in the TAFE and VET sector. It was obvious to me that the colleges who appeared before us could not understand the difference between having their courses accredited, ticked off and regulated by a state institution or council and the accountability and scrutiny that universities have to go under in terms of their public accountability, their commitment to research—if we are dealing with postgraduate students, even if the majority of their work is coursework—and the fact that they need to have an academic board that regulates these courses. They may have a board or a council of directors. That is very similar to any sort of council that might regulate any of the internal activities. However, there seemed to be this huge gap in their knowledge and understanding about the difference between a council as we would know it in a higher education institution and an academic board being quite different being from a board of directors that might regulate the college. It is that lack of understanding in their evidence that makes me very concerned about the reasons why these two institutions would want to grasp the opportunity to have PELS and have us believe that they are just as account-able as every other university or higher education institution in this country.

In finishing up, we were told by Dr Kemp last year that this was an election promise by this government. Wouldn’t it be grand if each and every single school or institution had this
power of lobbying? Of course, it is not quite the election promise that they were after. They admitted to us during the inquiry that what they were after was an extension of HECS to their institutions. What they were really looking for was the ability to be able to offer the Higher Education Contribution Scheme to their undergraduate students. So perhaps in some way they feel they have won second prize. Again, it is another example, as some of my colleagues have said, of pork-barrelling by this government, where they do not fully realise the implications of the promises they make during election time.

We had a number of good submissions before us that suggested how the development of nationally determined criteria to look at the accountability of institutions may well be determined. They thought that minimum standards needed to be met by providers in order to receive these public subsidies—standards which, although we may have the MCEETYA National Protocols for Higher Education Approval Processes, might be an additional guidance. But those standards are actually missing in this country. There are a number of concerns in relation to this bill, particularly the extension of public money to private institutions. (Time expired)

Senator NETTLE (New South Wales) (11.33 a.m.)—I rise to speak in opposition to the Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002 in their current form. Public education sits at the heart of the Greens’ commitment to social and economic justice. I revel in the opportunity to speak in this chamber about the value of public education. I imagine that I will have many opportunities to do this but, unfortunately, not for the reasons I would like, but rather because this government has highlighted public education as an area on which it will focus, on which it will sharpen its carving knife and on which it will continue its current trend of transferring funds from the public purse to private providers.

Today we see these trends in relation to the higher education sector. It is pertinent to remember that higher education has been the subject of ongoing cuts from this coalition government since it came to office in 1996. Indeed, there has been a 33 per cent drop in Commonwealth expenditure on higher education since this government came into office. I can remember these cuts well. As a student at the time and from a family of educators, I remember the coalition government’s decision to slash operating grants to universities across the country. This led to massive job losses at my university and within my family. I saw the casualisation of academics, and I saw it leading to a lack of consistency for students and an increasing burden of administrative work on academics—and that means that they have less time available for students and for ensuring that we have quality teaching and research in our public universities in this country.

We are now seeing this government continuing to push the university sector further and further into the marketplace in a range of different ways. This bill is part of that approach. By reducing the per student funding and squeezing universities to become more cost-effective, we have larger class sizes, more casual lecturers and reduced spending on crucial educational infrastructure, such as libraries. University staff to student ratios are now at 18 to one, up from just over 12 to one in 1990. As perhaps the key indicator of the quality of educational outcomes for students, this statistic is damning indeed. We have also seen an increasing emphasis on full fee paying students diverting universities’ resources from being able to provide quality teaching and research. We have also seen an increasing emphasis on industry funded research, which has been slowly destroying the independence of universities, and hence their unique role as the unfettered voice of social critique. These assaults on our higher education system by the coalition government have resulted in universities becoming less accessible, less independent and of poorer quality.

Access for young people from working-class backgrounds and for re-entrant older people has been squeezed by punitive fee schemes and a reduction in student allowances. We are seeing people of an Aboriginal and Torres Strait Islander background being excluded from these tertiary education options and stress levels on academics at unac-
ceptable levels. Universities are now exposed as prostituting their last remaining asset—their reputation and their credibility—to maintain their attractiveness to full fee paying students. These trends did not just start under the current Liberal government; they started under the Labor government. Who can forget the upheavals of the Dawkins years, when universities ceased to be places of learning and scholarship and were forced into partnerships with large corporations?

The Greens believe that we need to re-focus our attention on universities as places which respond to the needs of communities rather than the wants of corporations. This means ensuring higher education is accessible to all members of society, not just those with the family wealth and the class background to not be deterred by the ever-increasing fees. We also need a political and a financial commitment to ensure the participation of Indigenous Australians in tertiary education. This bill does nothing to address any of these concerns.

The first point to make—and others have also made it in the chamber—is that the government is currently engaged in a review of higher education, the Crossroads review, which looks at funding arrangements supposedly up for discussion. Yet we have the irony of the current government coming to us and asking for a decision on funding models for universities well before the review is anywhere near its conclusion. The Crossroads review is about funding arrangements for universities. The PELS aspect of this bill is about funding arrangements for universities. The appropriate place for this debate and proposal is in the midst of the government’s own Crossroads review.

The section of this bill that relates to the extension of the PELS scheme is not a technical adjustment of funding provisions to attain some kind of fictional level playing field. It is not a minor legislative change to iron out anomalies in the current funding framework. This section of the bill represents a dangerous precedent in the approach to higher education in this country and as such it deserves close scrutiny. The PELS proposal is about introducing public funding for private higher education providers.

The Greens will not be supporting this bill whilst it contains the seeds for the privatisation of our higher education sector. Our reasons are clear: these changes pre-empt the higher education Crossroads review and, as a matter of appropriate process, should be deferred until after that review has concluded. The extension of a public subsidy to private providers is a totally inappropriate use of public money, especially in the context of the funding squeeze currently endangering public universities in this country. The necessary high standards of accountability and quality assurance that we demand of our public education providers are not applied to the private providers affected by this bill, therefore affording them a very uneven playing field.

The Greens cannot support this thin end of the wedge legislation. Instead, we will continue to push for real commitment to higher education so as to deliver a fairer, more equitable, more productive system to benefit all Australians, not just those who can afford it. Australia has enjoyed a fair, diverse and accessible public university system that has produced—and continues to produce—high quality education, research developments and graduates who have been exposed to a multicultural, secular, tolerant, vibrant, intellectually and socially stimulating environment. This holistic view of the function of a higher education system is why the Greens value public education so highly.

When understood in these terms, it is easy to appreciate that universities and higher education providers have a role beyond that of conferring qualifications on their graduates. Whilst it may appear somewhat gratuitous to state this relatively uncontroversial view of the role of education, it is abundantly clear from the statements and actions of this government—and indeed others in this chamber—that this has been forgotten. A focus on courses, qualifications and academic issues to the exclusion of all else has been a worrying aspect of not only the current government’s general attitude to higher education but the attitude of governments before them.
We must recognise the vital contribution that higher education makes to our civil society. This government’s own minister notes in the introduction to the Crossroads review that one of the main purposes of higher education is to:

... contribute to a democratic, civilised society and promote the tolerance and debate that underpins it.

Unfortunately, this appears to be the only recognition of the true value of public education that we have seen so far in the government’s Crossroads review. How indeed are we to take this statement in the context of the funding cuts that our universities have undergone over the past decade?

My colleague in the NSW state parliament, Lee Rhiannon, has recently returned from visiting one of the casualties of this government’s assault on the public education system—a regional university in my own state, Charles Sturt University in Bathurst. Students at Charles Sturt University’s celebrated School of Communications recently completed a 78-day occupation of the university council’s building, fighting the loss of resources and staff at that school. These cuts, which would see a fundamental rewriting of their curriculum to remove the practical focus that has made this course so well respected, are a direct result of the federal government’s funding pressures. The university itself acknowledges that the cuts to the communications course were made because of ‘severe budgetary pressures’, including a reduction of federal discretionary funding of approximately 25 per cent over the last five years in real terms.

In defence of their studies, students braved the harsh Bathurst winter to occupy in protest the media centre and to camp outside the university council’s office to highlight their concerns. In their words I ask: how can this government justify their refusal to invest in the future of this country by cutting funding to universities and forcing them to a position where students have to camp out through winter to fight for their courses?

As of just two nights ago, it appears that an agreement has been negotiated which will see an independent review of the curriculum at Charles Sturt University’s School of Communications, with full student involvement. I will be watching with interest the outcomes of that review and the willingness of the university to resource the recommendations that may arise.

The students at Charles Sturt University are not blind to the inherent inconsistencies of this government’s position that, on the one hand, trumpets the importance of competition in the marketplace but, on the other hand, undermines the ability of institutions to maintain competitive facilities. And yet it is about this element of competition and level playing fields that the government and indeed the PELS aspect of the legislation are concerned. The clear indication from the minister, and of course from his predecessor, is that the desired outcome is for a ‘marketplace’ to be created in higher education provision and that this marketplace will somehow, as the committee report stated, ‘free up the pressure on the public sector’. In fact, the manufacture of a marketplace in higher education through the extension of government subsidies to private providers will do nothing to ease the pressure on the public sector; it will do quite the opposite.

The government’s vision for the future of higher education in Australia sees a future where private providers—offering streamlined courses and limited pastoral, cultural and social education, with little or no research capabilities—squeeze out competing public institutions. Facilities at these public institutions are then forced either to refocus on overseas and full-fee paying students or to downsize and eventually close campuses that cannot compete. Regional campuses are of course most vulnerable to these pressures.

Relieving the public sector of the ‘pressure’ to provide these courses is, of course, a recipe for disaster in the public provision of higher education in Australia—which is what this government wants. It is a tragedy in waiting. It should be obvious to all that education is the foundation of a healthy society. It is an end in itself and a community responsibility, but these concepts have fallen on hard times. Education is inappropriately characterised as just another sector in the economy. It is not; it is a community responsibility, an engine producing raw materials
that any economy must rely on. As such, it should not be subject to meddlesome rationalisations or the merciless blowtorch of economic fundamentalism. This process is destined to cheat future generations of the advantages that many of us in this chamber have been lucky enough to enjoy.

The Greens believe that the solution to the self-created crisis in higher education is rooted in a fundamental reinvestment by the federal government in the sector—not via increased access to loans schemes but by a direct investment in the higher education sector. At the last federal election, the Greens went to the polls calling for a phased withdrawal of the HECS scheme as a first step towards a return to free tertiary education. The annual cost of this process would be less than the $2.5 billion a year that is currently spent on the private health insurance rebate. In this context, the Greens see a review of higher education as timely—not as a chance to undermine the public education system but as a chance to put appropriate funding, appropriate investment, back into public education and to put this back on the agenda. The legislation seeks to do none of these things but rather to enforce the government’s current trend of transferring funds from the public purse and the citizen into the pockets of private providers—in this case, private education providers.

Senator BUCKLAND (South Australia) (11:48 a.m.)—The purpose of the Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002 is simply to extend PELS, the Postgraduate Education Loans Scheme, to four private institutions. A number of speakers before me have gone through in chapter and verse the content offered by those institutions, and it is not my intention to rehash what has already been said. However, there is another issue that emerges from these bills—that is, the government is now estimating a reduction of around $14 million in 2002, including new estimates, of HECS receipts. Essentially, this legislation is designed to distract from the government’s record of neglect of not only our universities but also our education system, which has for many years been establishing itself as a world leader.

This is also evident from the figures released by the Australian Vice-Chancellors Committee which revealed a dramatic rise in the student to staff ratio. That translates to overcrowding in lecture theatres and a lack of student-teacher contact, and it compromises the teaching and learning through understaffing and the overstretching of that staff. Those of us who are parents can probably relate to that fairly easily if we have young children at school. At a state level, I think that most of us are crying out for smaller class sizes, and the reduction of class sizes and teacher to student ratios is being addressed by most of the state governments now.

But when it comes to universities, those great arenas of learning, the lack of teacher-student contact is something that will be felt for years to come. It is a time when students need to make regular, constant and in-depth contact with their teachers. How else do we expect them to learn? How else do we expect them to go ahead in the world that they are preparing themselves for? Funding cuts in any shape or form automatically relate to less contact between the teachers and their students—in this case, between lecturers and their students—which is a major obstacle to good learning.

The government has slashed a cumulative $3 billion from the operating grants of our public universities since 1996. The government has shown an appalling neglect of the public universities of Australia. It is undermining the future development of regional universities and increasing the financial burden on students and their families. My understanding is that, in my home town of Whyalla, the Whyalla campus of the University of South Australia next year will introduce its first master’s program in rural health. The cost of the program per student will be $10,800. As I understand it, none of the students who will be undertaking that program next year will receive funding through PELS. The cuts we are now looking at, or the extension of PELS to further institutions, will disadvantage existing universities. I also understand that the Whyalla cam-
pus of the University of South Australia was looking at postgraduate studies and postgraduate courses as a growth area. This particular campus is certainly a centre of excellence when it comes to learning and has a very proud history in what it has done for its students over the years. But going into this new growth area of postgraduate studies could well be jeopardised by the effects of these bills.

We all know that a good education creates opportunities. Let me say—and not lightly—that I often look back on my own life and think of what opportunities might have been available had I had that opportunity to further my education. I am not for one moment not proud of what I have achieved in my life but I think with a greater opportunity to learn I could have achieved far more. My contribution to society might have been more. Again, I say that I am not for one moment not proud of what I did achieve, because many have been in the same situation as me and have contributed mightily to the growth and expansion of this great nation.

The government's higher education policy is one that promotes inequity and leads to exclusion. It is not an education system that is designed for all. It does not promote those who have ability but no money; it promotes a wealthy few. The government's higher education policy is promoting an Australian society where people's decisions to undertake higher education will be based on their bank balance and not their ability. The ability of individuals in this country really needs to be developed and it should not be at the expense of those who live in a part of our society without great swags of money to assist people going through the education process to its finality. I know of many in our society who would have contributed more if they had had that opportunity—an opportunity that would have been available but for that magic ingredient: money.

The quality of our education system has suffered dramatically through the government's policy of defunding our universities. Its quest to attract fee paying students—and consequently its changes to HECS—are creating major barriers not only for young people who are from disadvantaged backgrounds but for young people from average Australian families. It is a clear demonstration of ability being of less value than the family wallet.

This is more evident when Australia is compared to other OECD countries. The OECD data comparison made with these other countries shows that the Howard government has created an inequity in our education system. Our students' scores in mathematical and scientific literacy are notable for the size of the gap between our best and worst students. That, in my view, is an insult to the whole nation. In higher education, Australia has one of the highest levels of student contributions in the OECD. Inequity and exclusion are increasingly the defining features of education in Australia under the Howard government. We have seen this government undermining public education through deregulated fees and real interest rates on HECS, and now loans and voucher funding are back on the agenda according to the Prime Minister.

Justice Michael Kirby summed it up in a short statement. I think it is something we should have embedded in our minds any time we think of education and our universities. He said:

'Equity and quality should be the hallmark of the public university sector in this country.'

Isn't that right? We should all have an equal opportunity to advance our learning and through that advanced learning contribute more greatly to society. How many quality people, but for the golden dollar, have been unable to get the education which they could
have used to make a greater contribution to society? That is really what education is all about—learning so that you can help others. Many are out there today who could have contributed more, but the opportunity did not exist for them.

Under this current government, students who are already struggling with the cost of university studies are required to work during their time at university. How many of those do you see? How many do we know? I think all of us can relate to young people at university. I suspect others in the Senate would be like me and come into regular contact with them—young people who are sandwich artists or who are putting things on bread rolls to sell to us of a night as we travel about or decide not to cook for ourselves, or who are taking part-time jobs at inconvenient hours simply because they need the money to survive.

Senator Forshaw interjecting—

Senator BUCKLAND—Yes, making those things too, Senator Forshaw. It is a crying shame that these people have to work long hours with quite often very late nights or early mornings so that they can assist their family—or themselves in many cases—to advance their education opportunities in life.

After completing their degree they are left with a HECS debt that will take most of them about 10 years or more to repay. It has been estimated by the University of Canberra’s National Centre for Social and Economic Modelling that one-third of women will still have an unpaid HECS debt by the time they reach the retirement age of 65. And the Howard government is adamant about the way in which it negotiates maternity leave! Women have to be seen as the most disadvantaged again in this situation. Many of them go to university—I think more of them should but many cannot—and many of them contribute to society by having children. But to do that they suffer another cost. This legislation goes only to make it a greater cost to them, and before too long we will have women paying for the opportunity to give birth to their own children.

We need to seriously consider the issue of the debts that are incurred in young people’s lives, particularly in the lives of young women, whilst they are considering other serious life commitments. It does impact on the views and thoughts of young people as they move ahead. It is much easier for most young people to go and get a job driving a truck or working in a factory where they have ready access to reasonable, though not particularly good, incomes than it is to consider spending that time at university.

It really comes as no surprise that many young people are delaying these lifelong commitments and postponing making a significant contribution to superannuation or other savings that they need to make for the future. These issues need to be taken into account when addressing these particular bills, and they need to be taken into account seriously. This government should be looking at developing our universities and making sure that all students in Australia have access to a higher education. That should be the aim and the goal of this chamber, and it certainly should be the aim and the goal of the government. The government should abandon its elitist approach to education and pursue a policy based on equity, not exclusion. The government should not be pursuing a two-tiered higher education system that will create a two-tiered Australian society. All Australians should have access to high standard, high quality education and high standard, high quality living.

Senator HARRIS (Queensland) (12.07 p.m.)—I rise to speak on the Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002. The Higher Education Funding Amendment Bill 2002 amends the Higher Education Funding Act 1988 and the Australian Research Council Act 2001. It provides additional funding relating to a new graduate diploma in environment and plan-
ning at the University of Tasmania and supplements grants for cost increases. One Nation has consulted with the tertiary education peak bodies in relation to this legislation. Our feedback is that, while they are generally supportive of the bill, as is One Nation, there are concerns over the extension of the Postgraduate Education Loans Scheme, PELS.

What is PELS? PELS provides an interest-free, income contingent loan facility similar to the Higher Education Contribution Scheme, HECS, for Australian citizens and some permanent residents eligible to commence, or continue, fee paying, postgraduate, non-research award studies in 2002. Students can choose to defer all or part of the cost of the fee paying course and pay their debt back through the taxation system. You are eligible for a PELS loan if you are enrolled in a fee paying, postgraduate, non-research course; if you are an Australian citizen or a holder of an Australian permanent visa; if you meet the eligible requirements; and if you have commenced a program of studies prior to 2002.

Students can borrow up to the limits of their tuition fees for the course for each semester. In any given semester, once a student has PELS approval, they will have three options for payment. Firstly, they can use the PELS facility to cover the full tuition fees. Secondly, they can use the PELS facility to cover part of the tuition fees and pay the balance. Thirdly, they can choose not to use PELS for any tuition fee and pay the full amount upfront. Students begin repaying their loan through the taxation system once their repayment income reaches the minimum threshold for compulsory repayment.

The Australian Vice Chancellors Committee supports PELS funding being available to students of Bond University and the Melbourne College of Divinity as self-accrediting higher education institutes but has expressed concerns at the extension of PELS to students at two non-accredited institutions in advance of the outcomes of the higher education review.

It has been expressed to us that opening up funding lines such as PELS to further institutions could potentially limit funding to students at universities in the future, although the likelihood of that is actually recognised by the universities as low. On the point of funding, or the lack of it, for tertiary education institutions, I note the comments of the Council of Australian Postgraduate Associations, the national body that represents 155,000 or more postgraduate students. In a media release issued in October last year the council stated:

Universities are being starved of resources to fund basic and general activities under the Coalition. The capacity to fund reasonable pay increases, for instance, has been severely compromised by this government’s unwillingness to support the expenditure of these public institutions.

They go on further to say:

The cost of information technology systems, library resources, normal building and maintenance programmes, and routine administrative and logistical functions all continue to rise. The government cheerfully suggests that universities look to private sources of revenue to replace the growing shortfall in public funding.

I indicate to the chamber that One Nation seeks to amend the bill to stop the expansion of PELS only to non self-accredited institutions at this time, and this is in line with the concerns that the universities have. The Bills Digest on this bill states:

The Postgraduate Education Loans Scheme (PELS) is essentially a modified version of the Higher Education Contribution Scheme (HECS): the Commonwealth pays the tuition fee for the student, who then repays the amount through the tax system when their income reaches certain levels. Once a PELS debt is incurred, it is treated in the same way as a HECS debt: repayment rates and income thresholds are the same and no interest is payable on the debt, although it is indexed on the basis of the Consumer Price Index.

The Bills Digest goes on to say:

The major differences between PELS and HECS are:

- the fees payable will not be set by the Commonwealth, as they are with HECS, so institutions can set their own postgraduate fee levels. The loans are only available for postgraduate non-research course tuition fees, and
- there is no discount for up-front payments (students who pay their own HECS contribution on enrolment receive a 25 per cent discount).
A more logical approach would be to make the PELS available for all postgraduate coursework degrees that are provided by self-accrediting institutions (ie. universities or their equivalent) ...

Such an extension would have no impact on Budget expenses because the Department treats loans under PELS as an asset ...

Under the heading ‘Funding Impact’ the Bills Digest goes on to say:

- increase HEFA grants by $7.0 million for 2001, decrease them by $5.178 million in 2002, and increase them by $74.128 million in 2003 and $74.998 million in 2004 ...

The funding impacts vary depending on the year of appropriation.

The Higher Education Legislation Amendment Bill (No. 2) 2002 will amend the Higher Education Funding Act 1988 to establish a scheme to provide loans to overseas trained professional people who require bridging courses to enter their professions in Australia. The proposed scheme is similar to the Postgraduate Education Loan Scheme— that is, PELS—which provides income-contingent loans for fee-paying postgraduate coursework students. One Nation has consulted with the universities, and on this occasion I am pleased to report that based on those discussions it will support the legislation without amendment.

As this legislation pertains to overseas students, I would like to raise a few issues regarding applications for residency. The government’s current policy allows students to apply for permanent residency while in Australia. This came into effect only on 1 July 2001. Previously, students had to return to their country of origin and then apply for permanent residency from there. The government, in July 2001, altered that so that they can make the application here in Australia. The number of students and their dependants who were successful in their applications for permanent residency from 1 July 2001 to 30 June 2002 was 6,273. The Minister for Education, Science and Training, Dr Brendan Nelson, told the parliament recently that since 1995 the number of overseas students coming to Australia has increased by 66,000. Dr Nelson went on to say:

In the six years from 1994 to 2000 there was an 84 per cent increase in the number of overseas students undertaking education and training in Australia.

Education is now Australia’s fastest-growing export service sector. It is worth more than $4 billion a year. In Australian dollar terms that makes it worth as much as wheat. It is worth more than sheep and it is actually worth more than beef. There are now more than 188,000 overseas students enrolled in Australian education and training facilities. Our Australian universities would no longer be able to survive without overseas fee-paying students, nor would they be able to survive without industry funding. This is a reflection of the extent to which tertiary education has been cut by this government and deprived of public funding. Since industry generally has narrow economic priorities, a lack of public funding could lead to academic independence being compromised and a restriction of research and teaching agendas.

One Nation suggests that funding should come from some form of mandated contribution from corporations to allow more independent research and teaching to take place, and the way to facilitate that would be for that funding to go into a trust fund. Rather than a corporation directing funding only to their particular industry, the contribution would go to a trust fund to be allocated, based on the benefits of the research to society as a whole. This would go a long way to removing the claim that—due to research being directly funded by the sector that would benefit most from it—it could be inferred that, merely by funding coming from the industries that can afford the research, our promotional research is biased towards those industries. As One Nation suggests, if the money goes into a trust fund and the universities then allocate it based on the merit of social and economic benefits for the community, that would largely go towards removing the claims of bias that can be levelled at the universities’ current funding arrangements.

In conclusion, I indicate one of the questions on which I will be seeking information from the minister during the committee
stage: if the departments within universities are setting out in their ledgers that a forward payment for PELS is offset because it is an asset of that institution, what happens if the overseas student does not enter into employment here in Australia but returns to their country of origin? Do we have a reciprocal agreement whereby, once that student takes up employment, a contribution is returned to Australia? Or is it the case that that overseas student, who has achieved Australian temporary residency and therefore is eligible for PELS, would be able to return to their country of origin and not be obliged to make any contribution when their income reaches the threshold level?

The other issue that I raised in relation to the second bill, the Higher Education Legislation Amendment Bill, was the government’s policy of altering the criteria under which these students could apply for residency in Australia. I would be interested to hear the minister’s comments as to whether we could have a new process whereby people apply for, firstly, Australian residency and, secondly, having achieved that, Australian citizenship. When the government considered altering the scheme to allow these students to apply while still based in Australia, did they envisage such a large increase in numbers? I refer again to Dr Nelson’s reference to an 84% per cent increase between 1994 and 2000 in the number of students applying for permanent residency.

I indicate to the chamber once again that I will be moving an amendment to the Higher Education Funding Amendment Bill during the committee stage, and that I will be supporting the Higher Education Legislation Amendment Bill without seeking to amend it.

Senator DENMAN (Tasmania) (12.25 p.m.)—I would like to begin by discussing issues relating to the Higher Education Legislation Amendment Bill (No. 2) 2002 and later I will refer to parts of the Higher Education Funding Amendment Bill 2002.

The Higher Education Legislation Amendment Bill provides funding for Australian universities for 2004. We need a strong and adequately funded and resourced education system. However, the Australian Labor Party strongly opposes the trend that we have seen under the Howard government to withdraw funding from public universities. Since 1996 it has been estimated that this government has taken $3 billion of Commonwealth funding from tertiary education, and student contributions have increased by 60 per cent. I find these figures alarming, but they are supported by letters and feedback I receive from my constituents on the north-west coast of Tasmania. There were some interesting articles in the press recently, which I will refer to if I have time, which endorse what I am about to say.

Students are finding it harder to get a decent education as they are faced with an increasing financial burden that is proving too great for them and their families. The north-west coast of Tasmania, unfortunately, has one of the lowest tertiary education retention rates in Australia and one of the lowest participation rates in further education. It also has one of the highest unemployment rates in Australia, and therefore a large number of people from low socioeconomic backgrounds.

Can you see the cycle? These people, like others in Australia that are poverty trapped, are not being given a fair go to gain higher education. It seems ironic that we place our students under such pressure when they represent Australia’s future, particularly if we are to continue our successes in the areas of research and development. I will refer later to the situation on the north-west coast of Tasmania, because the report to which I will refer is very relevant to the debate.

Education is arguably the most important asset that anyone can have. You can lose everything else, but the wonderful thing about education is that no-one can take it from you. Part of all that we are so proud of in being Australian is the opportunity for an education that our children have. We should be fiercely protective of this quality. Labor has always acknowledged the value of education and our strong commitment led us to introduce the Higher Education Contribution Scheme—HECS. HECS ensured that education was affordable for all students, irrespective of their wealth or income. It was a sys-
tem that was designed to be fair and equitable.

In recent years this government has changed HECS drastically. It has raised the amount of HECS in terms of the cost per subject at universities. It has also lowered the threshold so that people in the work force have to start repaying their HECS debt earlier. While obviously increasing the costs of education, these kinds of changes may also serve to dissuade potential students whose interests may lie in working in fields such as education and nursing, and whose incomes would be relatively lower than if they obtained other degrees. Therefore, they probably decide to go into other degree areas because their income potential will be higher and they can repay their HECS debt more quickly.

Yesterday my colleague Jenny Macklin, Deputy Leader of the Opposition and shadow minister for employment, education, training and science, raised another startling issue. She released a media statement criticising the decision of the University of New South Wales to allow entry to students with lower entry marks in exchange for up-front fees. Therefore, if students with lower entry marks paid up-front fees, they could go to the university. This initiative marks another step in the trend towards shifting the cost of university education onto students and families, but it is grossly unfair. In her press statement, Jenny Macklin said:

"It means that if you are rich enough the standards that apply to everyone else don't apply to you. It discriminates against Australians who have only just missed out on a university place and don't have the money to buy their way in.

This policy is apparently intended to give students who may have missed out on a particular course by up to five points less than the entry fee an opportunity to buy their way into the course. Yet, earlier this year, it was revealed that students with marks of up to 20 points lower than other students were being allowed entry in exchange for paying full fees. This is the type of education system that Australia does not want—an education system that marks the divide between haves and have-nots. Of course that is not what we want. These kinds of policies will make education the preserve of the wealthy. I hope I am wrong, but I consider that it is another step in this disturbing trend towards eroding our education system—an education system which has been accessible and affordable and which delivers quality education to all Australians regardless of their socioeconomic background.

Without reasonable funding, the quality of our universities is threatened. Australia has always been able to attract international students because of the excellent reputation of our universities. I was recently on a delegation to Thailand, where I met quite a number of students who were coming to Australia to attend university because of the quality of our education—hopefully that trend will continue. They come because of the courses we offer and the academics we have. In today's Australian newspaper Alan Gilbert, the Vice-Chancellor of the University of Melbourne, warns that these qualities are being jeopardised. He says:

"First, whether we like it or not, Australian universities are in trouble. The minister has been anxious to deny that Australian universities are in crisis. In the short term, he is undoubtedly right. But it requires only a clear sense of what is happening internationally in higher education to know that, unless our universities can somehow access substantially greater resources, even the best will lapse into mediocrity within the next few years, perhaps irretrievably. Because our universities have such a good reputation, one hopes that that will not happen. The government must take notice of these warnings. Australia has too much to lose if the minister, Dr Brendan Nelson, does not formulate solutions to these real problems when he takes the higher education reform package to cabinet later in the year.

I want to turn to the Higher Education Funding Amendment Bill 2002 for a few moments. There are elements of this bill that Labor does not oppose, specifically some of the minor aspects such as the variation program funding levels, for technical reasons. It also provides funds for a new graduate program in environment at the University of Tasmania which, as a Tasmanian, I am particularly pleased to mention. The allocation for this new graduate program will be $360,000, including six scholarships of
$10,000 each over 2003 to 2005. This course in Tasmania will be unique in its focus on strategic and policy issues, Antarctic tourism, rural and regional planning and the health and wellbeing of communities. It is intended that the graduate diploma will appeal to potential students in Tasmania as well as in other parts of Australia and overseas. It is relevant to this government’s rural and regional priorities. Again, I want to acknowledge this wonderful initiative. It is something that Tasmania can well do with and I give the government full credit for what they have done.

However, other elements of this bill raise concerns for the Labor Party. This bill will enable students studying eligible courses at four institutions—that is, Bond University, Melbourne College of Divinity, Tabor College and the Christian Heritage College—to access the Postgraduate Education Loans Scheme—PELS. This scheme is similar to the Higher Education Contribution Scheme—HECS—where the Commonwealth pays the tuition fees for the student and the student then pays back the amount through the tax system when their income reaches a certain level. This relates to my comment about some students not going into teaching and nursing because of the level of their income. Yet PELS is different in that the fees payable will not be set by the Commonwealth—institutions can set their own fees—and the loans are available only for postgraduate non-research course tuition fees. There is also no discount for up-front payments.

In the Labor senators’ minority report of the Senate Employment, Workplace Relations and Education Legislation Committee on this bill, there is a detailed discussion of a number of issues that form the basis of our concerns. I will take the opportunity to mention a couple, and I note some of these have already been canvassed by my fellow colleagues. One of the areas of concern is the timing of this bill. A Commonwealth government inquiry is currently investigating the desirability of, and possible mechanisms for, providing public subsidies to the 80 or 90 private providers of higher education in Australia. Yet, here we have a bill that will give a public subsidy, through PELS, to a select four institutions. Considering that the government review deals precisely with the initiatives contained in this bill, it seems to me that it would have been far more sensible and logical to have waited for the outcome of this review. Indeed, in evidence to the committee examining this bill many education stakeholder groups suggested that this bill pre-empt the outcome of the review.

It has been unclear why the government has chosen these four education providers, as opposed to choosing from the other 80 to 90 education providers that I have spoken of. When students are doing it tough, as many are, there is a considerable advantage to students of these institutions in being able to access a Commonwealth loan system, yet students of other institutions will not have the same opportunities afforded to them. This raises questions of fairness. There is also the accountability issue. In the minority report the point is made that whenever public subsidies are provided there must be public accountability, and that is absolutely crucial. Yet these four providers are not currently subjected to the same level of scrutiny that we rightly impose on our public higher education institutions which are receiving public subsidies. Without these checks and balances we cannot be confident that taxpayers’ funds are being appropriately used. This legislation should have been explicit about its accountability criteria.

Our education sector is constantly changing, and this is a good thing when those changes are well considered and are made with a genuine intent to improve quality. Of course our education system must change, like everything else: things have to move on and they have to change. However, Labor is not confident that this bill meets those principles. This bill also serves to raise other issues regarding our public universities. Our public universities desperately need more Commonwealth funding: students and families are finding it difficult to survive with the increasing financial burden that this government places on them. I said earlier that I wanted to come back, if I had time, to quote a media statement that bears out what I have said about the educational needs of rural,
lower socioeconomic areas, such as the north-west coast of Tasmania, where I live. It states:

An innovative report of the National Education and Employment Forum (NEEF) released today has confirmed the links between where people live, the quality of education they receive and the extent of unemployment and poverty they are likely to face.

This is very applicable to the area in which I live. It continues:

Welcoming the *Bridging the Gap* report, Deputy Labor leader Jenny Macklin said Australia was becoming increasingly polarised according to where people lived.

Ms Macklin said the report backed findings of a strong association between education, household income and location.

There is a first-year campus in Burnie, which is along the coast from where I live, and the percentage of drop-outs after the first year is fairly high. Students in their first year are able to live at home but from then on they have to travel: either they have to go away and live, and that is not always affordable, or they have to travel by car to the campus at Launceston, which is a couple of hours away. This is where we run into real problems with those lower socioeconomic families who are not being given a fair go. The statement continues:

The report found young people from low-income families were more likely to leave school early, and early school leavers were less likely to get full-time work.

Again, this is applicable to where I live. The unemployment rate in my area is something like 12 1/2 per cent. It goes on:

Ms Macklin said areas of concentrated disadvantage had arisen in Australia and the Howard Government appeared unprepared to do anything about it.

‘Increasingly, getting a job in Australia is about where you live rather than what you know and what you can do,’ Ms Macklin said.

‘Australians growing up in education-poor postcodes simply don’t have the same opportunities as others in the community.’

As a child, I lived in the area in which I now live and in the days when I was a student there were student scholarships. Had it not been for those student scholarships, my two brothers and I would not have been able to get any further education, so I appeal to the government to have a good look at this legislation.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Cook)—Order! It being 12.45 p.m., I call on matters of public interest.

Health and Ageing

Senator TIERNEY (New South Wales) (12.45 p.m.)—I rise in this public interest debate to put the spotlight on an ageing population in Australia. The good news is that we are expected to live longer. How much thought are Australians giving to what they will be doing between the ages of 60 and 85? Our life expectancy has been rising steadily and estimates show that this will continue. What thought are people giving to what they will do to support themselves financially and what activities they will be involved with during their autumn years? Budget Paper No. 5 of this year’s budget included the Intergenerational Report. This is a remarkable document as it allows us to peer into the future, 40 years ahead, and ask some fundamental questions about the nature of society at that time and what retired people will be doing. I will return to that question later.

What will Australia’s ageing demographic look like in 10, 30 and 40 years time? As life expectancy for Australians is amongst the highest in the world, what will be the effect of these changes on federal budgets over the next 40 years? The fundamental question for this year’s budget was: what action should be taken now to head off massive cost blowouts in expenditure over the coming decades? For a public that over time has become used to governments gearing programs to the short term, a 40-year long perspective was quite a new experience.

I return to the first question: what will our ageing demographic look like in 40 years time? A remarkably changing picture occurs over time, particularly if you put it in a historical context. If you go back 200 years to the time of Australia’s first settlers, life at that time was brutal and brief for many. Living until 80 or 90 was exceptional and the
age pyramid at that time had a very thin point. In 200 years, the top of the age pyramid has broadened remarkably. The lifespan of humankind has not increased by one day but a higher proportion of the population gets further along the age track. That is why the average age levels keep rising. Predictions show that in 50 years time, the average life expectancy for a male will rise by six years, and for a female by four years. In my own family the change has been quite remarkable over the generations. By the time I had turned 10, all my grandparents had died. Now, my 10-year-old grand-daughter has two great-grandparents: one in her early eighties and the other, who is almost 90, had a quintuple heart bypass—that is, replacing five valves—a few years ago, and at the age of almost 90, recently jetted off to England and Ireland for three weeks.

As we develop more body parts, kicked on by medical miracles and the promise of stem cell research, an even higher proportion of the population will get through to the end of life’s race. Recently, I saw the projections of almost 100 years out, to the year 2100. This will be of great interest to anyone planning to live that long, and that is quite possible, I suppose, if stem cell research develops enough parts. As the decade of the 21st century rolls on, the top of the age pyramid becomes a fatter and fatter funnel. As medical technologies advance, dementia, heart disease and cancers could reduce remarkably, and some might be completely eliminated. That brings me to the effect of all this on the future of federal expenditure, as projected by the Intergenerational Report. The fundamental point made by the report is that, in an ageing population, both aged care and health costs will blow out, simply because there will be more aged people and they will be living longer. The major driver of the cost increase on the budget is likely to be new medical procedures for the aged. Technological changes will see the development of new and more effective treatments for a range of medical problems. Recent government funded research has been dedicated to developing new technologies in the health system. Senator the Hon. Kay Patterson, Minister for Health and Ageing, said, ‘We want Australians to have access to new generation medicines.’ We will continue to do this because it improves our quality of life and our life expectancy.

What will be the impact of all that be on government expenditure? Currently, over half of all Commonwealth government spending is directed to health and aged care, along with social safety net payments to individuals and to education. These costs will blow out over time, with health, nursing homes and aged care packages increasing. The Intergenerational Report provides a basis for considering the Commonwealth’s fiscal outlook over the long term. We must take into account life expectancy because both male and female life expectancy is rising steadily and the forecasts show that this will continue. The current life expectancy for a male is 77.36 years and for a female it is 82.62 years. Predictions show that 50 years from now, in the year 2052, the life expectancy for males will be 83 and for females it will be 87, which is good news. Projections in the report show that future spending in health is likely to triple. This growth, as touched on earlier, reflects the increased cost and availability of new high-tech procedures and medicine and an increase in the use and cost of services. Due to the fact that older people tend to have a greater need for health services, projections show they will require a great deal of increased health spending. Commonwealth spending on aged care is projected to more than double by 2042. With health service spending, a growth of 40 per cent is envisaged over that time.

If we are moving into a society in which a large proportion of the population over 60 years of age lives in good health for another 30 to 40 years, how will the retirement incomes for people in that situation be funded? What will be the quality of life be between the years 2040 and 2080 for those aged 20 now? When they reach the national retirement age of 60 in 2040 in reasonably good health, with the likelihood of living for another 30 to 40 years, how will they spend that time balancing study, work and leisure? What resources will governments have to bring to bear to support this?

A few years ago, there was an ad on TV where a man in his 60s comes home after
visiting the doctor and says excitedly, ‘The doctor says I can live for another 20 years!’ His wife replies dryly, ‘That’s a pity; we’ve only got enough money to get us through the next 10.’ The obvious way to fund most of this and to take the burden off taxpayers is for a higher proportion of the population to continue working, either full time or part time. The trend for this is already starting to develop. This has some positive health effects as well. There is growing evidence that staying active and keeping your mind alert is very good for your health in later years.

The first evidence of this came from a very detailed study out of communist Russia. It was the sort of research they could do there; we could not have done it for ethical reasons. They took one group of retirement homes and did not organise any activities for the people there; for the second group they arranged craft and other manual tasks; and in the third group they set up mentally stimulating activities such as learning new languages. They carried out a 15-year longitudinal study and, for these groups in the aged community, tracked death rates and the onset of dementia, and monitored the general state of health. The difference between the three groups was quite dramatic, with health and quality of life highest in the third group.

One of our great challenges in the future will be to provide care for the aged population and also to promote opportunities for meaning in peoples’ lives. It is this question of quality of life for the aged that I hope our civilised society will soon be able answer. The Intergenerational Report has made a great contribution to our awareness of these issues and, over time, this should lead to some constructive solutions.

Sport: Australian Women’s Soccer Association

Senator LUNDY (Australian Capital Territory) (12.54 p.m.)—Earlier this week I raised a number of concerns about possible financial irregularities and contractual arrangements involving the Australian Women’s Soccer Association and the fund-raising activities involving the Matildas. In particular, I expressed concern about the circumstances surrounding the filming of the so-called topless toothpaste television ad in Perth. I also wrote to the Australian Federal Police about matters of a potentially criminal nature, and have received confirmation that these matters are currently being assessed.

Since these matters were raised, further information has come to light. I am particularly concerned about the expenditure of taxpayers’ funds by the Australian Women’s Soccer Association in 1999-2000, when they received almost $1.15 million from the Australian Sports Commission. In particular, the allocation of $277,000 in Olympic Athlete Program funding for ‘international competitions’ must be fully accounted for. I also believe the exact financial and contractual details of the Matildas’ TV ad should be made public, including how much was paid for this ad, who signed the contract on behalf of the Matildas, who the money was paid to, how much the participants received, whether contracts were signed before the ad was filmed, and whether all players were given copies of the contract. Finally, why wasn’t the Sports Commission aware of the ad, as they have now claimed, when it was supposedly undertaken to supplement government funding?

The historical circumstances surrounding the Australian Women’s Soccer Association going into liquidation, its being taken over and allegations that players were duped into appearing in the ‘topless toothpaste’ ad must be fully considered. However, people associated with the Matildas have expressed their concern to me that Senator Kemp’s proposed inquiry into soccer in Australia will not provide an appropriate environment for past and present players to present important information relating to alleged financial and ethical mismanagement.

I am concerned because there needs to be an opportunity for submissions to be presented with confidentiality. Only then will the players feel confident about coming forward. I understand that some current and former members of the Matildas are afraid to come forward as it may jeopardise their place in the team. There is also a fear that selections have been based on other criteria besides merit, and, if this is true, it is totally unacceptable. The proposed government inquiry must provide an opportunity for past
and present members of the Matildas to come forward without any fear of retribution.

When Senator Kemp announced an inquiry on 9 August, there was an expectation that it would inquire into all matters related to Soccer Australia, the body which now oversees men’s and women’s soccer in Australia. This was understood by the public and the stakeholders to mean that the minister was serious about investigating the allegations surrounding how the Women’s Soccer Association, which received government funding of almost $2 million, was recently wound up in the ACT Supreme Court with debts of at least $70,000. Following confirmation from the minister yesterday, I assumed the inquiry would therefore be investigating all relevant matters relating to how Soccer Australia and the Australian Women’s Soccer Association ended up in such financial difficulties. I welcomed the minister’s comments at the time. In fact, yesterday in question time Senator Kemp assured this chamber that the inquiry will ‘seek the views of all stakeholders on these issues’. Furthermore, Senator Kemp told the Senate that he has asked the Australian Sports Commission to look very closely into the particular matters that I raised. I welcomed that as well.

But, late yesterday, the Australian Sports Commission defied the minister and undermined the possibility of an open and transparent inquiry. The Sports Commission issued a media release yesterday claiming:

It is not appropriate that these historical matters be the subject of the current review of soccer in Australia.

The Australian Sports Commission is defying the minister and pre-empting his inquiry. The Sports Commission appears to have decided that it does not want to have these matters investigated and is now showing contempt towards its minister. Many of the allegations about the management and accounting of women’s soccer involve the role and actions of the Australian Sports Commission and, indeed, the Institute of Sport. If the Australian Sports Commission does not want these serious matters investigated then it should stand at arm’s length from this inquiry, otherwise it may be perceived that it has a conflict of interest.

I call on the minister to assert his authority and immediately assure the soccer community and past and present members of the Matildas that their serious concerns about the expenditure of taxpayers’ money and the circumstances surrounding the filming of the toothpaste ad in Perth will be fully investigated. I have raised these matters in the hope that the problems which have obviously affected women’s soccer will be investigated. Only then will the game be able to progress.

On a more general note, women’s sport in Australia has suffered in comparison to men’s sport, and nowhere is this more evident than in sponsorship, profile and media coverage. I have previously said that I respect the rights of adult sportspeople to make decisions about how they market themselves. The issue with the television ad is that there appears to be a culture in women’s soccer that this type of activity is part of their role as Matildas. This is not about adults making decisions about how to market themselves; it is something very different.

I also reject the argument that has been implied by some in quite sexist terms that the Matildas’ having already participated in the calendar somehow opens the door for management to pursue this style of fundraising. It is not acceptable in any way to suggest to young athletes that it is a necessary or required aspect of their role as athletes to boost a sport’s profile or bank balance, or to imply that they have an obligation to do so. It is not acceptable to pressure young athletes into doing things they are not comfortable with.

With more information coming to light each day, Minister Kemp needs to immediately provide the full detail of his proposed inquiry and an appropriate mechanism for stakeholders to participate without fear of retribution. I look forward to seeing the minister’s terms of reference.

Australia Post: Workplace Relations

Senator HUTCHINS (New South Wales) (1.01 p.m.)—I want to highlight to the Senate the activities of Australia Post in the last few months in what appears to be the ongoing war it has decided to conduct on its employ-
ees. You may not have noticed, Mr Acting Deputy President Cook, being a Western Australian, but there has been a significant amount of bad publicity associated with the aggressive and intimidatory actions by Australia Post management in New South Wales. I wish to highlight some of the actions that this management has taken against its staff. We have a situation where one woman was demoted because she had too many pictures on her desk at one Australia Post outlet. That would have resulted in that lady losing a $3,000 a year pay rate increase because she had too many photographs on her desk. I asked what these photographs were of; they were of her friends and family. It is pleasing to any of us that we have a number of friends and family whose photographs we can put on our desk. I have never had the opportunity to go into, say, Senator Alston’s office, but I understand from talking to some of my coalition colleagues that his desk is bare, that there are no friends whose photographs he can put there. I am not sure but, as I understand it, when he went to Disneyland at some period during his operations as minister he may have even got some complimentary photographs of himself with Mickey Mouse or Donald Duck. That is only hearsay, and if it is incorrect I will withdraw it—but it is the case that this lady was penalised because she had photographs on her desk and it is a fact that this management has decided to conduct some sort of warfare against its own staff.

Anybody who has been involved in employee or employer relations will know quite well—without having to go to any school or university—that if you are going to try to get the best out of your staff you do not decide to declare war on them. However, we have had a series of instances in New South Wales where Australia Post have decided to do that. The most significant one, and one which received a lot of publicity, was the case involving a Mr Richard O’Brien. There was significant press, radio and television publicity about the fact that Mr O’Brien was sent home by Australia Post because they claimed he was overweight—even though when Mr O’Brien was engaged by Australia Post he was, I understand, a little more weighty than he was when he was sent home. He was sent home under a scheme that is called a ‘non-stat policy’. I understand there is a squad in Australia Post, which I suppose you could call the ‘non-stat squad’. If people have rung in to claim sick leave, or to say that they are sick and unable to attend work, that squad makes a decision upon whether those people are required to present themselves within 24 hours to management. As a result of that they may be sent to a facility nominated doctor service. I will go into that in a moment. If the non-stat squad pings you for claiming sick leave, as I said, you have got to be advised within 24 hours whether or not you could become eligible for it.

In the case of Mr O’Brien, he had been a longstanding and long-serving member of Australia Post. It is not as though Mr O’Brien was singled out because he had injured himself playing football or injured himself skiing or at soccer—or any other sort of pursuit that people follow on the weekends. No, Mr O’Brien must have been singled out because of the crazy mania that seems to have engulfed and consumed the Australia Post management. As I say, once you get to the stage where the non-stat squad identifies you as a person who needs additional scrutiny, you are advised that you must go to a facility nominated doctor. I have here a series of statutory declarations by a number of women—in particular, women—who have been sent to the facility nominated doctor. Let me get everybody clear about what the facility nominated doctor is. That is a doctor nominated by someone in Australia Post—a person has to go there and be scrutinised by this particular doctor. The women whose statutory declarations I have— I understand Australia Post management have been made aware of these women’s statutory declarations and have seen them—have suggested that they have been subjected to sexual harassment by these facility nominated doctors. These are doctors who have been nominated by Australia Post in a series of suburbs around Sydney. Women who say that they have a sore wrist are subjected to these doctors who tell them to go and take all their clothes off. These doctors are not selected at random by these women or anybody else. They are selected by Australia Post management. As I said, that has been highlighted
to management. The people who highlighted it are waiting for a response.

Not only does the murkiness start and end there; once the FNDs are selected, Australia Post management supply these doctors—without the consent of employees—with employees’ records, which include their medical records. That is, indeed, a breach of privacy. Also, the scam gets even better because Australia Post may not get charged for these medical visits; they may be paid for by courtesy of Medicare. We have a situation where Australia Post managers are acting improperly, and they have these agents and doctors who are doing some pretty terrible things.

I talked earlier about the non-stat squad situation. This squad runs around Sydney or peels through files in some head office somewhere and, when it sees that some men and women may have some sort of impediment or may have had some difficulty at a previous time, the squad arrives. In Mr Tony Abbott’s electorate, a lady has worked at the Manly post office for 10 years. Everybody in that post office has known that this lady—and I have her name—has been able to competently carry out her duties for 10 years, but everybody has known that this lady has not been able to stand to conduct her duties. However, for 10 years that has been quite acceptable to the other members of staff, to the customers and to the management of that particular post office. For 10 years there have been no complaints. Yet the squad arrived, and this lady was sent home. For 10 years she has been able to do her job sitting down, but not anymore. The squad arrived and sent her home. This situation, as I understand it, is before the Australian Industrial Relations Commission, and that decision has been suspended by Australia Post.

I raise these concerns today because this situation should not be tolerated. This squad seems to have no hindrance placed on it, seems to have the backing of management and, as I understand it, seems to have the opportunity to spy anywhere in New South Wales at this stage. It seems to randomly, or maybe not randomly, select people to persecute and it uses facility nominated doctors who seem like real scum and directs people to use them. We know that Australia Post have put in a request for an increase of 5c on the price of postage stamps. Yet at the same time that we are expected to give to this organisation an undertaking to raise the price of stamps—and thus give them more revenue—they are conducting open warfare on their own staff. I think it is immoral and I think it is potentially illegal. I hope Australia Post get all they deserve from the Australian Industrial Relations Commission.

**Taxation: Family Payments**

*Senator CHERRY (Queensland) (1.12 p.m.)—* I rise to speak today on the issue of the family tax benefit. In doing so, I do not wish to limit discussion to the contentious issue of recovery from taxation refunds; rather I wish to challenge the Minister for Family and Community Services on her statement yesterday that the basic system is not fundamentally flawed. The debacle of confusion, overpayments and method of recovery of debt since this benefit was introduced establishes beyond doubt that there is, indeed, something fundamentally very flawed with the basic precept and administration of the family tax benefit.

Each time the matter of family tax benefit overpayment and administration is raised in this place, Minister Vanstone and also Senator Knowles attempt to hide behind the reasoning that, because the FTB is a tax payment, there is somehow no entitlement to this payment until the end of the year. This is both unrealistic and misleading. The family tax benefit is not a tax refund, nor is it a tax rebate; it is an assistance paid to families to help them raise children. Its only real relevance to taxation is that it is based on the taxable income of a family. For the record, entitlement to other social security payments is also based on taxable income, yet we do not name them a pension tax benefit or Newstart tax benefit. It is, therefore, both incorrect and misleading to infer that the family tax benefit is something that should rightly be claimed only after 30 June in any year.

Prior to 1 July 2000, family payment was paid fortnightly to families on the basis of the previous year’s taxable income, known as the base year. While it was not without its administration faults, it generally provided a
regular, fortnightly income support for Australian families. There was a built-in provision for those whose circumstances changed significantly from the base year so that those families whose circumstances changed for the worse received higher payments at the time when they needed it.

The family tax benefit system introduced in July 2000 consolidated a range of 12 existing payments and rebates into three. So it is important to realise that the family tax benefit is essentially the financial assistance which has been paid to families for many years now to assist them in raising children. It has previously been known as family payment, family allowance, family assistance and, in the days of my own childhood, child endowment. Thankfully, it has increased longer only for families with more than two children, as it was in those days—although, being one of seven, I would have qualified.

The Australian Democrats have always supported simplification, especially when it applies to the myriad complex rules and legislation which comprise social security law. But renaming the allowance to include the term ‘tax’ and changing the method of assessing entitlement has proven to be anything but simple. The fallout from the two years following the implementation of the family tax benefit in July 2000 clearly shows that there has been no simplification for those who are caught up in large overpayments, and no greater ease of understanding. My office receives telephone calls and letters daily from families for whom the system has proven to be too complex and unworkable and whom it has left deeply in debt.

I talk to families in my state daily. They tell me they need their regular family payment, regardless of what it is called. That money is always used and rarely put away. It is needed fortnightly, because children’s needs are ongoing and cannot wait until the end of the tax year. Parents spend that money on shoes, clothing, medication, sporting fees, school books and swimming lessons. In many cases it is used for the most essential of needs: accommodation and food. A child cannot wait until the end of the tax year for food, clothing, shelter and medication. If you ask a sole parent with three children to wait until the end of the year to claim their family tax benefit, you are asking that parent to accommodate, feed and clothe that child—or even up to three children—on less than $200 a week. It just cannot be done. The assertion of the Minister for Family and Community Services that families can avoid overpayment by claiming the allowance at the end of the tax year shows how out of touch she is with the real needs of Australian families.

The family tax benefit is based on the requirement that a recipient estimate their taxable income to the exact dollar more than 12 months ahead, including their partner’s income where they are a member of a couple. We now know that that task is simply impossible for many families. Providing an estimate is difficult, if not impossible, and more so if the person works casually, has changed jobs since 1 July or is self-employed. I will give an example of what a person has to go through—I have already done so in the Senate, but it is worth doing again.

To receive the family tax benefit fortnightly, they must multiply the amount they receive in income before tax—that is, the gross amount—by 26 or 52, depending on whether they are paid weekly or fortnightly. Then they must take into account any pay rises or other changes to their regular earnings since 1 July. Then they must add in any bonuses, lump sums, gifts or extra money they or their partner may receive. Then they must add in social security income support and Veterans’ Affairs service pension entitlements received since 1 July or expected to be received during the year. Then they must add in the value of fringe benefits or salary packaging for the financial year. Then they must estimate and add in foreign income. Then they must add in net income from rental properties. Then they must add in any pension or benefit paid since 1 July. Then they must subtract any tax deductions which may be allowed, such as for uniforms or other work related expenses—and of course these are all estimates. Once they have estimated all of these things, added them together and subtracted and multiplied accordingly, they must then subtract their own and their partner’s child support or
maintenance payments for the year. This is what our minister calls a ‘simplified system’.

Bear in mind also that these families do not have accounting qualifications and are certainly not clairvoyant. Many are low-income families, many have literacy or numeracy difficulties and many may not speak English. Furthermore, in all of this no margin for error is allowed. To make it worse, if a person’s income increases towards the end of the financial year—for example, because they start a new job—that income is attributed over the whole year, right back to 1 July. This legislation abolished the ‘notional date of event’ principle in the previous legislation. The Democrats consider that this has been a serious, fundamental flaw in the minister’s reform proposals. Prior to 1 July 2000, an increase in income—for reasons such as a return to work or the sale of a large crop—affected family payment only from the date of the increase. This is not so under the current legislation where, if a person returns to work in May 2002, the income for the year is attributed right back to 1 July and the overpayment starts from that date, some 10 months before the person even starts work.

In these circumstances even the most accurate of estimates cannot avoid a debt, and this is what we are seeing right now. A family whose circumstances have changed and who rightly estimated their income but had no way of knowing that the total income is applied back to 1 July of the previous year will, as a consequence, incur an overpayment. In other words, even if a person telephones Centrelink with the revised estimate of their income every single week of the entire tax year, an overpayment will inevitably arise where a change of circumstances has occurred midway through the year. This remains a fundamentally flawed system in that, unless the change of job or working of overtime or sale of a crop occurred on exactly 1 July, the recipient is in trouble. Through no fault of their own and despite providing the most accurate of estimates, families can incur an overpayment debt resulting in the welfare of their children being placed at risk through the reduction of family income to repay debts.

The minister cannot claim that families were well forewarned about the impact of this change; they were not. Prior to its introduction in July 2000 the change was poorly communicated to families. It was the Democrats who, in January 2001 after listening to our constituents, realised that the majority of Australian families had no real understanding of the pitfalls and traps of the present system of assessment. Until they received a Centrelink newsletter in January 2001, most parents did not know that they were not entitled to the full amount of family tax benefit if the child spent more than 10 per cent of the year with the other parent, despite the fact that these changes had taken effect six months earlier, on 1 July 2000. Additionally, most people had no understanding that the estimate they provided in March 2000 would remain in force even if they told Centrelink about a change in their circumstances. Telling Centrelink on their dole form that they had returned to work, for example, did not constitute a new estimate and so the overpayment continued.

Let it also be known that the minister had fair warning that requiring Australian families to provide estimates of their income was difficult, if not impossible. I referred earlier to the previous system of assessment of family payment—that is, on the previous year’s taxable income. I also referred to the ability of that system to factor in certain circumstances. There is nothing new about estimates. Under a previous family payment system, families who had a change in circumstances which meant that their taxable income of the previous year was unreasonable could request to be paid on an estimate. That system of estimates was a forerunner of the system introduced in 1 July 2000 and should have served as a warning to the minister.

In fact, prior to 1 July 2000, for the few families who could choose to utilise the option of estimates for their family payment, that system did not work well. Families whose circumstances had changed due to work or variable farm incomes inevitably failed in their estimates and, as a consequence, huge debts kept arising. The Social Security Appeals Tribunal and the Adminis-
trative Appeals Tribunal were inundated with appeals from families. So the minister did have fair warning that estimate based assessments were unworkable in practice and yet, despite this knowledge, elected to apply that system to all Australian families.

The Australian Democrats had welcomed the government’s announcement just prior to the election last year of the $1,000 leeway for families who had incurred a family tax benefit or child-care benefit overpayment. While the waiver alleviated much of the debt at the time, we forecast at that time that it would do nothing to fix the underlying problems in the administration of the family tax benefit system and would lead to overpayments again in the next year, and our predictions have been clearly borne out by the experiences we have seen in recent weeks. It is of great concern that the same problem of debt overpayments is now happening and will happen for a third successive year, unless the administrative system of family tax benefits is changed. Clearly the arrangements, which have been in force for two years, are working against families. We call on the government to find an ongoing solution, and to this end we propose our own.

The concept of ‘date of event’, which the government abolished two years ago, so that a family’s increased income can be taken into account only from when it starts to be received, would eliminate much of the problems of estimates and would also ensure that families get the assistance when they need it. Notwithstanding the minister’s assertion that it is a tax benefit, the Australian Democrats equally assert that the notion of monthly reconciliations exists in tax law, such as for GST returns. We submit that the same principle embodied in the family tax benefit—that is, a monthly reconciliation of estimates together with the concept of ‘date of event’—would prevent many of the large overpayments being incurred by families, who are understandably unable to predict events that might take place 10 months into the future.

At the very least, the government must acknowledge and recognise that for many families fortnightly assistance is a must. If they disregard our suggestions to improve the system, at the very least they must introduce measures to assist families with their income estimates and explore ways to improve processes for seeking agreement on parents’ respective proportions of care. The Australian Democrats, for our part, look forward to working collaboratively with the minister on this issue to find a solution that ensures that Australian families get a fair go and are not left out of pocket.

Northern Territory: Timor Sea Gas

Senator CROSSIN (Northern Territory) (1.25 p.m.)—I want to take the opportunity this afternoon to speak on one of the most important issues to face our community and our economy in the Northern Territory—that is, the development of Timor Sea gas. Since being elected to government 12 months ago, the Northern Territory government has been working closely with the business community in the Northern Territory and members of parliament around this country to ensure that gas from the Sunrise gas field is brought onshore rather than developed on site in the Timor Sea.

Two of the joint developers of Sunrise, Shell and Woodside, have proposed that this major resource be converted to liquefied natural gas on a giant floating barge, with the LNG then being sent directly to North America. In the Northern Territory, government, business and our supporters believe that this would not be in Australia’s national interest. ACIL Consulting, the respected economic analysis group, has estimated that onshore gas would create an extra 4,400 jobs and $15 billion extra for Australia’s GDP compared with the floating LNG option. The importance of getting Sunrise gas to shore cannot be overstated. This not only means jobs and an increase in economic stimulus for the Territory, putting it on a path of a sustainable industrialised base of its own and generating increased income from that, but also goes to the core of the economic future of the Northern Territory. Gas will underpin the future competitive energy needs for a great many Australians in this country, not just for those in the Territory.

Phillips Petroleum, one of the other partners at Sunrise, has supported the efforts of the Northern Territory government to explore
the option of bringing the Sunrise gas onshore. In the last few months, Shell and Woodside have agreed to reopen the case for gas onshore. The joint developers are currently contacting potential gas customers around Australia and are examining with fresh eyes the viability of the onshore gas case. The next month or so, however, will be crucial as the joint developers examine the numbers and determine the future of this giant resource. So there is a need to maximise the opportunity to convince Shell, Woodside and Phillips and the federal government that bringing Sunrise gas onshore is not only in the Territory’s interest but in the national interest. It is essential that the developers contact all the relevant domestic gas customers.

The Northern Territory has been meeting with supportive industry associations and assisting them with a campaign to try to get Canberra, this government, to listen to our arguments. However, the federal government is yet to come on board and actively support the Northern Territory government in working vigorously to ensure the onshore outcome. I find it incredibly amazing that, when we are talking about an increase of 4,400 jobs and an extra $15 billion for Australia’s GDP, the federal government is sitting on its hands and is not as enthusiastically and as vigorously pursuing this option as we would like.

What has been happening in the Timor Sea area, particularly the Bayu-Undan field, is worth a quick summary. Bayu-Undan is a large field but only a third the size of Sunrise and is under development by Phillips Petroleum. The gas will be piped to Wickham Point in Darwin where Phillips plans to build an LNG plant. Work on this project, all going to plan, should begin later this year. There will be up to 1,500 jobs created in the construction phase and about 100 jobs at the plant for the life of the project. There have been some delays, though, in the process of getting agreement between Australia and East Timor over the area containing Bayu-Undan and part of Sunrise.

The Timor Sea Treaty between Australia and East Timor in Dili was signed on 20 May and should go a long way to providing certainty to the Bayu-Undan project. Of course, we know that the treaty needs to be ratified in order for phase 2 of the Bayu-Undan project to proceed. The treaty is currently before the parliament’s Joint Standing Committee on Treaties for inquiry and examination. The Australian government is insisting that unitisation of the Sunrise field be agreed to before the treaty is ratified. The East Timorese government wants this dealt with as a separate issue. There is also the matter of East Timor’s entire maritime boundary area, which is yet to be determined. The Northern Territory government is hopeful that the issue can be resolved earlier than the December deadline that the two governments have set for themselves.

Turning to the Sunrise field, it is pleasing that the joint venturers are re-examining the domestic gas case and that customers are fast coming forward. There is also a need to acknowledge the business community in the Territory for the terrific work they have done at all levels to get this result. Particular people who have played a key role include Dave Malone, Bruce Fadelli and Steve Margetig, who have been outstanding, but many others have been involved as well. I would also mention that the work of the Northern Territory Chamber of Commerce is deserving of a great deal of credit. These people have lobbied their national business groups, have seen federal ministers and have kept up a relentless but appropriate campaign that has been of great assistance to the Northern Territory government.

Even though the developers are looking at the domestic gas case, the campaign is far from over. Both Shell and Woodside made it clear at the recent conference held in Darwin on this matter that they still prefer the floating LNG option and that they are focused on the American LNG market. In the Bulletin recently, a Woodside spokesman said that finding a domestic market for Sunrise gas is a ‘very challenging ask’. Nevertheless, I was very glad to see that spokesman, Nigel Grazia—whom I met on a visit to Perth earlier this year—say, ‘Woodside is an Australian company and we would like nothing more than to bring the gas onshore.’
So, like the Northern Territory’s Chief Minister, I also hope very much that that sentiment will prevail when Woodside sits down with other developers over the coming weeks and months to make their final decisions. The Territory government has been lobbying the Howard government to put the national interest case. Both Northern Territory Minister for Energy Paul Henderson and the Chief Minister have conducted many presentations to federal politicians, including the Prime Minister. The Prime Minister has given them a good hearing, although at this stage the Territory has not had the sort of public support it would have liked from the federal government.

The Chief Minister has also visited state premiers in Melbourne, Sydney, Adelaide and Brisbane and gathered support from them. Many of the state governments are facing higher prices for energy in the coming decade and are very keen to establish another secure and competitive supply of natural gas. Several federal ministers, including the Minister for Industry, Tourism and Resources, Ian Macfarlane, have visited the Territory at the invitation of the Northern Territory government. Although cynical and quite reluctant to support the proposal at first, having heard the Territory government’s arguments first-hand, Minister Macfarlane changed his mind. Hopefully, he has now been convinced to support the Northern Territory quest to bring gas onshore and will seek to persuade his colleagues and the Prime Minister.

The Office of Territory Development has a team of staff working full time on the Sunrise gas case, including economic modelling, research into the policies of other countries on energy and resource development, and preparing campaign material. The Northern Territory government has devoted considerable work to confirming the domestic gas customer base and to meeting individually with potential customers to confirm the robustness of the domestic market. MIM in particular has worked closely with the Northern Territory government on this and has been involved in direct lobbying of the federal government as well. We have also received strong support from Alcan mining operations at Nhulunbuy and Gove, as well as from several energy suppliers to southern states. The Northern Territory Office of Territory Development has presented a detailed submission to the Parer committee, which is looking at Australia’s energy needs for a report to the Council of Australian Governments.

The Northern Territory government is also working closely with Invest Australia on possible government support for some of the foundation customers waiting in the wings for the gas. There is an attempt being made to ascertain exactly the difference in costs between floating LNG and bringing the gas onshore, which will help us in our lobbying efforts, particularly with this federal government. The next step is to keep up the pressure from as many directions as possible in the crucial next few months when the decisions will be made. It is important that Sunrise gas does come onshore, not only for the people of the Northern Territory, as I said, but for the rest of Australia. Sunrise gas will be in Australia’s national interests and in the interests of the Territory’s future. It is a persuasive argument when you consider Woodside’s argument to us that it was in the national interest to stop the merger of Shell to keep that company Australian owned.

We would now like to see some commitment from those companies; they will realise that bringing gas onshore is in the interests of this country not only in the number of jobs it will generate and the extra billions of dollars that it will provide for Australia’s GDP but also in providing the Northern Territory with a sustainable industrial base and a sustainable income that will see that the Territory economy has a strong foothold for many years to come.

Indigenous Adolescents in Medicine Project

Senator McLUCAS (Queensland) (1.36 p.m.)—I rise today to bring to the attention of the Senate details about a project that I was honoured and privileged to launch recently in Cairns. It was the launch of the Indigenous Adolescents in Medicine Project, the I-AM Project, at the Wu Chopperen Medical Service in Cairns. The goal of the project is to increase the recruitment of In-
indigenous students into Australian medical schools, to improve their prospects of successfully completing their course of study and to qualify. Further, the aim is to increase the supply of Indigenous doctors in general practice and the specialities for the benefit of Aboriginal and Torres Strait Islander populations.

There are currently only 44 Indigenous doctors in Australia. This amounts to a gross underrepresentation of Indigenous Australians in the medical profession. I do note, though, that four of those 44 Indigenous doctors practise at Wu Chopperen Medical Service in Cairns and I understand that is the highest concentration of Indigenous doctors at any one centre in Australia.

It is a reality that Australian Aborigines and Torres Strait Islanders are accustomed to being treated by white doctors. Regardless of the empathy exhibited by these doctors and regardless of their familiarity with the culture of their Indigenous patients, patients lack a sense of commonality with their treating doctors. This often results in less than optimal outcomes. It is also true that Aboriginal and Torres Strait Islander young people hardly ever envision themselves in the role of a doctor. This is partly due to the lack of role models in the profession and partly because of a lack of self-esteem.

In 1997, Dr Alexander Berger, professor and residency director of the Portsmouth Family Medicine program of the Eastern Virginia Medical School and the Medical College of Hampton Roads in Eastern Virginia secured a United States federal grant and initiated the first AIM project—as it is called there—in the United States. Their experience there has been extremely positive. Graduates have become successful peer counsellors to their classmates and are now enrolled in free medical college programs. Dr Berger is now employed by Wu Chopperen health service. He has secured grant support from Commonwealth Education and has been instrumental in establishing the I-AM project in Cairns.

The project at Wu Chopperen has identified four young people, in years 10, 11 and 12, as having a desire to become a doctor. Through training and mentoring with the Indigenous doctors at Wu Chopperen, their understanding of the medical profession will undoubtedly develop. It is proposed that this training and mentoring will result in their pursuing a career in medicine. I commend Dr Mark Wenitong and Dr Alex Berger from Wu Chopperen health service for their initiative in developing this project. I also commend the participating doctors, Dr Sharmilla Biswas, Dr Damian Byrnes, Dr Kaylene Ferguson, Dr Eileen Rafter and Dr Valentina Galak. Over the next two years, the four young people will be able to gain knowledge and experience in a range of areas, including hearing health, diabetes, aged care, sexual health, men’s health, women’s health, child and family health, the eye program, and social and emotional health.

The four students who have been selected are Gregory Vanderpluym of Trinity Bay State High School, Carol Majid of Woree State High School, Florence Murgha, also of Woree State High School, and Grace Rea of Cairns State High School. They have been selected as young people who have a commitment to study and a desire to assist their community, and as young people with the respect of their peers. They are four outstanding young people who will, I am sure, take this opportunity with both hands and gain very much from it. I take this opportunity to commend their schools: Trinity Bay State High School, Cairns State High School and Woree State High School. I also acknowledge support from and commend officers of the Department of Education, Science and Training; Education Queensland; and Queensland Health, through the cooperation of the Cairns Base Hospital. I commend them for taking up the innovative suggestion from Wu Chopperen and dealing creatively and, importantly, promptly with it. The launch was a recognition of the potential of these four young ‘chosen ones’, as they were described. It was enjoyed by everyone present, but mostly by the parents of these young people. The young people were presented with a stethoscope, a doctor’s bag and a certificate, symbolic of the opportunity that the I-AM Project will offer them.

We are all aware of the shocking health statistics of Australia’s Indigenous popula-
tion. We are also aware that one reason for this state of affairs is a lack of communication between Indigenous patients and their doctors. A real solution, acknowledged by many who work in Indigenous health, is increasing the numbers of Indigenous people who work in health service delivery. We have seen this with increasing numbers of Indigenous health workers, especially in more remote places, and through the employment of Indigenous environmental health officers. The I-AM Project is an exciting adjunct to the work that is being done by many in the community to encourage greater participation by Indigenous people in medicine. I am sure all here in the Senate will join me in congratulating Dallas Young and the board of Wu Chopperen Medical Service; Nancy Long and her staff; Dr Wenitong and Dr Berger and also these inspiring young doctors-to-be.

Sitting suspended from 1.42 p.m. to 2.00 p.m.

QUESTION TIME PROCEDURE

The PRESIDENT (2.00 p.m.)—Order!

Before I call Senator Conroy, I want the Senate to be aware that today I received a letter from the Independent, Australian Greens and One Nation senators. They have proposed an amendment to the order of call for question time. As senators will know, the order of call is a matter of practice and agreement. I do not propose this week to change the order of the call, which I advised to whips and other party and Independent senators last Tuesday, but I will circulate the letter that I received to party whips for any comments they may wish to make before the next sitting period.

LEAVE OF ABSENCE

Senator CONROY (Victoria) (2.00 p.m.)—by leave—I inform the Senate that the Leader of the Opposition in the Senate, Senator Faulkner, is absent today attending a funeral and that I will be acting leader in his place.

QUESTIONS WITHOUT NOTICE

Taxation: Family Payments

Senator JACINTA COLLINS (2.01 p.m.)—My question is to Senator Vanstone as Minister for Family and Community Services. Is the minister aware of comments by Alan Jones in an editorial this morning where he describes your family payments system as an absolute disaster and a sham-bles? Isn’t Alan Jones justified in describing you as incompetent and calling for you to be replaced?

Senator VANSTONE—I thank Senator Collins for the question. Next time I see something that Alan Jones says, I will know that you will always agree with him. I will tell you something you know about me, Senator: I quite often do not agree with him on a whole lot of issues.

Opposition senators interjecting—

The PRESIDENT—Order! The senators on my left will come to order! I would like to hear the minister in peace, if I could.

Senator VANSTONE—I cannot say whether ministers in the New South Wales government go and check whether the appointment of a new police minister is okay with Alan Jones. It appears that the New South Wales government did that and is completely beholden to a shock jock. But I can assure you that this government are not. We will make decisions according to the policies that we believe are the best. The simple answers to your two questions, Senator, are: yes, and absolutely not.

Senator JACINTA COLLINS—Mr President, I ask a supplementary question. Can the minister explain why she said on ABC Lateline last night that she was ‘touched’ that the Prime Minister had intervened in the family payments issue yesterday? Isn’t the real truth that the Prime Minister—like, on this occasion, Alan Jones—doubts your capacity to administer a system of payments that are critical to the wellbeing of Australian families and he was therefore forced to step in?

Senator VANSTONE—I have two responses in relation to that. Anybody who has served in a government, especially in a cabinet portfolio, will understand how very touching it is to have the Prime Minister’s support on a whole range of issues. I can assure you, Senator Collins, through you, Mr President, that when you do not have the Prime Minister’s support on some issues that you want to get change, it is much harder to
get the change. You do not have to take my word for that. You can ask your colleagues, who had some experience of cabinet government, whether they found it easier to get things through if the Prime Minister did not agree. They will always say to you, ‘No, it was very hard if the Prime Minister did not agree.’ You can ask them, ‘Was it much easier when you had the Prime Minister’s agreement?’ and they will say, ‘Yes.’ If you ask them, ‘Was it a touching feeling to get his support on something?’ they will say to you, ‘Yes.’ They absolutely will. In relation to the second part, Senator, I will have to come back to you. (Time expired)

Economy: Management

Senator WATSON (2.04 p.m.)—My question is directed to the Leader of the Government in the Senate, Senator Hill. Will the minister inform the Senate how the Howard government’s strong economic management is providing benefits for Australian business and Australian families? Also, can the minister provide independent evidence that supports the strength of the Australian economy?

Senator HILL—I thank Senator Watson for his important question. This is an occasion on which I can remind the senator that the Australian economy continues to prosper under the sound and responsible management of the Howard government. The economy has shown considerable resilience to the international economic slowdown, and the outlook continues to be positive. The Australian economy grew by 0.9 per cent in the March quarter and 4.2 per cent through the year—stronger than both the G7 and the OECD average during 2001.

The IMF, the OECD and the recent Economist poll forecast Australia to be the fastest growing industrialised economy in 2002-03. Household consumption is continuing to grow strongly, with retail trade growing at 2.5 per cent in the June quarter of 2002. Leading indicators also point to strong growth in business investment. The National’s monthly business survey showed that business conditions remained strong in July and investment intentions for 2002-03 suggest strong growth in both plant and equipment investment and non-residential construction. That is good news for Australian families and for Australian business. The recent decision by China to appoint Australia’s North West Shelf venture as the sole supplier of LNG will mean $20 billion to $25 billion in export income for Australia, not to mention hundreds of new jobs. The good economic result of the Howard government translates into higher living standards for Australians and more jobs. That is what this government is really all about.

On the issue of jobs, it really has been one of our outstanding successes. We have created more than 950,000 new jobs since we came to office. The unemployment rate is currently 6.2 per cent and the ANZ job ads have risen by 7.5 per cent since the end of the last year—more good news that the Labor Party refuses to hear or acknowledge. Why does the Labor Party refuse to acknowledge it? Because, of course, they fear the contrast with their record. What was the legacy that Labor left this country from its high taxing, high spending, big deficit government?

Senator Cook—The economy was in good shape.

Senator HILL—it gave us tax increases when it promised tax cuts. It gave us interest rate records of 17 per cent and over 20 per cent for small business. It gave us unemployment at its highest level since the Great Depression, or, at its worst, over one million unemployed, an average of 8.5 per cent during its term in office. It gave us $96 billion of government debt, run up between 1990 and 1996, and, of course, left us with a $10 billion black hole when it went out of government—

Senator Cook—It did not; that is an outright lie.

Senator HILL—when Senator Cook, who was the senior economics minister, claimed the budget was actually in surplus. Labor’s legacy was one of unsound economic management, with pain for ordinary Australians through high unemployment and falling living standards. Labor in opposition could help this government to deliver even better outcomes. It has that opportunity in relation to workplace legislation before the
House. If it were to join with this government and help progress reforms that will build an even stronger economy, it could actually do something for the benefit of ordinary Australians. *(Time expired)*

**Taxation: Family Payments**

Senator CONROY *(2.09 p.m.)*—My question is to Senator Vanstone, the Minister for Family and Community Services. Can the minister confirm that on the ABC’s *Lateline* program last night she said, in regard to the 650,000 Australian families who were overpaid family tax benefit last year:

And as is always the case when there is a large bucket of money, there are some people—not all—but some who underestimate their income in order to maximise their payment and then of course, want to pay it back as slowly as they can.

Does the minister recall that, in February at Senate estimates, and again yesterday, the minister was forced to admit that families can incur debts because of design flaws in her own system? Why then does this minister constantly defend her own incompetence by resorting to branding these families as welfare cheats?

Senator VANSTONE—I thank the senator for his question. Senator, you may regard the simple asking of a question and the simple giving of an honest answer as having forced someone to admit something. If you take pleasure in that, because in your dreams you think it makes you look a stronger bloke, half your luck. Was I asked at estimates or on any other occasion—frankly, there were plenty of occasions, not just by you or others—whether it is possible for someone to acquire a debt? In fact, there was a question in here the other day about this very issue, from one of the female senators.

Senator Mackay—Questions.

Senator Conroy—It is your system. It happened like this last time; it happened to the Wright family.

Senator VANSTONE—Senator, I will continue with my answer, if you want the answer. If you would like me to sit down, I will, if you think you all know all the answers—you think you do. But I will continue with the answer anyway—

*Senator Conroy interjecting—*

Senator VANSTONE—We like the answer you gave the school kids, Senator.

Senator Bolkus—You are under pressure now.

Senator Cook—A million words in search of a point.

The PRESIDENT—Order! There are too many interjections on my left. Senator Conroy, I thought, as acting leader today, you might set a better example.

Senator VANSTONE—I was just recalling the answer given to Mr Zimmermann by the acting leader about whether Labor would have to put up taxes. There was a sort of ‘er, er, er—yes’, where I suppose he admits he was forced by Mr Zimmermann to tell the truth. The simple facts are that, if someone claims one of the family tax benefits which gives support for being a single income family and then halfway through the year changes their mind—and that often happens—goes back to work, and gets a second tax-free zone by going back to work, as I indicated here in the chamber the other day, of course they will not be able to keep the equivalent of three tax-free zones.

What your side has never understood about this system is that it is tax reductions for families with children. We give you the option of paying it out through our welfare agency, to give it back on a fortnightly basis; it is tax relief for families. At the end of the year, just as with the tax system, some people are lucky enough to get a cheque back—you never gave them that with family payments; we do—and some people have to pay more because they perhaps had an overpayment.

I remind senators that in the first year of this system upwards of 400,000 families got top-ups—top-ups they would never have got under the previous government, because the previous government said, ‘If you needed a top-up, bad luck; you misestimated.’ This is a system where you can estimate, and at the end of the year either you will get a cheque back, which is a top-up, or we will ask you to repay some money. I would like to meet the Australian family that thinks when they get an overpayment, when they get more money than someone else in the same posi-
tion, with the same income and the same number of kids, that they should be able to keep the money. They do not think that and they are happy to pay it back. Senator, you asked me, out of two million families, are there any that would deliberately under-estimate? The answer is yes.

Senator CONROY—Mr President, I ask a supplementary question. Can the minister indicate when the government will announce its changes to the family payment rules, or is this question better directed to the Minister representing the Prime Minister?

Senator VANSTONE—As a matter of fact, I am one the ministers who represent the Prime Minister in relation to status of women matters, so you can address the question to me anyway. You got it right.

Opposition senators interjecting—

The PRESIDENT—Order! For some reason today, senators on my left and some on my right are very noisy. I ask you to desist so that we can hear Senator Minchin continue his answer.

Senator MINCHIN—Today is a pretty historic day for the Snowy River because today the member for Eden-Monaro, Mr Gary Nairn, and the premiers of New South Wales and Victoria are down in Jindabyne to commemorate what will be the initial doubling of the environmental flow into the Snowy River below Lake Jindabyne. The initial doubling will be from three per cent to six per cent of the Snowy’s average natural flow at the headwaters. That is a small but very significant step in the ultimate aim of having a restoration of up to 28 per cent of the Snowy’s natural flow. This very historic event results from an agreement reached between the Commonwealth, New South Wales and Victoria after years of negotiations. The agreement was reached just in June, and I was pleased to play the lead role for the Commonwealth in those negotiations.

I think we all know that the Snowy River is the river system that really did pay the price for what, admittedly, are the significant benefits which Australia has received from the great Snowy scheme. I am sure Senator McGauran would be the first to note that restoring the environmental flow to the Snowy is fantastic news both for the Monaro region and for the Gippsland region of Victoria. More importantly, I should say in representing the minister for industry that it is very significant for the Snowy River scheme itself, because it cleared the way for the corporatisation of the Snowy Mountains Hydro-Electric Authority, which is, I remind the Senate, the largest supplier of renewable, clean energy to the national electricity market. In my new role as finance minister, I am pleased that this agreement will result in the
repayment of some $900 million owed to the Commonwealth by the Snowy scheme.

As a South Australian senator, I am sure all South Australian senators are pleased that there is no diminution in flow in the Murray as a result of this agreement. In fact, the Commonwealth’s contribution to this agreement is in the form of $75 million over the next 10 years towards increasing the environmental flow into the River Murray. I want to thank the then environment minister, Senator Hill, for his very keen support for this aspect of the agreement. As I think all senators would know, the Murray has recently been listed as the No. 1 concern in the National Trust’s Endangered Places List for 2002. It is the No. 1 subject of concern for the National Trust in this country. With the prevailing drought, the mouth of the Murray is about to close. I remind you that the Murray is only getting, on average, 20 per cent of its natural flow at its mouth; the Snowy actually gets 60 per cent of its natural flow at the mouth. I remind the Senate that the city of Adelaide relies on the Murray for 40 per cent of its water supply in normal conditions.

I also note that what we have done through this agreement will not affect irrigators. All the increased flow is coming from water efficiency projects funded by our $75 million. So it is a very historic day today. It is a great agreement between the three governments. The River Murray is a winner, the Snowy River is a winner and the city of Adelaide will win, but particularly the corporatisation of the great hydro-electric authority is great news for the national electricity market and for the environment.

Taxation: Family Payments

Senator WEBBER (2.19 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. What response does the minister have for a constituent of mine who cannot understand why she has received a $1,000 family tax benefit debt for underestimating her income, when the inaccuracy arose from a late lump sum payment of child support being credited to her by the Child Support Agency? Can the minister explain whether it is fair that a family can suddenly incur a debt to the Commonwealth on the one hand simply because another Commonwealth agency has paid her a lump sum she was entitled to on the other hand? Given that both the Child Support Agency and Centrelink are within this minister’s portfolio, how could the Commonwealth itself be forcing families into debt in this way?

Senator VANSTONE—I thank Senator Webber for her question. Senator, as I have indicated before in this place—possibly before your arrival, so I will ask others to bear with me in my repeating this—when specific examples are raised, and the ruling is that standing orders do not permit you to name people, it is terribly difficult to give an appropriate response, because you do not know the whole facts of the situation. Not only do I not know them; it is frequently the case that people who ask a question do not themselves know the whole history of a particular case. The advice that my office has received indirectly through the clerks is that, if you have a particular matter that you want to raise and to have properly answered in here, you should give me the name afterwards. We will get the details and give you a proper answer back in this place without mentioning the name of the family. We are very happy to do that. What I am not happy to do is allow some people—Senator, I am sure you would not do it, as a new senator; even most old senators would not do it, even on your side—to invent some sort of variation.

But, Senator, let me give you an answer to your question. I understand that what you are referring to is a family who got, you say, a late payment of the support which came from their spouse. So the money is not actually coming from the Child Support Agency; it is the handling agency for it. It is like Australia Post. If the spouse does not pay it, it will come through late; it is the spouse that has not paid it on time. Unless you are alleging that the Child Support Agency in itself was tardy in passing on a payment, you are talking to me about a lump sum that comes from a spouse who finally agrees that he—I presume it is ‘he’; it usually is—has to make a payment and that then goes to the sole parent, I presume—the person living on their own.
In that instance, that is income that has gone to that person. Therefore, their income had gone up, and if they had an overpayment of $1,000 that probably means their income estimate was out by about $3,000 and within a particular range. What that tells me is that they must have had thousands of dollars worth of child-care payments in order to have had an overpayment of $1,000. But the basic answer to your question is that it is not two agencies putting someone into debt. It is a person receiving a lump sum, which is income, which is taken into account and which therefore reduces their entitlement and they have an overpayment.

Senator WEBBER—Mr President, I ask a supplementary question. I am sure the minister is aware of the Prime Minister’s promise yesterday to look at providing greater flexibility to families who have a family payment debt. Isn’t the case I have just raised—the transfer of money from one agency to another—a case of the Commonwealth itself forcing families into debt and a prime example of the need for flexibility? Or does the minister believe that this is the sort of family who have been deliberately underestimating their income, as she was blustering on radio this morning?

Senator VANSTONE—I do realise it is difficult if you have the supplementary question written out to change it in accordance with the answer. You have simply asked me again: isn’t this two Commonwealth agencies contriving to put someone into debt? Senator, in your dreams! I do not know whether you think the whole government is in conspiracy against Australians, but I can assure you that, since this is the government that has brought interest rates down, this is the government that has put tax rates down and this is the government that has brought the unemployment rate down, I do not think that will work in the front bar of the pub, Senator. I do not think that will work. My answer remains the same: this woman has extra income because her former partner held on to maintenance payments and paid them to her in a lump sum. It is income. She therefore has apparently had an overpayment. If she has more than another family in the same situation she will have to pay it back, and nothing the Prime Minister said yesterday changes that.

Environment: Greenhouse Gas Emissions

Senator BARTLETT (2.24 p.m.)—My question is to the Minister representing the Minister for the Environment and Heritage. The Intergovernmental Panel on Climate Change recently predicted that by the year 2050 there would be 150 million environmental refugees, primarily as a result of climate change. This compares to the current figure of approximately 10 million environmental refugees. Considering that Australia is currently the highest per capita emitter in the world of greenhouse gases and that we are responsible for approximately one per cent of global greenhouse gas emissions, is this government prepared to take responsibility for at least one per cent of the environmental refugees caused by these emissions?

Senator HILL—I thank the honourable senator for the question, although I think it is a bit unfair within the Democrats’ leadership contest for him to get two questions in two days.

Honourable senators interjecting—

Senator HILL—I am just wanting to see a fair contest, that is all. Australia accepts that climate change is a serious international issue, not only environmentally but also economically. Australia also accepts that it is important that we recognise our share of the responsibility and do all that is reasonably possible to improve our performance and thus contribute to a better global outcome. As the honourable senator said, we contribute to about one per cent of the total global emissions—one per cent of the problem. Therefore, whatever Australia does is not going to have a significant consequence in a global sense. But, because every country has to carry its share of the weight, it is important that we do so.

This government, recognising that fact, has implemented a broad range of domestic reforms in order to improve our greenhouse gas outcomes and has put very substantial sums of public money before it. It has initiated reforms, such as the one that was mentioned yesterday to encourage the purchase
of renewable energy, that lead the world. On a per capita basis, it has invested more public money in greenhouse gas abatement than any other country in the world. I have to say to the honourable senator that, in terms of the Kyoto protocol, Australia is relatively close to achieving the commitment it made. It is much closer than most countries in the world. It remains our commitment to achieve that target.

In practice, this is a government that has recognised the problem. It is a government that has been prepared to accept a correct share of the responsibility, a government that has been prepared to put in place a program to deliver a better outcome, a government that has been prepared to invest large sums of public money in that goal, and a government that is now seeing improvement towards achieving that goal. So, yes, we do want to play our part and do our bit towards a better global outcome. That remains our position, and we will continue to do so.

Senator BARTLETT—Mr President, I ask a supplementary question. I note in the minister’s answer that he said that every country will carry its share of the weight, including Australia. That being the case, will the minister commit that Australia, emitting one per cent of global emissions, will take one per cent of the environmental refugees caused by those emissions, which would translate to 1,500,000 refugees? That is a bit more than our current intake of 12,000. Alongside this impending global crisis, what is the government doing in relation to the implications of climate change for the Pacific region? Given that it has been announced that there is a meeting with Pacific island delegates at the world summit on the environment to discuss a number of issues, is climate change on the minister’s agenda? What steps are currently being taken by Australia in our own Pacific region in terms of assistance to try and avoid and minimise the likely impacts of climate change, including sea level rises and refugees?

Senator HILL—It is true that the consequences of climate change will be uneven and that some small Pacific states will suffer more than other parts of world. The Australian government has been prepared, and continues, to assist the island states in that regard. Recently, for example, the government announced a program to respond to the impacts of climate change on the region with an $18 million package. That includes $4 million towards a vulnerability and adaptation initiative which aims to build Pacific island countries’ capacity to adapt to the future impact of extreme weather events and climate change, and a $2.2 million project, just announced by the Prime Minister at the Pacific Islands Forum, to assist climate prediction in Pacific countries. So we are building upon the record that we have already established—a record of supporting Pacific island states as they seek to address this particular issue—and it is a record of which we are proud. (Time expired)

Veterans: Gold Card

Senator MARK BISHOP (2.30 p.m.)—My question is to the Minister for Finance and Administration, Senator Minchin. Is the minister aware of the threat by medical specialists to boycott the veterans gold card because they believe their remuneration is inadequate? Given that the government has refused to provide additional funding to support the gold card, how does the government propose to honour its commitment to veterans that all their health care is free with the doctor of their choice? Will the minister confirm that no provision has been made in the forward estimates to fund a renegotiated agreement with the specialists and will the Howard government categorically rule out the option of having veterans make a copayment?

Senator MINCHIN—This question obviously is more appropriately directed to the Minister representing the Minister for Veterans’ Affairs, whose responsibility this is. Nevertheless, my job as finance minister is to fund the Department of Veterans’ Affairs in its provision of services to veterans, and there is no doubt that Australia’s veteran community has never been better looked after by any government in the history of the Commonwealth. Our record in relation to Australia’s great veterans is unchallengeable and magnificent, as the veterans themselves often acknowledge. The introduction of the gold card and the extension of the gold card
is one of our proudest boasts and veterans often acknowledge the generosity of this government towards them.

We are disappointed that some in the medical profession are suggesting that they may withdraw services from Australia’s great veterans community. I think it is very disappointing that doctors would cause alarm to our veteran community by suggesting that those doctors were not being paid enough by taxpayers to provide services to veterans. That is a matter of concern and I would hope that the medical profession would desist from that sort of threatening behaviour and desist from scaring Australia’s veterans community by saying that their services will not be available to them. The Department of Veterans’ Affairs is generously funded to provide services to veterans. There is a comprehensive range of services. We have no plans of the kind that Senator Bishop alludes to. It is a matter for negotiation between the Minister for Veterans’ Affairs, the department and the medical profession—negotiations which, as I understand it, are under way.

Senator MARK BISHOP—Mr President, I ask a supplementary question. Can the minister confirm that a review of the financial implications of the gold card has been ordered? Who will conduct this review and when will the review be completed? Will this delay in acting result in specialists making good their threat and abandoning veterans with war caused injury and illness?

Senator MINCHIN—I would have thought that it was beyond even Senator Bishop to scare veterans in this manner. We are being broadcast. I think it is quite unacceptable for Senator Bishop to be causing alarm to veterans who, as I say, have never been better looked after by any government in the history of the Commonwealth. I totally reject the scaremongering coming from these people. They are behaving as badly as some in the medical profession and causing unnecessary alarm to people in the veterans community. There are no plans to do anything to the gold card. It is one of this government’s proudest boasts to have introduced it and to have made it so widely available.

Science: Embryonic Stem Cell Research

Senator HARRADINE (2.34 p.m.)—My question is to Senator Hill. Is the Prime Minister aware that, at a recent dean’s lecture series, Professor Trounson was taken to task by scientists for his hyped-up claims about embryonic stem cells? Professor Trounson said that his presentation was really for ‘simple-minded politicians’ to gain their support for the bill. Is it not a principle of academic integrity not to make claims unless supported by publication in reputable peer review journals? In view of the failure of Professor Trounson’s claims to meet that test and his recent rat experiment deceit, is the Prime Minister to question the $46 million of taxpayers’ money going to the centre of which Professor Trounson is CEO?

Senator HILL—Certainly the Prime Minister and I have seen the press coverage of a presentation made by Professor Trounson and the public debate on whether there was a misrepresentation associated with that presentation. I did not see the presentation first-hand. I certainly agree with Senator Harradine that it is important that not only academics but also all of us correctly represent our case, whether it be a research case or any other case. I do not think that would be disputed by anyone.

Having said that, it is important to recognise that the decision that was made and that the government is putting before the parliament—the agreement that was reached between the Prime Minister and the state premiers in April—has, of course, nothing to do with the presentation from Professor Trounson, which is the subject of Senator Harradine’s question. That was an agreement reached because it was believed by the Prime Minister and premiers that embryonic stem cells created from excess IVF embryos—embryos that would otherwise be destroyed—could be used for what was believed to be a public good. That is a moral question and a question of conscience upon which senators will vote as their conscience demands. Some believe that these excess embryos that are going to be destroyed should not be used for this research program. Some believe that, if they are going to be destroyed and there is the potential for public
good to come from it, it is something that ought to be allowable in the overall public good. That is the basis on which this legislation has been developed. It was not affected by any specific representation or presentation made by Professor Trounson, and that remains the case at the moment. In part I accept what Senator Harradine says about the importance of correctly representing one's case but I do not think it affects whether one votes in support or otherwise of the legislation that is coming before this chamber.

Senator HARRADINE—Mr President, I ask a supplementary question. I was talking about the $46 million of taxpayers' money. Is it a fact that that matter did not go to cabinet, that it was money recommended by a committee heavily weighted by commercial and pharmaceutical interests, that a substantial part of the program is for the use of embryonic stem cells to test drugs and that there was no ethical evaluation whatsoever of the claims for which that $46 million of our taxpayers' money has gone? Could the minister say how much of taxpayers' money that has been given to Professor Trounson has been spent by him and others in the lobbying that has been going on, and is part of that money to be spent on establishing a media unit for Professor Trounson's organisation? (Time expired)

Senator HILL—The grant was made to maximise the chances of discoveries to cure diseases. It was the view of the Prime Minister and the premiers that a legislative basis to allow this research with surplus embryos that would otherwise be destroyed was a legitimate use. About that question there is obviously a broad public debate, and so there should be. That is the basis upon which the money was provided for the research and the basis upon which the legislation is being brought to the parliament. Honourable senators in this chamber will make up their own minds as to whether that is something that they wish to be pursued.

Veterans: Gold Card

Senator MARK BISHOP (2.40 p.m.)—My question is to the Minister for Health and Ageing, Senator Patterson. I refer to the gold card funding crisis which threatens to destroy the scheme if the government continues to sit on its hands. Can the minister confirm that Medicare cards will be issued to those veterans whose doctors and specialists refuse to accept the gold card? Will the government rule out requiring copayments from veterans?

Senator PATTERSON—I do not represent the Minister for Veterans' Affairs, but I am prepared to answer the question in the detail which I wish to answer it as the Minister for Health and Ageing.

Senator Conroy—Rule it out.

Senator PATTERSON—Senator Conroy is really not doing very well as an apprentice leader. He is sitting there just shouting across the chamber—I have been sitting here listening to him, Mr President. I suppose it is like the Democrats: it is Wednesday, so it is Senator Conroy's turn. The overwhelming majority of doctors are continuing to accept the repatriation gold card for veteran patients. The government is aware that some medical specialists are unhappy with the level of fees for veterans' services and the Department of Veterans' Affairs is currently discussing the matter with the Australian Medical Association. I do not think it would be prudent for me to discuss that any further. We are committed to the gold card, and it has been recently extended to benefit veterans with qualifying service who are over the age of 70. The gold card is presented in recognition of service by people who have served in the forces. The majority of specialists are continuing to accept it. If a veteran is having difficulty, DVA is arranging for them to go to a specialist who does accept the gold card. So DVA is dealing with this while at the same time discussing it with the AMA.

Senator MARK BISHOP—Mr President, I ask a supplementary question. Can the minister confirm that the government has refused to respond to calls from the medical profession to act on this matter and that specialists are actively threatening to refuse the gold card? What assurances can the minister give to veterans that they will not just be added to the public hospital waiting lists if the specialists in their area are among those refusing to accept the gold card?
Senator PATTERSON—Maybe Senator Mark Bishop can go back and talk to the veterans about what the coalition has done for them in enabling them to have access to services closer to home. We stand on our record. We are committed to the gold card and, as I said, the majority of specialists—I repeat: the majority of specialists—accept the gold card. The issue here is that if a veteran chooses to go to a specialist they can pay a gap—and some of the veterans have decided to do that because they want to see a particular specialist. But if they do not want to pay the gap and the specialist refuses to give them full rebate on the gold card, the Department for Veterans’ Affairs arranges for them to see a specialist who will bulk-bill them on their gold card. In the interim, while the discussion is going on with the AMA, veterans are being assisted. (Time expired)

Agriculture: Quarantine Services

Senator SANDY MACDONALD (2.43 p.m.)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry. Minister, what actions has the government taken to strengthen Australia’s quarantine services? How have these changes helped protect Australia’s rural industries from the threat of disease? Is the minister aware of any alternative policies?

Senator IAN MACDONALD—I thank Senator Sandy Macdonald and acknowledge that he has a very sincere and particular interest in the health of our rural and regional communities and the agriculture that sustains them. I guess Senator Sandy Macdonald was concerned, as many people were, as a result of some alarmist comments made on a particular radio station this morning where it was suggested that Australia lets in all manner of produce that threatens our health and our industries. These alarmist radio comments could not be further from the truth. Australia, in fact, leads the world in quarantine protection. Our borders have been safe from disease because this government has been committed to keeping those borders safe. We have increased funding by over $600 million in the past two budgets. We have added some 1,200 additional staff to the quarantine service, 38 new sniffer dogs and 48 new X-ray machines at airports. We have doubled the fines. We have added new commercial smuggling fines of up to $1.1 million for companies and $260,000 for individuals. Half a million seizures at airports have occurred in the last 12 months. The disease-risk produce has either been kept out or has had very severe entry conditions imposed. Senators would be aware that up my way the banana growers were concerned at the importation of Philippine bananas. Those bananas were rejected after our very stringent risk analysis process found that they could have disease in them, and so they were kept out. That happens everywhere with respect to our primary production. The success has been shown by the fact that Australia did not suffer disease outbreaks that have ravaged Europe in recent years.

On that point, I might mention for the benefit of senators Operation Minotaur, which is about to happen next week when we run a simulation of foot-and-mouth disease entry into Australia. I want to emphasise—and I hope all senators will join me in emphasising—that this is a simulation only. It is not real, but it will be real in its attempt to make sure that Australia is prepared should a disease ever hit Australia’s shores.

I mention that those claims on the radio this morning could not be further from the truth. They would make you laugh if this were not such a serious matter. However, I did get a laugh this morning from a press release that I read. It was one from the Labor Party on their biosecurity policy. I want to run through a few of the gags that Senator O’Brien made. His first gag was a claim that there was a lack of students wanting to be vets. The fact is, unfortunately for Senator O’Brien, that it is harder to get into veterinary studies in most universities than it is to get into medicine. That is because the student demand focuses and raises the entry levels. Senator O’Brien’s next gag was that Labor would do more to train vets to help with post-border protection. That makes me chuckle for two reasons. The first reason is that it would take staff away from the frontline. The second reason is that post-border measures are, in fact, measures for the state governments, Senator O’Brien—your mates in the states.
This government has tried to involve the state Labor governments, and I ask you again to have a talk to them about that although you are probably too late. We have already put $200,000 into a review for rural veterinary services. We have committed $2 million to implement findings. We have new bonded scholarship schemes for new vets. Labor’s hypocrisy knows no bounds. As I said, this radio commentator—(Time expired)

Medicare: Bulk-Billing

Senator CROSSIN (2.48 p.m.)—My question is to Senator Patterson, the Minister for Health and Ageing. Does the minister recall yesterday, in a response to a question about her failure to release the bulk-billing figures for the June quarter, that she told the Senate:

I am not going to mislead parliament and say that I have not seen those figures yet, but I believe I have not seen those figures or that minute.

Twenty-four hours later, now that the minister perhaps has had an opportunity to check, can she confirm today that she has, in fact, set eyes on the June quarter figures? Is it the case that those figures show that there has been a further decline in the rate of bulk-billing by GPs across Australia? Minister, why are you covering up the extent of the bulk-billing problem by hiding the latest figures, and when do you propose to table those figures?

Senator PATTERSON—I actually thought more of Senator Crossin, but she has joined in the Labor Party’s typical process of besmirching people, coming in here with innuendos and, if there is not a conspiracy, concocting a conspiracy, such as I had the figures and I am holding the figures back—like there is some big conspiracy. I said yesterday that the Health Insurance Commission release the data six weeks after the end of the quarter that they report on. But at the end of the financial year it is eight weeks, because they release the whole data for the whole year. I said that I would check and see whether a minute had come in. When a minute comes in from the HIC on these issues, I note it. I do not agree to them being released. The HIC release the data. They put it on their website. The opposition come in here asking: have I seen the figures? When will I see the figures? When will they be released? The HIC release the figures—

Senator George Campbell—Do you know what the figures are?

Senator PATTERSON—They send the figures to me to note them. I do not need to tell them whether I have seen the figures or whether I have not seen the figures.

Senator George Campbell—We know you know.

The PRESIDENT—Order! Senator George Campbell, and other senators on my left, will stop interjecting and let the minister attempt to answer the question.

Senator PATTERSON—Senator Forshaw said yesterday:

Those figures have been sitting on the minister’s desk for—now we understand—some weeks, and the minister has refused and declined to make them publicly available.

I do not know whether Senator Forshaw sits in my office when I am not there and goes through all the things on my desk. I presume he does not. I hope he does not, or I will get the AFP in to find out why he is in my office.

He seems to know what is on my desk. Senator Ludwig says I refuse to release the new general bulk-billing figures. Let me say that I do not have those figures; I do not release them. The formal minute has not come across to my office, so Senator Forshaw must have been having some sort of dream last night that he was in my office and that he went through all my files and found a minute that was not there. The opposition come in here and besmirch people. They present stuff as though it were fact. The Health Insurance Commission minute, for me to note, has not come into my office. The Health Insurance Commission will release that data as they do without my having to approve it. I note the minute. The formal minute has not come across and I have not seen the data.

Senator CROSSIN—Mr President, I ask a supplementary question. Yesterday, Minister, you also told the Senate, in relation to the problem of declining bulk-billing rates, ‘With all due respect it is not a problem of our making.’ Is the minister aware that in
every year from the commencement of Medicare in 1984 to the end of the former Labor government’s period in office bulk-billing rates for GPs increased? Is the minister also aware that in every year since the election of the Howard government bulk-billing rates have decreased? Given this record, how can the minister deny that this decline is a direct result of Howard government policies?

Senator PATTERSON—As I said—

Senator Vanstone—I didn’t hear an apology, did you? Did you hear her apologise?

Senator PATTERSON—What did she apologise for?

Senator Vanstone—For saying you had the figures—

Senator PATTERSON—They didn’t apologise to the Baillieaus; they besmirched Senator Panizza and they didn’t apologise for that. But I will get used to that; I have got big shoulders. I have been sitting next to you, Senator Vanstone, so I have learnt how to have big shoulders and have what it takes when the Labor Party besmirch you without evidence—when they have a dream that they have been in your office, looking at your desk.

When we came into government we had a dearth of doctors in rural areas. They are the areas where bulk-billing has gone down, and we had a dearth of doctors there. We have a plethora of doctors in some metropolitan areas where bulk-billing rates are up. We inherited a problem that cannot be turned around overnight. It is impossible to turn around overnight work force issues in health.

Senator CROSSIN—Mr President, I take a point of order. My point of order is that the supplementary question related to the rates of bulk-billing for GPs, which increased under the Labor government but have decreased under this government. The minister is failing to address my question. Perhaps she needs me to table these rates, which are directly from her own department’s web site, in order to assist her with the answer to my question. I am happy to table the rates, if that is the case.

The PRESIDENT—You have to seek leave to table this document from the government’s web site.

The PRESIDENT—Senator, could you do that at the end of question time?

Senator CROSSIN—I shall do so.

Senator PATTERSON—I refer to Commonwealth expenditure on general practice, including Medicare rebates and program incentive payments. The general practice immunisation incentives to get our children immunised at First World level rates rather than Third World level rates, as they were, have increased by 24 per cent in the four years leading up to and including 2002-03.

(Time expired)
when does the minister intend to make such a submission?

Senator Patterson—I would not have thought that Senator Greig would join those on the other side and again make claims that are totally unfounded. I know that the Democrats are in a bit of trouble, but they need to go back and examine what they did with respect to the Pharmaceutical Benefits Scheme, which went from costing $1 billion in 1990 to $4.8 billion this year. If it continues to grow at about 9.6 or 10 per cent—there has been a slight downturn in that growth—it will cost $7 billion in 2007.

We have put 300 new medications on the PBS since we came into government. But before any medicine can be accepted onto the PBS, it must be assessed, as the honourable senator knows, by the Pharmaceutical Benefits Advisory Committee. The committee has recommended that the PBS list a range of new medications but, as is always the case following a positive recommendation from the PBAC, the Pharmaceutical Benefits Pricing Authority sets suitable pricing arrangements for the department to negotiate with manufacturers. We have to try to get the very best price that we can for the taxpayer.

As I know, because we had some focus groups earlier this year, people think, when they pay $3.60, that an expensive medication costs $20. When they pay $22.40, they think that an expensive medication costs about $24 or $25 and that sometimes they cross-subsidise the people who are paying $3.60. Australians are not aware of the high price of medications. The most commonly prescribed medication on the PBS costs $80 per person per script. So we have to drive the best bargain we can, and that takes a lot of time and a lot of toing-and-froing. It is not unusual for these negotiations to take a lot of time, and it can be difficult to reach an outcome which is in the best interests of the taxpayer.

Senator Greig, you won’t let us put up the copayment—and, even so, we would still be striving for the best price because we have to have a system which is sustainable. You and your party—the Labor Party just opposes everything—refused to even look at it. You refused to even compromise or discuss it with us. Senator Stott Despoja, on the night of the budget, said, ‘No, we won’t do anything about it.’ So we have to strive harder and harder to get the best prices we can.

I remind those opposite that the PBAC recommended in 1994 that Ritalin be listed on the PBS, but the Labor government was never able to reach an agreement with the company involved, and it was never listed on the PBS. So sometimes you do not reach an agreement. But what we have to do is negotiate the best price. We are not delaying in respect of those medications; we are working to achieve the best prices we can so that they can go onto the PBS. If an amount of over $10 million is involved, the matter has to be taken to cabinet, but I am not delaying in respect of those medications. We are negotiating to get the best price that we possibly can for the taxpayer.

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Senator Patterson—I would have thought you that would have done better than that, Senator Greig, because you are attempting to get the leadership of the Democrats for a month or two. I would have thought that you would have shown some commitment to the PBS and assisted us in actually making it affordable in future, to enable us to put drugs on the list that cost $50,000 per person per year. One medication we have just put on costs $50,000. We are going to have to come to you again and say, ‘Think about it again, Senator Greig.’ I hope you show leadership—if you get the leadership—unlike Senator Stott Despoja, and help us to get that PBS through.

Senator Hill—Mr President, I ask that further questions be placed on the Notice Paper.

The President—Before I call on motions to take note of answers, I will just make the comment that today was very noisy and I had trouble hearing questions from Senators Bartlett, Harradine and Greig. Perhaps we
could look at the microphones, because they do not seem to be working as well as they should.

Senator Crossin—During question time I sought to table figures in relation to GP bulk-billing. I understand that there is approval by the government to do that, so I seek to table this list.

Leave granted.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Senator Boswell—Mr President, I wish to take note of Senator Harradine’s question today on the false claim made by Alan Trounson.

Senator Mackay—Mr President, I rise on a point of order.

The PRESIDENT—Order! Senator Boswell, I have to say that it is usually the opposition that moves that the Senate take note of an answer. You may wish to seek another way of making your point, Senator.

Senator Boswell—I am quite happy to yield to the Labor senator but I would seek the next call.

Senator Mackay—I raise a point of order. I think that the confusion arose as you may have called Senator Boswell because you thought he was acting in his capacity of Leader of the National Party in the Senate. In fact Senator Conroy was on his feet seeking to take note.

Senator Boswell—I am quite happy to yield to the Labor senator but I will seek the next call.

Senator Mackay—I raise a point of order. I think that is personally offensive and the honourable senator should be asked to withdraw. He can make a political point—that is fine; that is what this process is all about. It is not an opportunity to be personally offensive.

Senator Conroy—On the point of order, ministers in both chambers have regularly made references to people flopping and flipping backwards and forwards trying to justify their positions. There was no intention other than that. I think that you should dismiss the point of order.

The PRESIDENT—After consulting with the clerks, I must admit that I was distracted for the moment. I will read the Hansard, but at this stage it appears from the
advice that I have received that there was no point of order. I advise you, Senator Conroy, to contain your remarks to the issue at hand and not reflect on any member of this house or the other house.

Senator CONROY—Thank you, Mr President. As I was saying, this minister is running around in circles trying to justify why 600,000 Australian families have lost money—they have had it stripped from them through no fault of their own. Her standard defence is to try to claim that they are all welfare cheats and that they are out there trying to get their hands on a pot of gold—a bucket of money, as she says—just because this minister could not design this system so that families were not placed in such a position, through no fault of their own. That is what this debate is about; that is why this minister is in trouble. The Prime Minister has stepped in and cut this minister loose because 600,000 Australian families, through no fault of their own, have had their tax returns stripped.

It demonstrates once again that we have two standards from this government. One is in relation to its mates at the Royal Perth Yacht Club. If you had a tax avoidance problem you could go to the Royal Perth Yacht Club—and what happened? What deal did Senator Coonan do on behalf of the Royal Perth Yacht Club people? She agreed that for mass-marketed tax schemes they would be entitled to a two-year interest-free period to repay the tax and a full remission of penalties and interest on the tax scheme debt. That is what this government agreed to with its mates down at the Royal Perth Yacht Club.

But if you were an ordinary struggling Australian family and you received, through no fault of your own, an overpayment because of the design of the system, you had the money stripped out of your tax return without anyone telling you. It did not matter if you already had a commitment. We have heard about a family who were going to pay for their wedding photos out of their tax cheque—and what did this government do? It stripped the money back without even telling them. You may laugh about this, Senator Mason—through you, Mr Deputy President—but this is a real Australian family struggling to get by because of the pernicious effects of this government’s policies. We have two standards: one for its mates down at the Royal Perth Yacht Club and one for struggling Australian families. That is not good enough. The minister was exposed on *Lateline* last night when she had to embarrassingly admit that the Prime Minister—

Senator Hill—I heard she did very well.

Senator CONROY—Well, by Senator Kemp’s standards she did do well, Senator Hill. But by any reasonable standard she had to ‘fess up that the Prime Minister had stepped in and moved her aside. She tried to tell us how she had been struggling in cabinet to get this reconsidered but she was bound by cabinet solidarity. But it is okay: the Prime Minister can come out and make an announcement on her behalf, overturning cabinet solidarity. She cannot, but she wanted us to know she had been in there fighting and that she had been in there trying—a pathetic attempt last night to try to get herself out of trouble when we all know the Prime Minister has given a wink to Senator Coonan that she is coming into cabinet while Senator Vanstone is on the way out. That is what is going on here. (Time expired)

Senator MASON (Queensland) (3.09 p.m.)—Before I commence I would like to congratulate Senator Conroy on an excellent performance as a leader of the opposition. Senator Collins, you will be pleased by this: I think we should go back to first principles. Senator Jacinta Collins—Very good.

Senator MASON—The Left like to talk about social justice: that is the big key for the Left. The question is whether, if the government pay someone a benefit or they give a tax benefit and that takes money away from the community’s taxes, that in fact is just. Is
it appropriate that people keep a benefit they are not entitled to? It is not socially just, because if you start doing that people who have not paid their taxes or people who receive benefits think they can keep them. This is the sort of precedent that the Labor Party sadly falls for.

Senator Jacinta Collins—Don’t go too far, Brett.

Senator Crossin—But why do you have to defend Senator Vanstone? Tell us why you have to defend Senator Vanstone. Why do you have to defend this minister?

The DEPUTY PRESIDENT—Senators on my left will be quiet.

Senator MASON—Again, social justice is the province of the Liberal Party, not the Labor Party.

Senator Ludwig interjecting—

The DEPUTY PRESIDENT—Senator Ludwig, thank you!

Senator MASON—It is not socially just for people to keep the community’s money. It is not socially just for people to keep money when they are not entitled to it. It is as simple as that.

Senator Harradine interjecting—

Senator MASON—The fundamental problem with the Australian Labor Party, and this goes back to 1901, is that they believe that it is all the government’s money, Senator Harradine. Actually, it is the money of the local shopkeeper, the local nurse and the local doctor—people who work 80, 90 or 100 hours a week or who put up their house to be mortgaged if their business fails. It is their money; it is not the government’s money—which is what Labor believe. If you want to understand why they do not at all accede to aspirational Australia, it is because they do not understand that fundamental point: it is not the government’s money; it is the community’s money.

Senator Barnett—That’s right.

Senator MASON—It is even worse than that. If Senator Vanstone and the government did not adopt this strategy, we would be negligent: we would be breaking a fiduciary duty and a moral duty—a moral duty because it is not socially just and a fiduciary duty because it would be an aspect of fiscal banditry, which of course the Labor Party love. They never understand that every time they spend the government’s money they are spending the community’s money—your money. Sadly, this is the sort of precedent that the Labor Party have engaged in throughout their entire history. They have never actually understood that being generous—

Opposition senators interjecting—

The DEPUTY PRESIDENT—Order! Senator Mason, resume your seat. I can understand that people would like to interject but they will have an opportunity to participate in the debate later on, so there should be silence on my left so that Senator Mason can get his point across.

Senator MASON—The fundamental fault of the Left has been for a century that they think it is generous to give other people’s money to other people. When you redistribute wealth in a nation, you do it for two reasons.

Senator Boswell—It’s a bit like Robin Hood!

Senator MASON—That is right; it is like Robin Hood. You give the money because it is socially just, and it is not socially just in this case to do it if someone has received an overpayment. You may even redistribute wealth for fiscal reasons in some instances, but there is no argument about that. This argument is a total farce. Senator Eggleston asked me to speak to the motion to take note this afternoon but I cannot work out what the Labor Party is suggesting. There is no argument at all that when people receive a benefit they are not entitled to they should pay it back. If the money is not paid back, it is not socially just and it is economically irresponsible. The people in the gallery understand that, Australia understands that but the Labor Party of course does not understand that.

Senator Crossin—You don’t understand.

Senator MASON—Senator Crossin, you do not understand it—

The DEPUTY PRESIDENT—Senator Mason, address your remarks to the chair.
Senator MASON—because you will never understand that every time you give a benefit to someone or you give money to someone, you are giving away the money of the shopkeeper, the doctor, the nurse, those who work 100 hours a week and—

Senator Boswell—And the unionist.

Senator MASON—Yes, the unionist; thank you.

Senator JACINTA COLLINS (Victoria) (3.14 p.m.)—After that contribution, I am somewhat disappointed that the government did not defer to Senator Boswell to speak on another matter. Perhaps I can be glad that Senator Mason is not in cabinet because, as we all know today, the Prime Minister has accepted that more flexibility needs to be applied in the administration of family payments. I would like to remind the Senate that not long ago, under a Labor government and before the change was introduced by the coalition, there was a 10 per cent level of flexibility in the assessments of income that families were required to make. This government removed that 10 per cent. That 10 per cent was in place because it was understood that it was unreasonable to expect families to reliably assess their income over a full 12-month period.

What concerns me in this debate is that it has become more and more obvious that the minister does not understand what life is like for single- or low-income families. She does not understand what life is like for a family with a single income for, let us say, nine months of the year, which then acquires a second income—perhaps a part-time income—does the right thing and advises the Family Assistance Office of their changed circumstances, receives a reduced payment or no further payment, and then is unexpectedly hit with a debt. I think most Australian families can accept that it is fair for their neighbour, who lives for nine months on a single income, to retain the family support that they received for that period. Once they advise the system that there has been a change in their income or their circumstances, fair enough, they lose that additional support. For this system to think that it can reclaim vast amounts of money from a family whose circumstances meant they had been living on a very low income is quite unreasonable.

This is one of the problems when we have a minister who does not understand social security administration and normal family life. When we shifted from a system which measured actual income on a weekly or monthly basis to a yearly assessment of family income, these problems were obvious. These problems were not addressed by this government when they first arose. They took the lazy and sloppy public administration response and said, ‘We’ll give them a gift. It’s an election year. We’ll give $1,000 and we’ll defer the problem until after the election.’ Well, the problem is back, and the problem affects two million Australian families—not, as the Minister has suggested previously in question time, the ‘needy’ or those on ‘welfare’; we are talking about genuine Australian families who have advised changes in their income and circumstances, but they got whacked. They get whacked because we have a poor system with no flexibility to acknowledge that there are low-income families on one income that may shift during a period of 12 months to two-income families, and we have a heavy-handed response to their circumstances.

The Prime Minister has finally accepted that the man and the woman on the street understand this issue. They think it is unfair. The minister has been required to look at that flexibility. But this is the minister who said yesterday that she did not accept that there was a problem. She said that Labor was misguided and ill-informed. She said, ‘I do not think that dysfunction exists under the present government and I’m quite happy with the arrangements as they are.’ Finally, the Prime Minister has accepted otherwise. Let us hope that, like with education, disability payments, and in the area of social security, the government understands better than the minister. I agree with Alan Jones that she should stand down.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (3.19 p.m.)—With regard to the answer given to Senator Harradine’s question
on false claims made by Alan Trounson, I would like to put on the record Professor Trounson’s response. His associate, Martin Pera, today told ABC Radio that this is merely a simple mistake and Alan corrected it quite quickly. This is very serious, because a second case of misrepresenting embryo research has come to light today. It is not a case of a simple mistake at all but one that has been repeated. First, the video was proven to be false and now a paper offered as proof that embryo cells work on motor neuron disease has turned out to be wrong as well.

Professor Trounson provided the key reference in a paper to the coalition party room briefing last week. Not only has the article never been published but it relates to germ cells and not embryo cells as in the proposed legislation—just like the rat video. The motor neuron example given was ‘Kerr et al. Nature Medicine online: August 2002’. Nature Medicine online has never published this article. Under standard academic practice throughout the world, you cannot rely on or cite references which have not been published. I understand this article has been under review for months but it has not been approved for publication. This is the second example of providing misleading information to MPs and it is potentially the more serious.

It is there in black and white under Trounson’s own name. It was never a case of it being a simple mistake. One mistake is serious but the second mistake brings the scientific reputation of those involved into absolute serious question. As Professor Trounson notes in his paper that he gave to the coalition meeting:

NB—Those supporting the No Vote claim, other applications—

for adult cells—

these need to be referenced and specifically verified—failure to provide this must be considered as dubious claims.

Trounson must apply the same rules to himself. His evidence must be properly referenced and scientifically verified. Not only is he using someone else’s unpublished work to bolster his argument, but it is not based on the type of embryo research relevant to our legislation.

Senator CROSSIN (Northern Territory) (3.22 p.m.)—I rise this afternoon to follow my colleagues Senator Conroy and Senator Collins in taking note of the answer from Senator Vanstone during question time today. Over the last two days, this minister has shown that she is probably about as tough as the old beef jerky we have in the Northern Territory. She fails to grasp the point about how hard it is for families in this country who have suddenly been hit with one of these family payment debts when they were unaware or uncertain that it was coming their way. This is following the situation this time last year when this government was prepared to waive the first $1,000 of debt these families may well have incurred.

But we have now seen that Senator Vanstone has been trounced by the Prime Minister. First of all, a number of backbenchers in the Liberal Party have had phone calls or representation made to them by constituents in their area who are affected by this. So it starts to affect the backbench in the government, and they slowly start to apply pressure. They cannot apply pressure to Minister Vanstone because she comes across as so hard as nails that she is not prepared to even acknowledge that there are problems and flaws in this system. So it takes the Prime Minister to realise that this system is inequitable, that it needs changes and that it is inflexible. It takes the Prime Minister to actually get on her back and force her to realise that there are problems in this system.

This is the minister who does not seem to be able to do anything right when it comes to the big issues in government. In education, we saw the start of the demise of higher education after the 1996 election. Last year, we had the debacle with the disability payments and this year we have the family payment debts. The Prime Minister, though, has been finally forced to acknowledge—and he has done this, not the minister, which is the unfortunate part about this—that the coalition’s family payment system is hurting families and that a new approach is needed. The Prime Minister’s statement came from backbench lobbying, as I said, not from this min-
ister. Despite the Prime Minister softening on this issue, the minister still insists, and still persists in her slurs on ordinary Australian families. She still defends the system as being fair and insists that it only needs finetuning.

Last night on *Lateline*, Tony Jones was spot on when he confronted the minister. He was right when he said, ‘Here you are, still running a hard line against those caught in the last year, but we have a Prime Minister who is talking about a flexible response to the problem.’ He is right. He actually said to the minister last night, ‘Has he overruled you on this one?’ She back-pedals, denies and refuses to accept that that is the situation, but that is exactly the situation. That is exactly what has happened here. We have a minister who is resisting any notion of flexibility in repaying the family payment debts, stating that this would amount to an interest-free loan. We have a minister who continues to defend her flawed family payment system by saying that less than half of the two million families got incorrect payments. She says, ‘Less than half the payments were incorrect.’ That is not exactly a great report card for your family payment system, Minister. When 650,000 families get debt notices, you need to do more than finetuning to fix the problem. At least the Prime Minister has acknowledged that; the Prime Minister has made statements to that effect, but we have a minister who refuses to do so.

Alan Jones, on his radio show, said, ‘Here is one of the few instances where Senator Vanstone has ever got anything right. She said before the election this would not happen.’ But of course what do we see? We see one thing before the election and another thing after the election. That promise has been broken and people are suffering. This is another example from this government where they promise one thing and con you to vote for them to get themselves elected and then, after the election, we see a totally different set of circumstances. In this case, we have a minister who is ignorant of the fact, and who will not accept, that ordinary Australian families are hurting under this system which is inflexible and flawed and which needs drastic changes. At least the Prime Minister has acknowledged that, and this minister will not. (Time expired)

**Senator JOHNSTON** (Western Australia) (3.27 p.m.)—I also rise to take note of Senator Vanstone’s answer. I commence by pointing learned senators across the chamber to a fundamental principle of right and wrong: if you tell Centrelink that an estimation of your annual income is X dollars and it turns out to be more than X dollars, and Centrelink have paid you on the basis of what you have told them, you must pay the money back.

**Senator Ludwig**—Nobody is arguing about that!

**Senator JOHNSTON**—That is right. If you have underestimated your income—and this is the important point—you can get a top up. May I say to senators on the other side of the chamber: you never paid a top up; you never made a flexible allowance by topping up when people underestimated their income and received a lesser benefit. We have paid the top up. What could be fairer? The money comes by and large from tax returns or an adjustment or in recovery.

Let me mention one little aspect of the administration of this area of government. When this government came to power, Senator Vanstone’s predecessor was saving $28 million per week because your government was lax and slack. It did not enforce the rules and allowed the system to run away. This system is fair, reasonable and right, not wrong. It is the correct approach. Around $2 billion per year extra is being paid to Australian families under this administration.

Families receive an exact entitlement based upon a retrospective assessment of their annual income. They get what they are entitled to. That is what the Australian taxpayer expects of its government: that people who have an entitlement get exactly what they are entitled to receive, so that the reconciliation method delivers to families the precise amount that they are entitled to. There were over 400,000 family benefit and CCB top-ups of entitlements for 2000-01. No families received top-ups, as I have said, under the old system. The vast majority of Centrelink customers—71 per cent for child
support benefits and 61 per cent for family tax benefits—had no adjustment or received a top-up. Most debts are very small. Half of the family benefit overpayments were below $500. It has been suggested as the solution to this difficult evaluation of estimating income that we have a 10 per cent flexibility. The system carries billions of dollars to Australian families, and what senators on the other side of the chamber are suggesting is that it is fair and reasonable to turn your back on, and throw away, 10 per cent of billions of dollars. That is not the way we administer this very important area.

In closing, in assessing how the system works, Senator Vanstone, in answering the question, quite rightly brought home that when someone makes an application for a benefit, it is a privilege, not a right. They make an estimation. The onus is upon them to get that right and, if they get it wrong, there is flexibility in the system for an adjustment. What could be fairer? What could better protect the interests of Australian taxpayers in providing a very important service and assistance to Australian families?

Question agreed to.

PERSONAL EXPLANATIONS
Senator BROWN (Tasmania) (3.32 p.m.)—by leave—I wish to inform the Senate that I will not be here tomorrow as I am going to the Earth Summit.

PETITIONS
The Clerk—A petition has been lodged for presentation as follows:

General Agreement on Trade in Services

To the Honourable the President and the members of the Senate in Parliament assembled:
The Petition of the undersigned shows our concern that:
(a) all “requests” under the General Agreement on Trade in Services (GATS) must be lodged by 30 June 2002;
(b) formal offers must be concluded by March 2003;
(c) the Australian Government has so far not revealed what it proposes to put on the table at GATS;
(d) our democracy and the future of our public services are under threat from other countries which are pressuring Australia to open up telecommunications, postal services, water supply, health and education services, banking and the professions to foreign corporations, and to accelerate privatisation.

Your petitioners respectfully ask that the Senate urgently request the Australian Government to publicly release all demands and concessions it proposes to make to other countries for opening up trade in services as part of negotiations on a new General Agreement on Trade in Services (GATS).

by Senator Cherry (from 120 citizens)
Petition received.

NOTICES
Presentation

Senator Bolkus to move on the next day of sitting:
That the Legal and Constitutional References Committee be authorised to hold a public meeting during the sitting of the Senate on Monday, 16 September 2002, from 8 pm, to take evidence for the committee’s inquiry into the Migration Legislation Amendment (Further Border Protection Measures) Bill 2002 and related issues.

Senator Hutchins to move on the next day of sitting:
That the time for the presentation of the report of the Community Affairs References Committee on the Family and Community Services Legislation Amendment (Australians Working Together and other 2001 Budget Measures) Bill 2002 and related issues be extended to 25 September 2002.

Senator Chris Evans to move on the next day of sitting:
That the Senate—

(a) notes that:
(i) since the election of the Howard Government, the rate of bulk billing by general practitioners (GPs) has dropped from 80.6 per cent to 74.5 per cent, and that the average patient cost to see a GP who does not bulk bill has gone up 41.8 per cent to nearly $12, and
(ii) in every year from the commencement of Medicare in 1984 through to 1996, bulk billing rates for GPs increased, but that, in every year since the election of the Howard Government, bulk billing rates have decreased;
(b) recognises that the unavailability of bulk billing hurts those Australians who are least able to afford the rising costs of health care and those who are at greatest risk of preventable illness and disease;
(c) condemns the Howard Government’s failure to take responsibility for declining rates of bulk billing; and
(d) calls on the Minister for Health and Ageing (Senator Patterson) to release publicly the June 2002 quarter bulk billing figures so that the true extent of the problem is made known.

Senator Ian Campbell to move on the next day of sitting:
That the order of the Senate of 25 March 1999, relating to an order for the production of periodic reports by the Australian Competition and Consumer Commission on private health insurance, be amended as follows:

omit “6 months, commencing with the 6 months ending on 31 December 1999’, substitute “12 months ending on or after 30 June 2003”.

Senator Carr to move, contingent on the Senate’s order for documents of 21 August 2002 not being fully complied with by 16 September 2002:
(1) That the following matter be referred to the Employment, Workplace Relations and Education References Committee, for inquiry and report by the fifth day of sitting in February 2003:

The refusal, in the statement made in the Senate on 26 August 2002 on behalf of the Minister for Education, Science and Training, to respond to the order of the Senate of 21 August 2002 for documents relating to financial information concerning higher education, and the justification for that refusal.

(2) That the committee, in considering this matter:
(a) call appropriate officers of the Department of Education, Science and Training to provide explanations of the information and the department’s reasons for considering that the information should remain secret;
(b) call appropriate officers of other departments, including the Departments of Prime Minister and Cabinet, Treasury and Finance, to give other relevant evidence; and
(c) hear other witnesses with relevant evidence on the finances of higher education institutions.

(3) That the committee seek all relevant advice from the Auditor-General.

COMMITTEES
Selection of Bills Committee
Report
Senator BRANDIS (Queensland) (3.35 p.m.)—I present the seventh report of 2002 of the Selection of Bills Committee.
Ordered that the report be adopted.
Senator BRANDIS—I seek leave to have the report incorporated into Hansard.
Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 7 OF 2002

1. The committee met on Tuesday, 27 August 2002.

2. The committee resolved to recommend—

(a) the following bills not be referred to committees:

• ACIS Administration Amendment Bill 2002
• States Grants (Primary and Secondary Education Assistance) Amendment Bill (No. 2) 2002
• Taxation Laws Amendment (Structured Settlements) Bill 2002
• Transport Safety Investigation Bill 2002
• Transport Safety Investigation (Consequential Amendments) Bill 2002.

(b) the order of the Senate of 20 August 2002 adopting the 6th report of 2002 of the Selection of Bills Committee be varied to provide that the Trade Practices Amendment (Liability for Recreational Services) Bill 2002 be reconsidered.

The committee recommends accordingly.

3. The committee deferred consideration of the following bills to the next meeting:

Bill deferred from meeting of 19 March 2002
Aviation Legislation Amendment Bill 2002.
Bill deferred from meeting of 14 May 2002  

Bill deferred from meeting of 18 June 2002  
Australian Broadcasting Corporation (Scrutiny of Board Appointments) Amendment Bill 2002.

Bills deferred from meeting of 20 August 2002  
Environment and Heritage Legislation Amendment Bill (No. 1) 2002  
Australian Heritage Council Bill 2002  
Australian Heritage Council (Consequential and Transitional Provisions) Bill 2002  
Financial Sector Legislation Amendment Bill (No. 2) 2002  
Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002  
Medical Indemnity Agreement (Financial Assistance—Binding Commonwealth Obligations) Bill 2002  
New Business Tax System (Consolidation, Value Shifting, Demergers and Other Measures) Bill 2002  
Occupational Health and Safety (Commonwealth Employment) Amendment (Employee Involvement and Compliance) Bill 2002  
Renewable Energy (Electricity) Amendment Bill 2002  
Therapeutic Goods Amendment Bill (No. 2) 2002  
Workplace Relations Legislation Amendment Bill 2002.

Bills deferred from meeting of 27 August 2002  
Excise Tariff Amendment Bill (No. 1) 2002  
Customs Tariff Amendment Bill (No. 2) 2002  

(1) Business of the Senate notice of motion no. 1 standing in the name of Senator Conroy for today, relating to the disallowance of certain Corporations Amendment Regulations, postponed till 29 August 2002.

(2) Business of the Senate notice of motion no. 2 standing in the name of Senator Bartlett for today, relating to the disallowance of the Environment Protection and Biodiversity Conservation Amendment Regulations 2001 (No. 3), postponed till 16 September 2002.

Business of the Senate notice of motion no. 3 standing in the name of Senator Bartlett for today, relating to the reference of a matter to the Foreign Affairs, Defence and Trade References Committee, postponed till 16 September 2002.

Business of the Senate notice of motion no. 4 standing in the name of Senator Harris for today, relating to the reference of a matter to the Rural and Regional Affairs and Transport Legislation Committee, postponed till 29 August 2002.

General business notice of motion no. 110 standing in the name of Senator Stott Despoja for today, relating to Australia’s involvement in any pre-emptive military action, postponed till 16 September 2002.

SUPERANNUATION: COMMERCIAL NOMINEES OF AUSTRALIA LTD

Senator SHERRY (Tasmania) (3.37 p.m.)—I move:
That there be laid on the table, on the next day of sitting, the advice by the Australian Prudential Regulation Authority, to the Assistant Treasurer, under section 230A of the Superannuation Industry (Supervision) Act 1993 in relation to applications for financial assistance for superannuation funds where Commercial Nominees of Australia Ltd was trustee.

Question agreed to.

SUPERANNUATION WORKING GROUP: REPORT

Senator SHERRY (Tasmania) (3.37 p.m.)—I move:
That there be laid on the table, on the next day of sitting, the report presented to the government by the Superannuation Working Group on 28 March 2002.

Question agreed to.

COMMITTEES

Possible Support by Australia of a United States Invasion of Iraq Committee

Senator NETTLE (New South Wales) (3.38 p.m.)—On behalf of Senator Brown, I move:
(1) That a select committee, to be known as the Select Committee on the Possible
Support by Australia of a United States Invasion of Iraq, be appointed to inquire into and report by 1 December 2002 on the following matters:

(a) the potential human, political, economic, environmental and other consequences in Iraq and elsewhere of United States of America (US) military action against Iraq;

(b) the potential human, political, economic, environmental and other costs to Australia of participating in or supporting US military action against Iraq;

(c) international and domestic legal considerations for US or Australian military action against Iraq;

(d) Australia’s military, economic, political, environmental and other capability to be involved in military action against Iraq;

(e) Australia’s history of involvement in US military action, particularly in Afghanistan;

(f) the Australian government’s public and diplomatic stance on potential military action against Iraq;

(g) the role of the Australian parliament in the decision on potential military action against Iraq; and

(h) opportunities for Australia to participate in nation building, development support or other alternatives in order to achieve peace, democracy and stability in Iraq and the region.

(2) That the committee consist of 8 senators, 3 nominated by the Leader of the government in the Senate, 3 nominated by the Leader of the opposition in the Senate, and 2 nominated by minority groups and independent senators.

(3) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(4) That the chair of the committee be Senator Brown, Australian Greens Senator for Tasmania.

(5) That the deputy chair of the committee be elected by and from the members of the committee.

(6) That the deputy chair act as chair when there is no chair or the chair is not present at a meeting.

(7) That, in the event of the votes on any question before the committee being equally divided, the chair, or deputy chair when acting as chair, have a casting vote.

(8) That the quorum of the committee be three members with one representing the government, one representing the opposition, and one representing minority groups and independent senators.

(9) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(10) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any such subcommittee any of the matters which the committee is empowered to consider.

(11) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President.

(12) That the committee be empowered to print from day to day such documents and evidence as may be ordered by it and a daily Hansard be published of such proceedings as take place in public.

Question put.

The Senate divided. [3.43 p.m.]

(The Deputy President—Senator J.J. Hogg)

Ayes............  2
Noes............ 45
Majority........ 43
AYES

Brown, B.J. *  Nettle, K.

NOES

Allison, L.F.  Barnett, G.
Bartlett, A.J.J.  Bishop, T.M.
Boswell, R.L.D.  Brandis, G.H.
Campbell, G.  Campbell, I.G.
Carr, K.J.  Cherry, J.C.
Colbeck, R.  Coonan, H.L.
Cook, P.F.S.  Denman, K.J.
Crossin, P.M.  Ferguson, A.B.
Evans, C.V.  Greig, B.
Forshaw, M.G.  Hill, R.M.
Herron, J.J.  Kemp, C.R.
Hogg, J.J.  Lightfoot, P.R.
Kirk, L.  Lundy, K.A.
Ludwig, J.W.  Mason, B.J.
Mackay, S.M. *  McLucas, I.E.
McGauran, J.J.  Moore, C.
Moore, C.  Murphy, S.M.
O'Brien, K.W.K.  Payne, M.A.
Ray, R.F.  Reid, M.E.
Sherry, N.J.  Tchen, T.
Tierney, J.W.  Troeth, J.M.
Vanstone, A.E.  Watson, J.O.W.
Wong, P.

* denotes teller

Question negatived.

Employment, Workplace Relations, Small Business and Education References Committee

Report: Government Response

Senator CARR (Victoria) (3.47 p.m.)—I move:

That the Senate—

(a) notes:

(i) the Government’s failure to respond to the Employment, Workplace Relations, Small Business and Education References Committee report, Universities in crisis: Report into the capacity of public university to meet Australia’s higher education needs, tabled on 27 September 2001,

(ii) that the Government stated in its response to the schedule of government responses outstanding to parliamentary committee reports tabled by the President of the Senate on 15 February 2002, ‘The response is expected to be tabled shortly’, and

(iii) that it is now more than 11 months since the committee’s report was tabled and more than 6 months since a draft was provided to the Minister for Education, Science and Training (Dr Nelson); and

(b) calls on the Government to table its response to the report immediately.

Question agreed to.

MATTERS OF URGENCY

Veterans: Gold Card

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 28 August, from Senator Mark Bishop:

President of the Senate

I submit the following matter of urgency for consideration by the Senate today:

That, in the opinion of the Senate, the following is a matter of urgency:

The threat of medical specialists to boycott the veterans’ Gold Card scheme which will leave veterans with war-caused injury and illness and war widows without adequate health care.

Senator Mark Bishop

Is the proposal supported?

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

The DEPUTY PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clocks accordingly.

Senator MARK BISHOP (Western Australia) (3.49 p.m.)—I move:

That, in the opinion of the Senate, the following is a matter of urgency:

The threat of medical specialists to boycott the veterans’ Gold Card scheme which will leave veterans with war-caused injury and illness and war widows without adequate health care.

This is an issue that goes to the heart of a longstanding policy of this parliament on behalf of the Australian people. That policy is simply stated: as a community, we must always honour the promise to care for those whom we send away overseas to put their lives on the line, in full knowledge that they
will be shot at and with a good chance that they will never return to their loved ones or, if they do, that they will be injured to a degree where their life’s ambitions may be thwarted by pain and physical loss which no amount of compensation can rectify.

This parliament, on behalf of the people, has always been generous in its treatment of veterans—not in a monetary sense so much, because that has always been a matter of what the nation could afford after major international conflagration, but more in the level of access and the benefit of the doubt extended to those who have served against an armed enemy whose single task is to kill them. The government has now embarked on a course which, for the first time, will see the promise to care for injured veterans broken, and broken big-time. The government’s contempt for veterans is now patent and we will not be part of it.

In the time of the Hawke government, the Labor Party took the bold and generous initiative of extending total health care cover to special groups of veterans—namely, ex-prisoners of war, war widows, those who were totally and permanently incapacitated, those who had at least a 50 per cent disability and were in need of some level of income support, and some orphaned children. The Labor government gave these people a gold card for all conditions—in fact, a fully funded private health care scheme covering all medical costs, including treatment at private hospitals. It was both a recognition of need and a recognition of service. There was a modest cost, of course, but in the framework it was not unreasonable.

What we have now is something quite different. In their typical style, the Howard government have embarked on an extravaganza of expenditure in plain pursuit of votes. The Veterans’ Affairs budget has increased by almost $3 billion in five years to a total of $9½ billion, yet it is hard to see who of those in need has gained. We still have the poorest war widows renting private accommodation without rent assistance. We still have the veterans disability pension being treated as income in the means test by Centrelink. This includes 300 T&PIs and thousands of World War II ex-service people on the age pension. It was a Liberal promise from 1996, and they reneged. We still have 1,600 widows under the age of 57, and without children, being refused access to Newstart and the wherewithal to be retrained for a new life after years of caring for their late husbands. Despite the extravagant promise, we still have war widows who remarried prior to 1984 being refused the war widows pension.

From a government which blew its bags about anomalies, we find blatant discrimination against ex-prisoners of war from Europe in World War II by their exclusion from the $25,000 grant. Now we find the gold card, the symbol of the community’s regard and care for veterans, in a state of collapse. Sadly, the losers will be our war veterans and their widows. Even the blind could see this coming. What began as an act of respect and generosity has become a monster out of control. While, of course, we are not of a mind to deny veterans a benefit in respect of their service overseas, we are concerned that the needs of many are being ignored, especially those of war widows, veterans’ families and their children.

We are now faced with a crisis in veterans’ health care whereby it is highly likely that before the year is out the medical profession—specialists and some GPs alike—will boycott the gold card. When in government, we agreed with the AMA that the profession would give preference to veterans and widows out of pure respect for their service overseas, we are concerned that the numbers started to multiply as the government’s spending spree began, pressures built as reimbursements rates failed to match the cost of delivering services and medical indemnity insurance became outrageously expensive.

As the repatriation hospitals were sold or transferred the assistance and support the
specialists once received was removed, leaving the whole cost with the specialists on a fee structure they say is simply inadequate to cover the costs of caring for veterans, whose cases are often more complex and time consuming than those of the general population. In short, the specialists are saying that unless the fees are restored to some sense of normality then they will have no choice but to refer veterans and their widows to the public hospital system or to treat them as Medicare patients with a copayment. That, of course, will place even more pressure on the public system.

These are the simple facts. The deal we reached with the AMA, honourably in the interests of veterans and under a different set of circumstances, is presently the subject of discussions between the department and the AMA. It is no wonder that we now find ourselves inundated with threats from specialists from all over the nation saying that the deal is off and that their commitment to veterans is now so sorely tested that they can no longer afford to subsidise the Treasury by up to 50 per cent. The Medicare scheduled fee is no longer the market rate in the private system. Specialists have tried to negotiate this issue with the Howard government, but the government is not interested.

This is no ordinary campaign; it comes from specialists all over Australia, including a considerable number from the Illawarra. Veterans and widows of Wollongong and the South Coast of New South Wales, beware: your local specialists are threatening to walk out on you, so you had better ask the minister what you should do. The government is well aware of all this, but has ignored it and is therefore totally negligent. In full knowledge that the agreement with the AMA expires in two months time, it has made no provision in its forward estimates for any increase other than the standard and inadequate indexation.

Now we learn on the grapevine that, in response to the minister’s bid for additional funding, she has been sent packing and management of the matter has been passed to the Prime Minister’s department. How humiliating! If it was not too difficult, the minister has been made a complete goose. It just goes to show that, no matter how hard you try to wrap yourself in the flag and bask in reflected glory by cutting the ribbons on new memorials all over the world, at the end of the day it is the hard policy and program delivery issues which count. Veterans are not fools and should not be so treated.

Here we are faced with a crisis of enormous proportions for veterans. They can fully expect that medical specialists on whom they rely for their hip replacements, knee replacements or cataract removal will now have no choice but regretfully to say, ‘Sorry, but I can no longer afford to donate my services and I must give preference to those private patients who can pay me the going rate. I can only treat you at the public hospital’—which might be hundreds of miles away—‘or you can get a Medicare card and pay the gap.’

This is the new reality which is already in place. The government’s largesse has backfired. Treasury, the Department of Finance and Administration, the Prime Minister’s department and the Department of Health and Ageing will all have briefed their ministers that health expenditure for veterans is out of control. They will be saying that the cost blow-outs cannot simply be blamed on the ageing of the veteran cohort, on increased use of technology or on the fact that veterans are different to the rest of the community.

They know that this is a major budgetary issue for a budget in deficit—and a phoney and understated deficit at that. They know that 82 per cent of veterans and widows with a treatment card entitlement have a gold card but they consume 98 per cent of the veterans’ health care budget, worth $4.5 billion. They know that expenditure on the gold card is rising at 15 per cent a year. They know that it is now almost $10,000 a year per head and is on its way to $13,000 a year in two years time. They know that there was a $300 million overspend picked up in additional estimates last year and that this is a repeating experience. They know the veteran population is declining. It simply does not add up. It is therefore no wonder that they have blown the whistle.
I make it quite plain that we on this side begrudge the veteran community nothing, provided it focuses on need and honours our collective commitment to care for veterans' injuries and illnesses, particularly when they are war caused. But we cannot tolerate waste and incompetence and we cannot tolerate circumstances where, as a result of that incompetence, veterans and widows find themselves without the expert treatment and care we have all promised them. We have asked the minister quite reasonably—and have been doing so for months—what contingencies are being put in place to make sure that veterans can continue to see their own doctors. After all, that is what has been promised.

From denial that doctors would actually refuse to treat veterans we now have acknowledgment that other doctors will be found. The veteran in western Queensland will be relieved, I am sure! The recent rejection of gold cards by a number of doctors has been a breach of promise by the minister, who promised veterans their choice of doctor, and a breach of the promise by this government. On 1 July this year in a media release entitled ‘Happy new financial year for veterans, war widows’, the minister stated:

The Gold Card provides access to free comprehensive health care, including choice of doctor ...

Yet in recent weeks the minister’s office has commented:

The vast majority—
of doctors, that is—
still accept it—
that is, the gold card—
and if someone’s doctor no longer accepts it, the department will help them find a doctor who does ...

Unfortunately, that is completely inconsistent with the minister’s promise less than two months ago that veterans with gold cards will have their choice of doctor. In the first instance, the gold card holder is being deprived of his or her choice of doctor. The department advised during budget estimates in June that veterans are particularly loyal to their doctors and tend to have one doctor with whom they have a longstanding relationship. Gold card holders should not be put in the position where they have to change from their regular doctor to one who is unfamiliar with their medical history simply because the government is breaking its promise to provide free medical care with choice of doctor.

The only option if veterans want to choose their doctor is for them to use their Medicare card and pay the gap. However, many do not have a Medicare card because their gold card replaced it. Can they be treated at a public hospital? Of course—if they are prepared to join the queue. This defeats the entire purpose of having a separate health scheme for veterans, which purports to offer them private treatment. Some veterans were, fortunately, mistrustful of the government and maintained their private health insurance. Those who doubted the government’s promise will be grateful for their scepticism—it means they will still be treated in private hospitals.

Has any advice been provided to veterans? Don’t be silly, of course not. Just ring the department; it is not a real problem. Let us see what the specialists say. Will they make good their promise and walk away and cut their losses? They have no choice if they are fair dinkum, although we all hope that sanity will prevail. In the meantime, the doubt will grow as the interdepartmental committee process works its well-known, imperfect and tortuous path through a policy issue which should never have been allowed to get into such a mess, where veterans and their widows fear getting sick and fret over how their budget will cover the cost which they were told they would never have to worry about.

This is a shameful state of affairs and it is a supreme embarrassment to this parliament that such a shocking set of circumstances should be allowed to eventuate. This is a massive problem of the government’s own making. It has made commitments to veterans it is not prepared to honour. It has a budget in deficit and another bill to pay for which it has put no money aside—and it knew it was coming. This government is about to break the trust of veterans, their widows and their families through sheer incompetence. There can be no other explanation.
Once again the government has found itself a non-core promise it can break. And, typically, this government has picked on one of the groups in society who deserve the government’s support and respect—those who served their country. And, tragically, this government has broken its promises to those who were injured in the line of duty. Those who sacrificed their health for their country were told they would be looked after. They now suffer injuries or ill health as a result of their service and this government is going to deprive them of the access to health care they rightfully deserve and have been promised. The disproportionate impact on veterans in rural areas was pointed out by one doctor who wrote to me and said:

Certainly in rural areas, where timely access to public hospitals on an elective basis is virtually unattainable, private facilities are rapidly becoming the only means of providing appropriate care for DVA patients. Should remuneration for DVA patients continue to lag in real and relative terms, it is likely that more DVA patients will need to be treated via the public system with all the obvious consequences for patient care and expansion of current excessive waiting times.

Naturally, in times of illness, most patients prefer to attend the most convenient hospital.

(Time expired)

Senator EGGLESTON (Western Australia) (4.04 p.m.)—What we have just heard is nothing but scaremongering of the most irresponsible kind by Senator Bishop. The veterans of this country are people to whom we all owe a great debt of gratitude and to whom the Howard government has given special attention in extending the range of benefits available. For Senator Bishop to get up here in the Senate today and say what he said—on a day when the debates in the Senate are being broadcast around Australia and when veterans all over Australia may have heard the scurrilous and scandalous allegations he has made and may possibly feel that in some way their medical services are under threat and in jeopardy—is a very irresponsible thing to do. Senator Bishop, it is not the first time you have engaged in scaremongering. In fact, you have a bit of a track record of doing just that sort of thing. There is no doubt at all that you are a man who does not necessarily like to confine himself—

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! Senator Eggleston, please address your remarks through the chair.

Senator EGGLESTON—Through you, Mr Acting Deputy President, Senator Bishop is not a senator who likes to be confined by the simple facts of a situation. He likes to engage in wild hyperbole and send shivers of fear down the spines of his target group throughout the country, whoever they may be. In this case the target group is the veterans.

As I have said, the Howard government record in looking after veterans is impeccable and excellent. Last year we spent a record $3.6 billion on providing medical services to veterans of our various wars in the previous century. In addition, we have extended some veteran benefits to veterans from other countries—the British Commonwealth, for example—who are resident in Australia and who have access to prescription medicines through the orange card which was introduced by the Howard government.

Senator Bishop, the facts of the matter are really quite simple. A point has been reached under which it is necessary for the government and the AMA representing the medical specialists to renegotiate the level of fees that doctors are paid for providing specialist services to veterans. There is nothing unusual about that; it is just a routine way of administering the system. As you said yourself, there are two months to go before the current agreement ends. This means that the government, in a very orderly way, is renegotiating the fees that will be paid to the specialists, and I am sure you will find, much to your surprise, but not to mine, that in two months the system will continue and new fee levels will have been set. The most important point to make is that veterans everywhere around this country will find that their medical services are maintained without any hitch whatsoever, and I would like to reassure those people who may have been frightened by Senator Bishop’s wild allegations that their medical services are going to be maintained.
Senator Bishop put out a press release today. It is interesting that people have already responded to that and denied that there is any truth whatsoever in his allegations or any cause for concern. Firstly, the much respected June Healey, National President of the War Widows Guild, has written to the minister today saying that Mark Bishop’s media release on the extent of specialists refusing to treat veterans with gold cards tends to inflame and exaggerate the situation—the situation being that the fee levels are just, as a matter of routine administration, being renegotiated.

John Ryan, National President of the Total and Permanently Incapacitated Federation of Australia and a fearless advocate, I must say, for veterans’ rights, was reported in the West Australian today as saying that the problem was not serious. Brian Mackenzie, the National President of the much respected Vietnam Veterans Association of Australia said to the ABC in Hobart today in response to a question on the seriousness of the problem raised by Senator Bishop:

I haven’t had any reports. There has been some isolated cases Australia wide ...
He was referring to doctors not treating patients. He went on to say:
I’ve got taps on things nationally. But I don’t think it’s as big as what it has been made out to be.

So there you are. There are people around this country involved in the administration of veterans organisations who have responded to Senator Bishop’s reckless scaremongering here already today and in his press release issued earlier and who are seeking to reassure the veterans, to dampen down the fear that Senator Bishop is trying to generate that medical services will not be continued. The simple fact is that medical services will be continued. A resolution to the question of fee levels will be found through the process of orderly negotiation and specialists will continue to provide services to veterans around this country.

You have to ask why it is that these negotiations are going on. Senator Bishop failed to inform the Senate that it was the previous Labor administration that sold the repatriation hospitals around Australia—hospitals dedicated to providing medical services to war veterans. In other words, there was a system there in the past where there were special hospitals around this country. Just as there are veterans administration hospitals in the United States, so we had specialist repatriation hospitals to which people who had served in the forces could go to seek medical treatment. But the Labor Party sold off those hospitals. As a result, the government has had to negotiate with individual hospitals and groups of specialists to provide services to veterans. Instead of having a system in place on a national basis to look after the veterans, the Labor Party set up a system where there had to be repeated negotiations for fee levels and so on. The fact that negotiations have to occur on a regular basis is nothing to be concerned about. It is just the way it is done. There will be an orderly outcome and veterans will continue to be treated.

I think it is very instructive to look back over the Howard government’s record in terms of veterans’ affairs and veterans’ medical services. One thing the Howard government has done is extend the gold card. The gold card system represents the highest level of access to health services throughout the repatriation system. Under the Howard government nearly 300,000 veterans and war widows carry the gold card. The gold card provides veterans who were injured in wartime and widows of veterans with some security in terms of the provision of health services in recognition of the sacrifice of those who gave their lives. It means that the nation is saying thank you to those people for their enormous effort in defending our rights and freedoms in wars gone by. It is the Howard government that has extended the system to such a large number of veterans.

This year the government has further extended the gold card to take in all Australian veterans over 70 who have qualifying service from any conflict whatsoever over the past century. As of 1 July, this extension has been granted to veterans of conflicts including the Korean War, Malaya, Borneo and the Vietnam War. In future more people will become eligible as they reach the age of 70 including veterans of the Gulf War, the conflict in East
Timor and those servicemen who are now representing this country and serving in the war against terrorism. The simple fact is: there is no crisis. Senator Bishop is scare-mongering. The veterans of Australia listening to this broadcast should not be taken in by his reckless and irresponsible words and should understand that medical services to veterans will be maintained.

Senator BARTLETT (Queensland) (4.14 p.m.)—I think that it is important, firstly, to congratulate Senator Bishop in bringing this matter forward for debate because, having been veterans spokesperson for the Democrats for a number of years now, veterans' issues do not get the attention they deserve in this chamber. Certainly there are feel-good ceremonies and releases and things like that—and they are important; I do not belittle those. Badges and ceremonies and parades and publicity campaigns are valuable things, but the quality of life of our veterans is surely more crucial than all of those. It is in that area that often political goodwill falls short. I think it is a good thing that we have the opportunity to focus on those issues for an hour this afternoon to try to bring attention to some of the difficulties that our veterans face.

I am sure that every speaker here today will genuinely acknowledge the crucial and unique role that veterans have played in our nation's history, folklore and very sense of identity. I am sure that is truly believed and heartfelt by everybody—it certainly is by me. But to give true value to those words and to give true meaning when we pay tribute to our veterans, as we should, we often have to look at the circumstances that they are in precisely because of the service they have given to their country.

I am on the record a number of times in the media and in this place as calling for expansion of the gold card alongside and as part of many campaigns that have been run by people in the veterans community and veterans organisations. I have congratulated the Howard government when it has expanded or extended the use of the gold card, as it did recently, as Senator Eggleston quite rightly points out. But that can be another example of making all the right noises, making some great speeches and putting forward something that seems to be giving some recognition and assistance but, when it comes to the reality, it becomes hollow again. That is why this situation has arisen. The government makes a big fanfare, as it should, about extending the gold card to a wider range of veterans but there is no point in extending access to the gold card—

Senator Sandy Macdonald—Tell us one thing we have done right.

Senator BARTLETT—I am just telling you, Senator Macdonald, that you have done a good thing, so perhaps you could listen to my words and acknowledge that I pay tribute to the government for doing these things. I have called on you to do something and you have done it; I can hardly complain when you do it. But having done that, it is clear that for many veterans the worth of those gold cards is in question, and that is something that the government has to address. You might be a veteran who has called for this gold card, has finally got it and has said, ‘That is great.’ But then you discover that the medical community has started to boycott the use of it and it does not have the expected value. What is the point of extending the use of the gold card if the veteran cannot use it for the purpose that is intended?

I am not saying that this was what government meant all along, they deliberately engaged in a con and they extended the use of the gold card knowing that people still would not be able to use it because of the attitude of the medical community. The fact remains that that is the situation now. If the government was genuine, as I have no doubt it was, in extending the use of those gold cards then it needs to look at the problem that now exists in relation to the use of them, not just for new gold card recipients but for everybody. It is clearly a problem; there is no doubt about that.

Coming from the state of Queensland, I know that this is an issue in the Gold Coast community, where a lot of veterans live. A lot of people over the age of 70 live in areas like the Gold Coast and the Sunshine Coast. Many of them, it is not widely recognised, are not well-off and such assistance can be immensely important to them. Obviously
when you get to that age, particularly if you are a veteran, that is when your health needs get greater and that is when things like gold cards become all the more crucial. That is when the increasing costs of medical needs and medication and other assistance really start to bite. Let us not forget that many veterans are sometimes less well-off than they might otherwise be because of the circumstances that they are in, particularly those who have suffered forms of injury.

I am sure all of us in this place have had communications from the President of the Australian Medical Association, Dr Kerryn Phelps, about this issue. According to the AMA, they are subsidising this Repatriation Private Patient Scheme for the gold cards. These fees are significantly less than those paid by privately insured patients in private hospitals. According to the medical community, the government has allowed the Commonwealth Medicare Benefits Schedule to lag well behind the escalation of the cost of medical practice. A growing number of specialists are withdrawing from the Repatriation Private Patient Scheme. What needs to be addressed is the fact that this is happening. Obviously, the medical community and the AMA want remuneration under the repatriation scheme to be increased for all specialists and to be benchmarked in some way. The government may come back with the arguments that this is a problem with the specialists and that it is not fair that they should be doing this, that and the other.

I am interested in the debate about what the medical community could do differently, what the specialists should do differently and what the government should do differently, but one thing that veterans are particularly sick of is people finger-pointing at others about addressing their real needs. We have seen this in so many areas. We have seen finger-pointing between the Department of Veterans’ Affairs and the social security department about how you treat compensation payments in terms of income for income support payments. It differs between the two departments within the one government. We see it all the time in terms of evidence of injuries or ill health caused by war-related services. There is the great ongoing debate about Agent Orange, the other unrecognised or unacknowledged consequence specifically related to war service in Vietnam, and the fight over Gulf War syndrome. All the time we have the finger-pointing and the arguments between medical specialists, the government, government doctors and departments such as Treasury about budgets and dollars, but the person in the middle is always the veteran. The veteran is the one who continues to be disadvantaged when these issues remain unresolved.

I think it is crucial that measures are taken to ensure that veterans receive their promised medical entitlements. That is the underlying promise of a gold card. I have views about how that could best be done; others may have other views. The key point is that it must be done; the promise must be kept, particularly to veterans. All of us in this place need, where possible, to avoid using it as a vehicle for political posturing and point scoring. That is why I have been at pains to say positive things about what the government has tried to do in this area and some other areas relating to veterans’ activities, whilst not shying away from continuing to point out the failings.

The fact is that the gold card represents a basic promise. The promise should be met. The last thing veterans deserve, after all they have gone through, is one more false promise, one more false hope, one more potential bit of assistance that is then snatched away. Whether it is snatched away by a greedy specialist wanting too much money, penny-pinching governments or flaws in the nature of the various schemes does not really matter to the veteran; the point is that it is being snatched away. That is what we all have to make sure is addressed. We have to make sure that measures are taken so that veterans receive their promised medical entitlements.

I think it is great that Senator Bishop has brought forward this motion for debate. It is good that those on all sides are able to address and focus on these issues. The bottom line is that, regardless of whose fault we think it is, the subject of this debate is a matter of urgency. This is a matter of urgency; the question is: is this problem
a matter of urgency? For the veterans, it certainly is.

Senator SANDY MACDONALD (New South Wales) (4.24 p.m.)—I have no problem debating this urgency motion moved by the normally sensible Senator Bishop, the shadow minister for veterans’ affairs, but I make the point, as this debate is being broadcast publicly, that, having moved the urgency motion, he views the matter as so important that he has left the chamber. Unfortunately, it is his job to be vexatious and to cause fear among some of the more vulnerable in our community.

I can assure the Senate that a little local difficulty among a few disgruntled medical specialists is certainly not going to mean that the veterans in our community will be left without adequate health cover. The Liberal-National Party government has an unparalleled commitment to our veterans community. I particularly note the six years when Bruce Scott was the Minister for Veterans’ Affairs. He did some terrific work and he raised the level of care for and commitment to the veterans community from government, as well he should have. That work has been followed very effectively by the work of the new minister, Danna Vale.

Why is it so important? In our community there are more than 280,000 veterans who are ex-serving members of the ADF. In addition, there are 110,000 war widows. The broader veterans community also includes a large number of people who have served Australia as national servicemen in the two postwar national service intakes. Approximately another 300,000 Australians are eligible for the recently minted National Service Medal. Most senators would have been in a position to present some of those medals in the last few months. It has certainly been my great pleasure to present medals to a large number of people.

The Senate will recall that this medal was minted to acknowledge the service to Australia of our postwar national service intakes. The medal represents a mark of our respect for them, just as we respect the entire veterans community, and also provides a permanent reminder of their service to the nation. It is in line with the commitments we have made to our veterans community.

The whole ex-servicemen’s community has always been of particular interest to me. My father was an ex-serviceman, and he continued his service in the CMF and the Army Reserve. He was also very involved in ex-service organisations, including Legacy, where he took his responsibilities very seriously. I grew up in a household where, very frequently, on Saturday mornings he went off to assume responsibility for his Legacy commitments and wards.

My interest has also been kindled by the disproportionate number of veterans who live in regional areas. The reason for that is that, in the recruiting for World War I and World War II, in relative terms Australia was a much more decentralised nation than it is now. When those ex-servicemen returned home, very frequently they returned to regional and country areas of Australia. As a result, those of us who live outside the metropolitan areas have a very strong connection with that veterans community.

Since World War II the repatriation system has been the foundation of Australia’s commitment to care for those who have served the nation in times of conflict. A fundamental part of the repatriation system has been the provision of medical and hospital treatment for veterans who suffered injury or illness as a result of their service. For many years, this care was provided by the repatriation general hospitals. There are many good memories of the old repats in all the states. Some years ago, the previous Labor government decided to divest the Commonwealth of ownership of the repat hospitals. The focus of the Veterans’ Affairs portfolio has shifted from directly providing health care to facilitating veterans’ access to quality health care in the general community.

Today, Veterans’ Affairs is the largest single purchaser of health care services in the nation. Of course, central to that is the gold card system, which represents the highest level of access to health care through the repatriation system. I inform those who do not know that the gold card provides extensive health cover which includes private patient treatment in private or public hospitals,
choice of doctor, discounted pharmaceuticals, optical care, physiotherapy, dental care, podiatry and chiropractic services, and transport to and from the nearest health care facilities where treatment is being provided.

Nearly 300,000 veterans and war widows carry the gold card. It is provided to war widows in recognition of the service of those who lost loved ones in warfare or who supported partners with war-related illness or injury following their return. It is provided to veterans whose level of disability from those illnesses or injuries is such that they require a higher level of care. It is also provided to older veterans who, through their service to the nation, have earned the right to expect that their health care needs will be fully met as they grow older.

Under this government, eligibility to the gold card was extended in 1999 to include Australian veterans and mariners aged over 70 who have qualifying service from World War II—and it was exceedingly well received, as well it might be. This year the government further extended the gold card to take in all Australian veterans aged over 70 who have qualifying service in any conflict. As of 1 July 2002, this granted access to health care to the veterans of conflicts including the Korean War, the Malaya and Borneo conflicts and the Vietnam War. In the future, of course, more will become eligible as they reach the age of 70 including, in the years to come, those who were veterans of the Gulf War, our East Timor veterans and those continuing to serve there and also those who are now deployed in Afghanistan and elsewhere in the war against terror.

The extension of the gold card represents a fundamental commitment to meeting the health care needs of the veterans community in the future. It is a generous commitment, a genuine commitment and a justified commitment, and it costs about $8,000 per gold card. The government is very pleased to be in a position, from an economic and social point of view, to be able to make that commitment. It is a generous commitment and it will continue.

Time prevents me from saying very much more, but I think it is quite vexatious of the shadow minister to bring this urgency motion forward. For him to assume, and to concern the veterans community, that a few disgruntled specialists will prevent them from being provided with the service that is appropriate is quite wrong. (Time expired)

Senator BUCKLAND (South Australia) (4.32 p.m.)—I rise to speak in support of the urgency motion moved by Senator Bishop today. I do so because of the concerns I have for the difficulties faced by many of the veterans who have received gold cards under the Veterans’ Entitlements Act. The government has promised veterans that they will receive free medical treatment with their choice of doctor. Currently, the veterans gold card system is facing one of the gravest disasters in the history of Australia’s repatriation program, despite what has been said on the other side—and I listened carefully to what was said. But there are fundamental problems with the program.

At present, there is an increasing number of doctors and specialists who are refusing to accept the gold card because it reimburses at the scheduled rate only and no copayment can be charged. When you consider some of the difficulties that veterans have—the medical problems that confront them—you can understand that they quite often require a greater level of care than many people in the general population. So doctors are rightly concerned about the level of funding they have and payments they receive for treating these patients.

I do not think it is just a few specialists and GPs complaining about this; I think it is a general groundswell towards a condemnation of what is happening with the program. There are even some private hospitals which are refusing to accept the gold card, especially on weekends. Again, what do they get for the service they deliver? Looking at it strictly from a business point of view, you can understand that they are not getting a great deal for the services they are required to provide. I do not agree with that, because I think that free medical services for these people should mean free medical services fully funded by the government. This is not the fault of the private hospitals, doctors or specialists; it is the fault of the government. It is becoming apparent that in the face of
rising costs the scheduled fee is up to 50 per cent below cost, thus creating a real strain on their commitment to serving the veterans of this great nation.

The real issue that needs to be addressed is for the Howard government to make an offer adequate to keep the specialists engaged—an offer that is realistic and that does properly recompense them for the services they provide to this elite group of Australians. Doctors are pushing for increased fees for treating veterans under the Repatriation Private Patients Scheme. They are arguing that they can no longer meet the expenses of offering the discount rates to such a significant proportion of their patients. We need to remind ourselves that these patients are those who have taken up the call to serve their country and to serve their country well. They have not shirked their duty. They are suffering not by acts of their own but by acts of war and by acts of confrontation, defending the great democracy which we all enjoy. We should not trade off these people’s welfare and their health at the expense of doctors.

The doctors of this nation are straining to keep up with the great demands upon their time and expertise and with the costs that are confronting them in their everyday practice, so it is not something that either group can claim responsibility for. Veterans are not forcing doctors to do more for less; the veterans have no control, nor do the doctors have control, over the fees that they charge. But doctors should be able to seek recompense in a true sense for the cost of servicing our veterans. When the rates were initially set, doctors were receiving a high level of support from repatriation hospitals. Now they are providing this themselves. To add to these financial pressures, we have spiralling medical indemnity insurance premiums which are adding to the strain of the cost of providing health services. This is another issue where the Howard government has failed to react sensibly to resolve a problem confronting the nation.

If you go outside the main city areas, you see that veterans in rural areas are confronted by greater pressures, as are the doctors practising in these areas. You have the tyranny of distance for many: whilst we think an hour’s drive in the car is not too much, it is often more than these veterans can handle so they cut back on the medical services they are seeking. Any doctors who travel to them are not being properly recompensed for what they are doing.

There are also increased levels of private health insurance so there is a greater demand for doctors’ services by patients who are treated at a much higher fee. It does not take a financial or business genius to work out that if you get more for your money that is where you go, and those who can afford to pay are getting higher levels of service than those who have served our country by putting their lives on the line in our defence. It is absolutely imperative that the government settles the issue of gold card payments to medical specialists and that it issues rates that are acceptable to the AMA as a matter of first priority.

The gold card is supposed to provide security by entitling the holder to access comprehensive free health care and related services for all health care needs and conditions whether or not they are related to war service. What this government is doing—what it provides as payments to doctors for treatment of these patients—does not do that at all. Veterans deserve free access to health care. People who put their lives on the line when they go out to defend the democracy that we enjoy deserve free access to health care, especially in their old age or if they are suffering from war-caused injuries. This government is not providing an adequate level of service and care for our aged veterans.

Senator JOHNSTON (Western Australia) (4.42 p.m.)—I rise to respond to Senator Bishop’s urgency motion relating to the use of gold cards by war veterans and war widows. In doing so, I commence my address by saying that this is a most serious and important area of government service delivery. Nobody in our community deserves greater assistance, greater credit and greater acclamation than these war veterans and indeed their spouses for the commitments that they have made to our great nation over a long period of time. Indeed the Department of Veterans’ Affairs has been servicing the
needs of war veterans for 85 years. It is an area demanding discretion and sensitivity and is certainly not one to be the subject of or the butt of crass political grandstanding.

When I look at the tenor of this motion, I see that it talks about the future. The implication in its wording clearly is that the service provided to war veterans and war widows now is adequate and that what this is all about is an anticipation of the worst. That has to be handled very sensitively and with a great deal of discretion because many war veterans and war widows are among the frail aged, and to alarm them that their gold cards will not provide the level of service that they have provided in the past is very unforgivable in many circumstances, particularly when there are a number of factual bases to indicate that the threat is not in fact there.

The government is aware of concerns in the medical profession about the level of fees for services, and the issue is taken very seriously by the department, which is in ongoing discussions with the AMA on precisely this matter. In the course of this process, the government has been advised of a small number of cases where medical specialists and some general practitioners have withdrawn their services under the gold card arrangements. In my state of Western Australia the repatriation facility at Hollywood Private Hospital provides a broad range of services and, of course, provides assistance to veterans and war widows to access specialists who continue to service gold card bearers. The fact is that any gold card holder who has a problem can get direct assistance from the department to access specialists who will provide for their needs. It must be stressed in this debate that the majority of doctors are continuing to treat veteran patients and, as I have said, they have done so for some 85 years. The government is very confident that they will continue to do so.

I am sorry to say that there is an element of disingenuousness about Senator Bishop’s motion. He is anticipating the worst and simply wants to say that currently services are not adequate. That is clearly not the case. Indeed, as I have said, his motion implies that it is. According to Dr Tim Woodruff in the Sunday Age on 18 August this year, the Doctors Reform Society has indicated that it: ... does not see it as appropriate to use withdrawal of services as a bargaining chip to increase remuneration to specialists.

Referring directly to Senator Bishop’s motion, a number of people are concerned at the alarmist tones that he is using, might I say, in an unwarranted way. Mrs Kathy Box of Gooboolian, whose husband was treated in Greenslopes, was reported in the Gympie Times on 27 July this year, as saying:

The last thing veterans and their families need is more stress than we already have to deal with because of the health of family members, and irresponsible reporting ... can not only produce more stress, but in some cases at least, quite unnecessary stress.

As Senator Eggleston said, the National President of the War Widows Guild of Australia, the very respected Mrs June Healy, said:

Mark Bishop’s media releases tend to inflame the situation.

As a senator in this area, I am concerned that veterans are the butt of a political campaign by this senator. He is disclosing a great deal of political one-upmanship with people who do not deserve to be treated in such a way. In the West Australian on 17 July, John Ryan, the head of the Totally and Permanently Incapacitated Federation of Australia, said that the problem was not serious. On 17 August this year, Joan Ibell, a Legacy welfare officer in Gladstone, in Queensland said:

No Legacy widow has come to me about doctors not seeing them.

On 13 August, on the ABC in Hobart, Brian McKenzie, the National President of the Vietnam Veterans Association of Australia, said:

I haven’t had any reports. There have been some isolated cases Australia wide. I’ve got taps on things nationally, but I don’t think it’s as big as what it’s being made out to be.

These are very concerning issues when the senator suggests that there were, in his words, ‘threats from all over the nation’. The fact is that there are no such threats all over the nation. Indeed, if you look at Senator Bishop’s history on this matter—and, of course, the Labor Party are in a policy vac-
uum when it comes to this sort of area—you will see that we have put an enormous amount of new money into the administration of veterans' affairs and into the delivery of services. When I look at what you can get in Western Australia—(Time expired)

Question agreed to.

COMMITTEES

Scrutiny of Bills Committee

Report

Senator BUCKLAND (South Australia) (4.49 p.m.)—On behalf of Senator McLucas, I present the ninth report of 2002 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 8 of 2002, dated 28 August 2002.

Ordered that the report be printed.

BUDGET

Consideration of Legislation Committees

Additional Information

Senator McGAURAN (Victoria) (4.50 p.m.)—On behalf of the chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present additional information received by the committee relating to hearings on the budget estimates for 2002-03.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—The President has received letters from party leaders seeking variations to the membership of various committees.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (4.51 p.m.)—by leave—I move:

That senators be discharged from and appointed to committees as follows:

ASIO, ASIS and DSD—Joint Statutory Committee—

Appointed: Senator Ferguson

Community Affairs Legislation Committee—

Appointed: Senator Heffernan

Discharged: Senator Herron

Participating members: Senator and Hogg

Electoral Matters—Joint Standing Committee—

Appointed: Senator Brandis

Discharged: Senator Ferris

Publications—Standing Committee—

Appointed: Senator Scullion.

Question agreed to.

VETERANS' AFFAIRS LEGISLATION AMENDMENT (2002 BUDGET MEASURES) BILL 2002

VETERANS' AFFAIRS LEGISLATION AMENDMENT BILL (No. 1) 2002

TRADE PRACTICES AMENDMENT (LIABILITY FOR RECREATIONAL SERVICES) BILL 2002

First Reading

Bills received from the House of Representatives.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (4.52 p.m.)—I indicate to the Senate that those bills which have just been announced are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have one of the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (4.52 p.m.)—I table a revised explanatory memorandum relating to the Veterans' Affairs Legislation Amendment Bill (No. 1) 2002 and move:

That these bills be now read a second time.

I seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—
VETERANS' AFFAIRS LEGISLATION AMENDMENT (2002 BUDGET MEASURES) BILL 2002

I am pleased today to introduce legislation to implement a Coalition Government commitment to the veteran community at the November 2001 federal election – to remove the freeze on the ceiling rate of income support supplement and service pension payable to Australian war widows and war widowers.

This Bill will enable the twice a year indexation of the ceiling rate of income support supplement and service pension to reflect movements in the cost of living and wages. Other amendments will address minor anomalies in:

- the payment of the income support supplement to new war widows and war widowers who previously received social security benefits; and
- the family situation rules applicable to income support supplement recipients.

The key measure in this Bill – the indexation of the income support supplement – was announced in the 2002-03 Federal Budget at a cost of $84.7 million over four years.

The income support supplement is a means-tested fortnightly payment intended to provide financial assistance to war widows and war widowers with limited means. The supplement was introduced through the Department of Veterans’ Affairs in 1995 for war widows and war widowers who previously received income support payments through the social security system, enabling them to receive their pension and their income support through a single agency.

In 1986, the ceiling rate of income support payable to war widows was frozen. Since then the ceiling rate has risen only once, in July 2000, when it was increased by four per cent as part of this Government’s package for pensioners under the introduction of the New Tax System.

The veteran community – and in particular the War Widows’ Guild of Australia – has lobbied strongly for the frozen ceiling rate to be abolished. This legislation will carry through our commitment to end this long-standing anomaly in the repatriation system.

The initiative will take effect from the next round of indexation adjustments on 20 September 2002 and will result in the income support supplement being increased twice a year by the same percentage as the service pension, reflecting movements in the Consumer Price Index and Male Total Average Weekly Earnings.

Approximately 97 per cent of income support supplement recipients now receive the ceiling rate and some 81,000 war widows and widowers will benefit from this initiative. A small number of war widows, who are also veterans, receive income support as a frozen ceiling rate of service pension. Under this initiative their ceiling rate service pension will be subject to the same indexation arrangements.

There is another small group of war widows who have chosen to continue receiving income support through Centrelink. Their payments are not covered by this initiative. These war widows will be able to transfer to my Department to receive the income support supplement and benefit from the indexation of the ceiling rate.

Other amendments in this bill are designed to end unintended anomalies in the treatment of income support supplement recipients.

The first relates to new claimants who start to receive the war widows’ or war widowers’ pension, after previously receiving the age pension or other income support pensions or benefits through Centrelink. Under the existing legislation, these widows or widowers may be disadvantaged, because a number of social security pensions and benefits are not payable to a person who is receiving a war widow’s or war widower’s pension. Instead, they may be eligible for the income support supplement.

The income support supplement is payable only from the date of lodgement of a claim, while the war widow’s or war widower’s pension may be payable for up to three months before the date of the claim.

As a result, a war widow or war widower who is eligible for the income support supplement cannot receive this payment for the period in which their pension has been backdated. At the same time, their previous income support payments through Centrelink are cancelled from the date that the war widows’ or war widowers’ pension becomes payable.

To resolve this situation, the Bill will enable the payment of the income support supplement to be backdated for eligible recipients who previously were receiving a social security pension or benefit. This will ensure that these war widows or war widowers are not disadvantaged by their transition into the repatriation system.

Finally, the amendments will correct a legislative anomaly affecting the family situation assessment rules applicable to an income support supplement recipient whose partner is not receiving a pension or other income support benefit through Veterans’ Affairs or Centrelink.
Since coming to office, this Government has made it a priority to address anomalies in the repatriation system. Passage of this legislation will be another step forward in meeting the needs of the veteran community and particularly those Australians whose partners have died as a result of their service to our nation.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT BILL (No. 1) 2002
This bill is a package of minor, technical and consequential amendments to the Veterans’ Entitlements Act 1986 and related Acts. Some of the amendments implement minor policy changes for the Veterans’ Affairs portfolio relating to the income support and disability compensation systems. The bill also includes consequential amendments to the Social Security Act 1991 and the Social Security (Administration) Act 1999.

The proposed Social Security amendments result from the introduction of the payment of the income support supplement to war widows and widowers under the Veterans’ Entitlements Act 1986 in 1994.

The income support supplement is an income and assets tested payment made to war widows or widowers who do not receive the age or service pension. In 1994, the responsibility for income support payments previously paid to war widows and widowers through the social security system was transferred to the Department of Veterans’ Affairs. The introduction of the income support supplement under the VEA, enabled war widows and widowers to receive both the war widow’s or widower’s pension and income support supplement from the Department of Veterans’ Affairs.

To implement this payment, amendments were made to the VEA, with consequential amendments made to the Social Security Act 1991. Subsequent Acts have made further consequential amendments to both of those Acts.

This bill completes the consequential amendments, removing some minor anomalies which may have had an adverse effect on some widows and their partners. Some of these anomalies have resulted in a small number of instances where it has been necessary to make an Act of Grace payment to the surviving partner of a widow or widower, because they have been ineligible for a bereavement payment.

Most of the remaining amendments made to the VEA and related Acts are consequential, minor or technical in nature. Some of them involve minor changes in policy to eliminate some unintended anomalies that have become evident in the original legislation.

Other changes involve a clarification of the legislation to reflect the original purpose of provisions, or changes to further improve the management of the Veterans’ Affairs portfolio.

This bill demonstrates the Government’s ongoing commitment to improving the repatriation system to benefit those in the veteran community who most need our help.

TRADE PRACTICES AMENDMENT (LIABILITY FOR RECREATIONAL SERVICES) BILL 2002
The purpose of this bill is to amend the Trade Practices Act 1974 so that individuals are able to waive their contractual right to sue when undertaking risky recreational activities.

The reform contained within this bill will assist operators of businesses such as adventure tourism and sports, who are currently prevented from relying on waivers.

In allowing people to voluntarily waive their right to sue, it is important to achieve a balance between protecting consumers and allowing them to take responsibility for themselves. This bill seeks to achieve that balance in a way that will benefit consumers and the many small businesses which are involved in recreational activities.

Consumers can choose to waive their rights in relation to a broad range of activities. In particular, those involved in activities such as horse-riding, bungee jumping and other similar activities will be able to decide whether or not to accept the risks involved.

The Government is committed to ensuring that the Trade Practices Act continues to deliver appropriate protection to consumers. But it also needs to promote an environment in which consumers have information, choice and appropriate redress.

The Commonwealth will further consider whether any measures need to be adopted to ensure appropriate consumer protection.

This bill implements a commitment of the Commonwealth Government announced after a meeting of State and Territory Ministers and chaired by the Minister for Revenue and Assistant Treasurer on 30 May 2002.

The Review of the Law of Negligence which Ministers agreed to at that meeting will examine the interaction between the Trade Practices Act and the common law in respect of waivers and the voluntary assumption of risk, with a view to ensuring consistency.
Debate (on motion by Senator Buckland) adjourned.

Ordered that the Trade Practices Amendment (Liability for Recreational Services) Bill 2002 be listed on the Notice Paper as a separate order of the day.

WORKPLACE RELATIONS AMENDMENT (PROHIBITION OF COMPULSORY UNION FEES) BILL 2002

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002, acquainting the Senate that the House has disagreed to the amendments made by the Senate to the bill, and requesting the reconsideration of those amendments.

Ordered that the message be considered in Committee of the Whole immediately.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (4.54 p.m.)—I move:

That the committee does not insist on the Senate amendments disagreed to by the House of Representatives.

The government remains firmly opposed to the amendments made to this bill. The amendments moved by the Democrats and supported by the opposition mean that the bill now allows the majority in a workplace to require non-members to pay bargaining services fee to a union. The government does not accept that the legislation should allow such a fee to be imposed without prior individual consent, let alone provide a mechanism for doing so. This is contrary to the fundamental principles of freedom of association and freedom of choice.

I now turn to the individual amendments. Amendment (1) will allow a majority vote to impose a compulsory bargaining services fee on all employees. This would take place irrespective of whether individual employees had sought the bargaining services to which the fee relates and despite the fact that, by deciding not to become a member, an employee has chosen not to associate financially with the union. This amendment is completely at odds with the purpose of the bill. The government believes that an employee’s right to freedom of association and freedom of choice should not be contravened by being forced into paying a bargaining services fee. The opposition has sought to support this amendment on the basis that a majority vote is required before a bargaining fee can be imposed. The shadow minister has suggested that this is similar to what occurs in strata title or in a body corporate, where a majority can agree to spend money on maintenance and require a contribution from everyone, regardless of whether they supported the decision to spend the money. This is a false analogy. A decision by a body corporate to spend money on maintenance does not impinge on any fundamental individual right. On the other hand, the decision whether or not to be a union member is a fundamental individual right.

The Workplace Relations Act already ensures that an agreement cannot override certain individual rights by prohibiting clauses that are discriminatory or which breach the freedom of association provisions. For example, section 170LU of the act provides that the commission must refuse to certify an agreement if the commission thinks that a provision discriminates against an employee for reasons such as age, race, colour or pregnancy. This section operates even when a majority of employees has voted in support the agreement. The bill merely sought to make a logical and necessary extension of this principle to clauses requiring the payment of compulsory bargaining service fees. Amendment (1) has also deleted from the bill the prohibition contained in the original bill on industrial associations demanding bargaining services fees. That prohibition was an important measure to prevent employees who have chosen not to pay a fee from being harassed and intimidated by individual associations. The government strongly opposes the removal of this important protection.

Amendment (2) has deleted the provision of item 10, which prohibited false or misleading representations about another person’s liability to pay a bargaining services fee. The new provisions that the amendment inserts into the bill are unacceptable to the
extent that they are related to amendment (1) and are, in any event, unnecessary. Before it was amended, the bill already dealt with false or misleading representations and, in conjunction with provisions of the Workplace Relations Act, would have prohibited a range of conduct arising from a person’s refusal to pay a bargaining services fee or join an industrial association.

Amendments (3) and (5) delete item 11 and related item 14 from the bill, prolonging the continuing uncertainty as to whether or not bargaining services fees are enforceable. Amendments (4) and (6) have removed from the bill the ability of the Australian Industrial Relations Commission to remove clauses from certified agreements that require the payment of bargaining services fees. Section 298Z of the Workplace Relations Act currently provides that an objectionable provision may be removed from a certified agreement if it requires or permits any conduct that would contravene the freedom of association provisions of the act. The Employment Advocate has applied to the commission to remove these clauses as objectionable provisions but has been unsuccessful on technical grounds. This is despite the fact that former Vice-President McIntyre, in the accurate maintenance matter, said in relation to a bargaining services fee clause:

In my opinion, it is there to persuade new employees to join, or to coerce new employees into joining, the ETU.

On appeal, the full bench of the commission agreed with the vice-president’s assessment of the situation. Giving the commission the power to remove such clauses is a key element of the bill and its removal is strongly opposed by the government.

The amendments made to the bill are unacceptable. Rather than prohibiting the inclusion of bargaining services fee clauses in certified agreements and enabling the removal of clauses already in existence, the amendments establish a scheme for the promotion of such clauses. Rather than prohibiting demands for bargaining services fees, the amendments remove this prohibition; and, rather than providing certainty about the legal enforceability of bargaining services fee clauses, the amendments will remove from the bill the clear statement that bargaining services fee clauses are unenforceable. The government will be opposing the amendments, and I urge all honourable senators to do the same.

Progress reported.

FIRST SPEECH

The PRESIDENT—Before I call Senator Stephens, I remind the honourable senators that this is her first speech. I therefore ask that the usual courtesies be extended to her.

Senator STEPHENS (New South Wales) (5.00 p.m.)—Thank you, Mr President and honourable senators. It is with an enormous sense of honour that I make my first speech as a member of the 40th Parliament of Australia. I have no hesitation in acknowledging the Ngunnawal people, the traditional owners of this land, and quickly move to add my name to the list of those prepared to say sorry—unlike others who have publicly shirked their responsibility for so long. I wish to acknowledge the impressive contributions made by my Senate colleagues who have given their first speeches during the last week. They have inspired great confidence and expressed optimism, intelligence and courage for their positions as senators and the role they want to play in this place. For this, I offer my congratulations. I also congratulate you on your election, Mr President, knowing that I do not expect to experience the same difficulty as my colleagues who continue to call you Madam President. Change is always challenging.

I am the only member of this parliament formally elected under the banner of Country Labor. As such, I represent a strong movement in the Australian Labor Party determined to give a voice to the many regional and rural communities that have been abandoned by the National Party. Someone else who has been a strong advocate of Country Labor, and whose contribution I particularly wish to acknowledge, is former Senator Sue West. Senator West retired only last week, when the Senate elected a new Deputy President. As a long serving senator, Deputy President and Chairman of Committees, Sue West made a significant contribution to this parliament.
We have heard from all the new senators about how their early experiences have shaped their political destinies. I migrated to Australia with my family from Ireland as a child and grew up in Grafton in a large and loving family. My parents were hardworking people, generous to a fault, who struggled to give us all a good life and a solid education. They experienced many hardships and struggles in coming to Australia, but were embraced by a community and a congregation that has continued to provide love and support to us all. They never regretted the break they made from their own brothers and sisters to make a better life for us. We are a large Irish Catholic clan—you can see them all there in the gallery. We take our obligations to work and community seriously, and we take great pride in our achievements. We also take every opportunity to celebrate—great craic, we say. I am delighted that my father and my family are here today, because without them I would be nothing.

My parents were not party political, but they were living examples of fairness, justice, generosity and compassion. These are fundamental Labor values. I learnt from them that whatever we have can always be shared with those who have less and that, if you cast your bread upon the water, it will be returned a hundredfold. They both had a keen awareness of history and of the long struggle of ordinary people to get a fair go. We heard a lot about the struggle for Irish independence, and there were various tales about my family’s connection with the 1798 rebellion and the Easter rising in 1916. My mother was born on that Easter Monday, so we had an annual reminder of the importance of political awareness and of respecting the heritage of freedom that has been dearly won.

My parents’ history of activism and participation was as natural to them as involvement in the Australian Labor Party has been to me. Recently I was advised that I am the first Irish-born woman to have been elected as a Labor representative to the Commonwealth parliament. I know that this would have pleased my mother, and certainly that both my dad and my father-in-law are very proud; so too would be those great Mercy nuns, who introduced me to the issue of social justice in a formal way and taught me the importance of being a critical and independent thinker. But there was a natural connection for me with the Labor Party of the 1970s—a party of vision, energy and social justice. I joined the ALP after the dismissal in 1975 and had the momentous experience of being on the steps of Old Parliament House with my husband Bob in protest over the treatment of the legitimately elected Whitlam Labor government. We were married on election day, 13 December 1975, having delivered booth boxes along the way that morning. My life has been inextricably entwined with the fortunes of the Australian Labor Party since that time—as an active party member and as party officer for the past eight years.

For most of my working life I have been an educator. I began my teaching career as an infants teacher in Western Sydney. There is no greater responsibility, nor any greater privilege, than that of having the inquisitive minds of a class of five-year-olds entrusted to your care and teaching. It was a responsibility that I relished; at times I was almost overwhelmed by the absolute faith that these children placed in my every word and action. The class sizes were large. There was no release from face-to-face teaching, and it was the common experience that if a teacher was away, for whatever reason, their class was split into groups of five or six and sent to other classrooms to be looked after by already overstretched teachers.

Much has changed in our education system, but the fundamental constant is the dedication of our teachers. Teachers are the most undervalued asset in our community and they deserve respect and resourcing by our governments, because we entrust to them the asset that will make the greatest difference to the future of this country—of course, I mean our children. I moved from primary teaching to special education, then to adult and community education, choosing to work with adult learners seeking a second chance at formal education. It was through this experience that I really came to understand the importance of lifelong learning. It brought me face to face with the level of disadvan-
tage experienced by those in our society who have poor levels of literacy and numeracy. These skills are fundamental to our effective functioning in society, yet almost 10 per cent of our adult population continue to struggle with these challenges.

Adult literacy is also a community responsibility. In 1990, I was proud to receive an award on behalf of the Goulburn community for our contribution to the International Year of Literacy. We had developed a unique community response—supported by the local radio station 2GN and the Goulburn Post—to present Reading on the Radio, using the local newspaper to promote literacy and numeracy on air. The community embraced the program, its local focus and its content. There are still many locals participating as volunteer tutors, and the model has been taken up in other parts of the country.

I have had the privilege of working with great learners and sharing with them their achievements—students like the young man with cerebral palsy who decided after being educated in a special school that he was not going to spend his life in a sheltered workshop and studied day and night to complete his HSC at TAFE. He is now running a small business and has a sense of place in the community that might never had been realised. And there was the Iranian mother who fled religious persecution with her children, arriving in Australia with nothing. They spoke no English, but she was determined that her children would not be disadvantaged by this and sought out an English tutor the week she arrived in a small country town. She completed a Bachelor of Science degree only six years after arriving here.

There was also the farmer who, due to his relative isolation and the need for him to contribute to the family farm, missed vital slabs of formal education and reached middle age using defensive mechanisms to screen his inability to read and write. He is now an avid reader, is computer literate and has computerised his stock breeding and management program. He has also become a good friend. These experiences—indeed all of the experiences I have had in my working life—have brought me to the understanding that will be fundamental to my work in this place: that is, it is through lifelong learning that we empower individuals and society, and build capacity for dealing with change. My parliamentary colleagues will experience timely reminders of this in their electorates next week, which is Adult Learners Week.

So, first, I am an educator. I am also a country person. I live and work in a regional community and have seen the impact of an increasingly volatile economy on communities that often rely heavily on a single employer. In 1996, the Carr government created the Regional Communities Consultative Council. I was privileged to be appointed to the community chair of that council, a council representing the key interests of rural New South Wales. We spent almost 18 months travelling across New South Wales, meeting with community organisations, councils and individuals to determine key recommendations for policy action by the New South Wales government. The council focused on the importance of strategic economic development policy and the integration of social and community issues into a whole of government response to regional needs.

Since that time, I have continued working in regional New South Wales to strengthen rural communities. Having developed a toolkit for communities that helped them identify and build on their assets, I have witnessed Crookwell—where the naturopath is called ‘Crook and Well’—undertake a community auditing process that has proved empowering to that community. In Moruya, they have developed new strategies to deal with high youth unemployment and created a telecommunications hub for the south east of the state. In Inverell, they have become alert to the need for economic diversification and embarked on a business based program to achieve that. In Boorowa, the acknowledged relationship between social interactions and health has contributed to different models of service delivery relating to diabetes and heart disease. In Bega, there is planned effective service growth based on its expanding economy. Each of these communities has responded at the community level to local challenges in ways that demonstrate there is no single service delivery model that meets...
the needs of all communities. How we as legislators are able to address the changing needs of communities for services is of great interest to me and is the subject of my doctoral studies at the University of Canberra. It is a complex and engaging issue.

The impact of the closure of a major employer—whether it is a factory, an abattoir or an institution—is something I know most honourable senators are aware of. The impacts are exacerbated if the workers’ entitlements have not been protected. The men and women affected by the closure of Woodlawn Mine near Tarago are still feeling financially abandoned. Theirs has been a drawn out process, providing little comfort to the families and businesses affected by the collapse of this employer. The government’s backflip and the introduction of its entitlements reform package, funded by taxpayers, may have blunted the potency of workers’ entitlements as an election issue last year, but it fails to address the real issue of guaranteeing workers’ entitlements. I believe Australia needs a comprehensive risk-related scheme that protects staff, reduces taxpayers’ contributions and rewards companies that act responsibly towards their employees.

I believe that a critical national policy priority must be regional economic development. We must provide leadership in this important policy area—and Labor’s policy framework for a sustainable future recognises the social, environmental and economic challenges and provides an effective and integrated response to the development of our regions. It is the responsibility of government to protect the global environment and to ensure that economic growth is ecologically sustainable. This means investing in knowledge based activities—including those involving environmental management—and providing our regions with the financial, social and environmental tools to embrace long-term sustainability practices.

May I suggest that the financial investment required should come from the regional investment of superannuation funds—funds that have in recent years been invested overseas, some of which have been caught up in the corporate collapses of recent months. The rapid growth of superannuation funds in Australia—currently involving more than $450 billion—has the potential to have a major impact on regional economic development. There are opportunities for taxation incentives for onshore investment in regional infrastructure projects—projects that would mobilise resources, encourage enterprise development within regions, improve employment prospects and underpin the development of knowledge based industries and opportunities. Such projects can, and must, be involved in solving the environmental challenges faced by regional Australia.

Salinity is one such challenge confronting all levels of government in Australia. The growing burden of salt in our soils and waterways is undermining agricultural production, degrading water supplies and destroying infrastructure. Labor’s vision is to see the bigger picture and realise that even problems as dire as salinity can also provide a tremendous opportunity to develop and implement solutions. Some of these can prevent salinity occurring or reduce it, some can start to repair the damage and some can make productive use of saline soils and waters.

Let us think positively and encourage initiatives that can generate jobs and investment, driving the development of new technologies and building new enterprises. By viewing salinity as a business opportunity as well as an environmental scourge, we can mobilise private sector skills, entrepreneurship and social capital to respond to the salinity challenge. We understand that a healthy environment and a healthy economy are both necessary for a healthy society. We know the importance of striking a balance between environmental concerns and development objectives and, at the same time, enhancing local social capital in all its forms.

It is vitally important, and should go without saying, that rural communities be listened to when we are developing policies that concern them. The 1999 Rural Australia Summit held great promise for rural Australians seeking a voice in regional development policy. The summit highlighted the difficulties experienced by regional Australians as they face ‘technological change, globalisation, micro-economic reform and rationalisation of services by both govern-
ments and the private sector’. This is a significant advance from portraying those same phenomena as the solution to the problems of regional Australia. Those at the summit reiterated that the issues faced by regional Australia are so complex that solutions can only be arrived at by genuine partnerships between all levels of government, business and local communities. The summit communiqué emphasised that real solutions could only be found if such partnerships were inclusive of Indigenous communities.

The concept of community development was considered central to achieving real recovery. There was a call for a much greater level of participation at a local level, particularly in the development of models of service delivery based on real needs rather than centralised planning. Too many programs and services in health, education, regional development and land management are clearly inappropriate. All too often we hear of intergovernmental conflicts, duplication and a lack of remote and rural models. Governments at all levels are acknowledging that there is a real need for much greater input at a local level in the design and delivery of services in regional Australia.

The three critical issues for regional development that have emerged in the past decade are communications, infrastructure and land management. The all-pervasiveness of information technology and its role in the future are central concerns. There is an absolute need for reliable and equitable access to telecommunications. Without this essential communication structure, the prediction of two distinct nations developing within this continent is inevitable. Yet the current considerations of the full sale of Telstra are taking place when the critical issue of appropriate levels of current and future telecommunication infrastructure is still to be defined.

Regional Australia wants governments to accept responsibility for facilitating the adequate provision and maintenance of basic infrastructure. This includes social infrastructure—health, education and investment in community services—as well as the physical infrastructure of transport, water and telecommunications.

So much was promised at the rural summit, and so little has come to pass. The strategic response proposed and supported by all participants has been reduced to short-term, politically motivated solutions that have, in many respects, disenfranchised the regional communities that they were meant to serve. The partnership rhetoric has been diluted to unfunded mandates for local government and a sense of disillusionment about the process that should never have arisen.

We can no longer be safe in the illusion of our tyranny of distance. We cannot be isolated, even if we want to be. We have heard the debates here about the impact of global markets on our primary and manufacturing industries. Last week we debated changes in our relationship with Iraq and their impact on Australia’s wheat trade. We are negotiating treaties that require us to engage international obligations in order to participate in global markets. Yet we want to participate in those markets purely on our terms, separate from and without reference to our involvement in social and environmental processes such as the global refugee crisis and ecological sustainability.

When the Howard government was elected in 1996, Paul Keating in his concession speech remarked that when the government changes the country changes. Recently he reflected on the significance of that inevitable change, commenting that this government has consistently looked both inwards and backwards. The Howard government has given Australians so little to be proud of and demonstrates a lack of faith in Australians and what they are capable of. Keating described this as ‘a numbing effect that places us at the risk of becoming, as Manning Clark once said, subjects in the kingdom of nothingness’. It is this ‘kingdom of nothingness’ that allows us to be ‘relaxed and comfortable’ and that has diminished Australia’s place in the world. It has allowed us to move from policies of inclusion to systematic exclusion of the dispossessed, the poor, the illiterate, the inarticulate and the needy, and that is not something we can be proud of.

In closing, there are many people I wish to thank for supporting my election to the na-
tional parliament. Firstly, I thank the people of New South Wales for electing me to this office. It is a privilege granted to few, demanding a high level of integrity and responsibility. My commitment is to honour their trust and faith.

I thank the New South Wales Labor movement, whom I am proud to serve and represent: the party officers, especially Eric Roozendaal and Mark Arbib; Justice Terry Sheahan, the former New South Wales ALP president, and Senator Steve Hutchins, the current president, for their encouragement and friendship; my friend and mentor John Della Bosca; and Christine Robertson, Tony Kelly and Rob Allen—my Country Labor colleagues.

May I also thank the staff of the parliament and my colleagues in this chamber, who have been generous in their support and patience to all of us in these early days. My staff, Elizabeth Dutaillis, Julieanne Lamond and Peter Bentley, have become a great team, supporting me since I took up office—their loyalty and dedication is uplifting. My thanks go again to the many, many friends and supporters in the gallery—especially those from the Goulburn ALP branch and to those who have travelled long distances to be here for me today—for having kept me focused and supporting me for many years.

Finally and most importantly, I would like to thank my family: Tom, Joe, Clare, Louise, Justin, and Bob, my husband and best friend. Without their love, support and prayers, I would never have considered being here.

FIRST SPEECH

The PRESIDENT—Before I call Senator Kirk, I remind the honourable senators that this is her first speech. I therefore ask that the usual courtesies be extended to her.

Senator KIRK (South Australia) (5.26 p.m.)—Thank you, Mr President, and congratulations on your election to office. This is the first and last time that I seek to have the adjective ‘maiden’ attached to a speech that I give in this place. I feel privileged to take my seat in the Senate on the centenary of female suffrage in the Commonwealth.

At Federation, only South Australian women had the vote. Our founding fathers did not include women’s suffrage in the Constitution. It was only by the Commonwealth Franchise Act 1902 that Australian women were granted the right to vote in the second federal election in 1903.

The three women who nominated for the Senate and the one for the House of Representatives for that election marked the first occasion on which women nominated for any national parliament within what was then the British Empire.

It took another 40 years for any woman to be elected to the federal parliament. Dorothy Tangney from Western Australia was aged 32 when she became the first woman senator, elected in 1943. She went on to represent the Australian Labor Party for the next 25 years to become the longest serving female parliamentarian. After 100 years, it remains that only some 50 women have been elected to the Senate.

My colleague Senator Penny Wong and I are only the second and third women senators from the ALP from South Australia. The election in 2001 saw a record number of six women enter the Senate—five of them representing the Australian Labor Party. I congratulate my colleagues on their election.

The concerns of the pioneering women who have preceded me in this place, including the cause of increasing the representation of women in Australian parliaments, remain challenges today. These concerns are among the reasons that motivated me to stand for election to this place.

My great-grandfather, Frederick Thomas Pullen, was a stonemason in London who struggled to find regular work. When the Titanic sank on its maiden voyage from London to New York in April 1912, the cost of passage from London to faraway places dropped dramatically. It was the maritime equivalent of the fear of flying after September 11. Just one month later, my great-grandparents borrowed £100 to take the voyage from London to Australia on the Ophir. They arrived some two months later in Adelaide with their six children, 10 shillings and a kitchen chair. My grandmother was born soon after, as their seventh child, on 31 October 1912 and was named Violet Adelaide.
My great-grandfather was a proud trade unionist and a Labor man. In 1953 his indentures of apprenticeship were given to the United Trades and Labor Council in Adelaide. Through stories told to me by my father, I learned of his strong principles and pride in being a working man and a trade unionist.

After my father left school at the age of 14, he completed a trade and went on to retire, some 50 years later, as the state manager of a manufacturing plant. Although they were not themselves educated beyond secondary school, my parents encouraged me to make the most of my state school education and to gain a university degree.

With their support, I completed a first class honours degree in law and a degree in economics at the University of Adelaide. After some years in legal practice, a Commonwealth scholarship enabled me to take a Master of Laws degree at the University of Cambridge. As I enter the Senate I am writing up my doctoral thesis, on the separation of judicial power, at the Australian National University.

For the opportunities and support given to me over a lifetime, I thank my parents, Gloria and Les Kirk, who are in the gallery today, and my brother Steven, without whose love and encouragement I would not be standing here today making my first speech to the Senate.

I would also like to thank my staff: Carla, Nimfa, Alex, Chris and Xanthe, who have been a great source of support and assistance to me in my first few weeks as a senator. I would also like to thank Helen, who travelled from Perth to be here today to hear me speak.

While at university I worked part time as a checkout operator at a department store. At this time, I joined the Shop, Distributive and Allied Employees Association, the SDA. I was an active member of the SDA and won several of its education scholarships, which assisted me to complete my undergraduate studies at university.

Following my election to this place, I worked at the SDA as an industrial officer representing retail workers in their employment disputes. I thank the SDA and, in particular, its South Australian secretary and national president, Don Farrell, and his wife, Nimfa, who are also here in the gallery today, for their faith in me, their support for my preselection and for their friendship over many years.

With them, I thank the delegates to the South Australian state conference who, in April 2000, supported me to represent the Australian Labor Party and my state in the Senate. I shall fulfill their expectations and those of the many South Australians who elected me in November last year. I must earn the continuing privilege to represent my state and the Australian Labor Party in the Senate.

In 1988 I joined the Australian Labor Party as a student. I was attracted to its policies and philosophies, which reflected the values that had been instilled in me by my parents and my background. These core values include: the right of individuals to develop and apply their talents and abilities for self-advancement supported by high standards of public education and training; an unqualified opposition to discrimination based on race, colour, ethnic origin, gender or sexuality; recognition of the prior possession of Australia by the Aboriginal people; belief in and assistance for developing the Australian population through family support and further migration, including a substantial intake of refugees; the right of workers to organise and bargain collectively supported by a robust, independent and fair industrial relations system; and the belief in a strong, democratic and republican system of constitutional government underpinned by strict separation of powers and adherence to the rule of law. These core beliefs led me to join the ALP some 15 years ago. They motivated me to stand for election to this place. I will dedicate myself to their achievement.

I take the opportunity that this, my first speech, presents to be heard without interruption—except perhaps by applause—to outline my view of the importance of maintaining the underpinnings of our system of constitutional democracy. On its first anniversary, my theme is the *Tampa* incident and its aftermath.
To my mind, *Tampa* exposed this government’s lack of respect for our democratic institutions, the separation of powers and the rule of law. In the 17th century, Sir Edward Coke told James I that he could not dispense with the law. In 2001 the *Tampa* incident was characterised by prime ministerial directions to dispense with the law and bypass the constitutional role of the courts to protect the fundamental rights and freedoms of citizens and non-citizens alike. The *Tampa* incident and its aftermath exposed that our democratic system of constitutional government, underpinned by the separation of powers and the rule of law, is under direct threat under the stewardship of this government.

Last August, 433, mainly Afghani, asylum seekers were taken on board the MV *Tampa* near Christmas Island. In accordance with the finest principles of maritime duty, Captain Arne Rinnan defied government directions and took his ship into Australian territorial waters on 29 August 2001. This decision of the government to exclude these asylum seekers from the application of Australian law, namely the Migration Act, was never explained except for the rhetoric of the Prime Minister of ‘sending a clear message to people-smugglers and queue jumpers that Australia is not a soft touch’.

On 29 August 2001, SAS troops boarded the ship to prevent asylum seekers from landing on Christmas Island. No person was allowed to approach the *Tampa*. The asylum seekers on board were dehumanised. The Australian people were only allowed to see the images of tiny coloured figures on the deck of the ship. On the same day, the Prime Minister introduced the *Border Protection Bill 2001* into the House of Representatives. On 31 August 2001, the Victorian Council for Civil Liberties and Eric Vadarlis, a concerned citizen and Victorian lawyer, filed applications in the Federal Court challenging the detention of the asylum seekers on board the *Tampa* and seeking orders to compel the government to bring the asylum seekers to the migration zone where their applications for asylum could be processed. Counsel for the VCCL and Vadarlis appeared pro bono in the Federal Court.

In finding for the asylum seekers, Justice North noted that the issues involved the operation of the rule of law and the relationship between parliament, the executive and the judiciary. He held that statutory authority was required to arrest and detain the asylum seekers. The Prime Minister’s reaction to Justice North’s decision was to reassert the sovereign right of a state to control its borders. He suggested that Justice North’s decision represented an attempt by the judiciary to curtail national sovereignty as to matters which ‘should be decided by democratic governments’.

On 17 September 2001 the Commonwealth’s appeal against the decision of Justice North was upheld. By a majority of 2-1, with a strong dissent from the Chief Justice, the full Federal Court held that the Commonwealth’s action was a valid exercise of executive power under section 61 of the Constitution. An application by Vadarlis for special leave to appeal to the High Court was refused. Thus, by a bare majority on appeal, the exercise of the executive power of the Commonwealth in the detention of the *Tampa* asylum seekers was not restrained by the courts.

During the appeal process the government moved quickly to ground executive power in this area in legislation. In his second reading speech on the Border Protection Bill, the Prime Minister emphasised that the purpose of the legislation was to ensure that decisions as to who comes into this country and the circumstances in which they come be determined by the executive and, secondly, to remove from judicial oversight, that decision. It was never made clear by the government just what was the defect in Commonwealth executive power that the legislation was designed to remedy. Albeit by a bare majority, the government had been successful in the Federal Court and the Prime Minister’s public statements suggested that he believed that there was sufficient legal authority for government action to demand the removal of the *Tampa* and the asylum seekers. In the Prime Minister’s words, the purpose of the legislation was ‘for more abundant caution’ and to ‘ensure that there is no doubt’ about the government’s ability to
order vessels to leave Australian waters. The bill sought to remove any future judicial scrutiny, including by the High Court, of the actions of government agents.

The Labor Party opposed the August bill, with members in both houses noting that it would have given an unnecessary, unreviewable and absolute discretion to officers of the Commonwealth. The Senate’s rejection of the August bill saved the government from the almost certain embarrassment of the bill being declared unconstitutional by the High Court. The government then presented a second series of bills from which the more offensive provisions of the August bill had been removed. These bills were supported by Labor.

The *Tampa* incident formed the dramatic backdrop to the 2001 federal election in the blatant exercise of dog-whistle politics. Full-page advertisements in all newspapers on polling day pleaded a policy of prejudice: ‘We decide who comes to this country and the circumstances in which they come.’ The clenched-fisted John Howard represented the focal point of the coalition’s campaign. During the campaign, the Prime Minister said:

> The circumstances surrounding the *Tampa* are particular but they are nonetheless a metaphor for the dilemma this country faces.

I would ask: of what ‘dilemma’ is *Tampa* a metaphor? Plainly, it is how to keep asylum seekers out of this country.

But, on a deeper level, the ‘dilemma’ that the Prime Minister saw, I believe, was how to construct a new relationship between the parliament, the executive and the judiciary. What remains unsettled following the 2001 *Tampa* election campaign is the question of who and what constitutes the ‘we’ in the statement: ‘We decide who comes to this country and the circumstances in which they come.’ The identity of the ‘we’ is possibly the most crucial question raised by the *Tampa* incident and the 2001 election campaign. Is it merely the royal plural adopted by a Prime Minister confirmed in power by the policies of prejudice?

To my mind, these events raised the question of which of the three arms of government is to be supreme in our constitutional system. On a superficial level, it could be said that the parliament was successful in asserting its control over entry into Australia of asylum seekers in passing the coalition’s legislative program. However, the passage of the laws and the effective grounding in statutory authority of the executive’s otherwise untrammelled power to detain the *Tampa* asylum seekers veiled the more central issue of the consolidation of executive power at the expense of the parliament and the judiciary. The ‘we’ in the election statement, ‘We decide who comes to this country and the circumstances in which they come,’ is clearly a reference to the executive government.

The question of who should have the final say on migration issues has been, and will continue to be, a source of confrontation between the executive and the judiciary during the term of this government. Building on earlier attempts to restrict review of migration decisions, the government’s first *Tampa* bill, rejected by the Senate, went a step further and sought to exclude such decisions from any form of judicial review including by the High Court. Such legislation marks the continuation of what appears to be a deliberate policy of this government of undermining a fundamental principle of our constitutional system of government—namely, the separation of powers.

At the celebration of the 25th anniversary of the establishment of the Federal Court, on 7 February 2002, the Attorney-General said that reducing the number of time wasting migration cases had been a major rationale of the *Tampa* legislation. In this regard, attacks on the legitimacy of the judiciary as the third arm of government in a democratic system have been a consistent focus of the Prime Minister and his ministers. In response to criticisms of the High Court’s decision in the Wik case by the then Deputy Prime Minister, a former Chief Justice of the High Court, Sir Anthony Mason, noted that these criticisms:

> ... reflected a lamentable failure to respect the independence of the judiciary and a failure to appreciate the importance of the rule of law as a central pillar in our society.
Viewed against this background, one cannot help but think that the government seized on the *Tampa* incident as an opportunity to gain popular endorsement, and hence legitimacy, for its attempts to oust the role of the courts in our constitutional democracy. The *Tampa* incident highlighted the government’s contempt for the rule of law and the separation of powers. This was evident in the government’s attempt to recover costs against the lawyers who acted pro bono to promote the interests of asylum seekers on board the *Tampa*. In a press release in October last year the Attorney-General said:

It is fair and appropriate that the Commonwealth seeks to recover at least part of the thousands of taxpayers’ dollars that we spent responding to what we consider was an unnecessary court action. The litigation was not in the public interest, rather it was an interference with an exercise of the executive power of the Commonwealth.

When asked whether the application for costs from the applicants’ lawyers would act as a disincentive to the bringing of public interest litigation by lawyers and publicly minded organisations, the Attorney-General responded, ‘Well, that regretfully might be a consequence but this is a very special case.’

How was the *Tampa* litigation a very special case? The Attorney-General said that, from a government perspective, the lawyers were ‘promoting unlawful activity’. The subtext of the Attorney-General’s statement and the government’s attitude is that in daring to challenge the executive power of the Commonwealth, the lawyers were acting contrary to the public interest and therefore were deserving of an order of costs against them.

The High Court in the special leave application—and taking its cue from the High Court, the full Federal Court—dismissed the Commonwealth’s application for costs. In its judgment, the majority of the full Federal Court identified particular features of the *Tampa* case that ‘point powerfully’ against the ‘usual rule’ favouring an award of costs. These included the novel and important questions of law raised by the case concerning the alleged deprivation of liberty of the individual, the executive power of the Commonwealth, the operation of the Migration Act and Australia’s obligations under international law.

I believe it is necessary to consider the *Tampa* incident in its wider context and to reflect on the nature of the precedent it, and its legislative aftermath, sets for the treatment of civil liberties in this country. In a speech to graduates at the University of Sydney in May this year, Justice Graham Hill of the Federal Court said that the restrictions on judicial review of migration decisions effected by the *Tampa* legislation meant that he:

... could not do justice at all ... it is a dangerous precedent. This time it is refugee decisions that, while wrong, cannot be challenged. Next time it might be some other decision that could personally affect you and your rights.

Not one minister in this government—and certainly not the Attorney-General—has seen it as his or her business to defend the separation of powers that is at the heart of our constitutional system. The fundamentals of our democratic system are being seriously challenged by the actions of this government. Government ministers have attacked the High Court and the Federal Court. The government has politicised the Public Service, the office of the Governor-General and the armed forces. One may well ask: what is left? These institutions are meant to be apolitical arms of government with each functioning independently of the others. We pride ourselves in Australia on our democratic institutions and our respect for fundamental freedoms. Plainly, we must be concerned that the government-led attacks on our democratic institutions in the present climate will only escalate and that the civil liberties of citizens and non-citizens alike will be sacrificed. In this place, I will make it my business to oppose this trend, whether it be the government’s proposed ASIO legislation or whatever else this government sees fit to impose on the Australian people.

In a recent article published in the *Public Law Review*, Pringle and Thompson argued that the *Tampa* incident has highlighted the lack of debate in Australia about the philosophical underpinning of Australian democracy, the nature of constitutional government and the place of the separation of powers.
within a system of responsible government. They argue that underlying the \textit{Tampa} incident and its legislative aftermath is a conception of democracy that is seen as resting on popular will expressed through a strong executive—a not unprecedented combination in authoritarian governments. In the opinion of these scholars, the \textit{Tampa} incident represents the rise in Australia of a majoritarian conception of democracy. This conception views democracy as the public will being given effect to by a strong executive government with limited oversight by the parliament and the judiciary. Pringle and Thompson observe that, despite the common view that the \textit{Tampa} legislation was a response to the wishes of the Australian people as expressed through their parliamentary institutions, it in fact highlights the shortcomings of our democratic institutions in the face of a determined executive.

In a constitutional system, the strength of its checks and balances is put to the test during times of political crisis. The Australian constitutional system was severely tested by the events of 1975. Posterity may well judge the \textit{Tampa} incident and its aftermath as another significant test of the strength of our constitutional system and its entrenched separation of powers. The \textit{Tampa} incident and the events of September 11 were manipulated by the government to promote legislation that undermines Australia’s standing in the international community with respect to human rights and to exclude the role of the courts as constitutional umpire. The legislative aftermath to the \textit{Tampa} incident highlights the threat to the separation of powers presented by a government that views judicial review of executive action with overt hostility.

The ‘we’ who decide who comes into this country and the circumstances in which they come must include the courts and the parliament alongside the executive. I will defend these fundamental issues and principles in this chamber. I look forward to contributing to this and other debates. Thank you, Mr President, and honourable senators, for your indulgence in listening without interruption to this my first speech.

### WORKPLACE RELATIONS AMENDMENT (PROHIBITION OF COMPULSORY UNION FEES) BILL 2002

**Consideration of House of Representatives Message**

Consideration resumed.

**Senator SHERRY** (Tasmania) (5.53 p.m.)—The Committee of the Whole is dealing with the so-called Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002. The Senate rightly saw fit to amend this piece of legislation last week, and we are considering the message of rejection of the amendments that were moved successfully in the Senate by the Australian Democrats with the support of the Australian Labor Party, the Australian Greens and, I think, Senator Harris.

This bill represents yet another attempt by the Liberal government to dictate to employers and employees what matters they can agree upon in a workplace when it does not suit the agenda of the current government. For all its rhetoric about allowing parties to negotiate the terms and conditions of their employment free of third-party intervention, the Liberal government itself is quite prepared to intervene if parties seek agreement on a matter that undermines this government’s relentless and hysterical campaign against trade unions.

The committee needs only to look at the title of this bill—the so-called ‘prohibition of compulsory union fees’. This government has contributed several entries to the dictionary of newspeak with the titles of its industrial relations legislation. ‘More jobs, better pay’, ‘fair dismissal’ and ‘fair termination’ come to mind. This bill is not about compulsory union fees, and that is borne out by the fact that the phrase does not appear once in the bill itself.

It is necessary to remind the Liberal government how an enterprise agreement is made. All employees must have ready access to a proposed agreement for at least 14 days; an employer must take reasonable steps to ensure its terms are explained to employees; the agreement is voted on and cannot be certified unless a valid majority of employees
have agreed to it. That is, a bargaining service fee requires the democratic assent of employees. The critical feature of an enterprise agreement is that a valid majority of employees have voted for it.

The government has claimed that bargaining service fees offend principles of freedom of association. It has been unable to persuade the independent umpire, the Australian Industrial Relations Commission, of this view. The Liberal government has also put forward a view that bargaining service fees contravene freedom of association principles. This is not shared by the International Labour Organisation, and in my previous speech on this legislation I referred to a statement in 1994 by their freedom of association committee. Consistent with international law, bargaining service fees are permitted in countries such as the United States, Canada, Switzerland, Israel and South Africa.

As I said earlier, the Senate considered a range of amendments moved by the Australian Democrats. In the Australian Labor Party’s view, these were appropriate amendments that defined the circumstances in which bargaining fees can be charged. The amendments went to the bargaining fee being clearly explained in writing, and stated that details must include the amount payable, the frequency and timing of the payments and the services for which the BAF is payable. Before bargaining starts, employees are advised that a bargaining fee will be sought in the agreement. An employee affected may make submissions to the Australian Industrial Relations Commission on whether the bargaining fee is fair and reasonable. This would pertain to the amount. The bargaining fee must be approved separately and in addition to the other terms of the agreement by a valid majority of employees. For new employees, the bargaining fee would apply on a pro rata basis.

There were some other amendments but the ones that I have outlined comprise the major changes to the bill. The Labor Party was happy to support the positive initiatives of the Australian Democrats in this area. Accordingly, on behalf of the Australian Labor Party, I indicate to the committee that we will be voting to reject the government’s message.

Senator NETTLE (New South Wales) (5.58 p.m.)—I rise to speak to the message from the House of Representatives regarding the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002. The clear message from the Minister for Employment and Workplace Relations, Tony Abbott, in relation to this bill is that democracy is not good enough for him or, by his standards, good enough for Australian workers. If the majority of workers in a workplace vote to have bargaining fees in their certified agreement, of course they have every right to do so. Mr Abbott wants to defy the wishes of Australian workers in their workplace and insist that no bargaining fee can be included in the workplace’s certified agreement, in complete defiance of the democratic decision of the majority of workers in a workplace.

This is an outrageous rejection of a fundamental democratic principle. A secret ballot is good enough for members of Mr Abbott’s party in this chamber when they decide who should be President of the Senate but different standards apply when it involves unions and workers voting about their own workplace. Apart from rejecting workers’ democratic right to make decisions about their workplace, the government is also seeking to reject the right of union members to have bargaining fees included in their certified agreement.

People choose to be a member of a union and people choose to accept the benefits that are achieved by unions working in their industry. Why then does this government seek to ban workers from making the choice to share the costs of their common negotiations? All workers and employers are involved in the EBA negotiations that decide that bargaining fees are appropriate for their workplace. Yet this government continues to feel the need to reject the rights of Australian workers, not only through the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002, but through the raft of amendments to the Workplace Relations Act that they brought in which seek to take away the rights of Australian workers.
workers in a whole range of different workplaces and areas.

The Greens will continue—in this debate and in ongoing debates on industrial relations—to defend the rights of workers to collectively bargain in their workplace, to defend the rights of unions to charge bargaining fees and to articulate the reasons why we need to keep defending these rights of workers that have been fought long and hard for over many decades in this country.

Senator MURRAY (Western Australia) (6.00 p.m.)—I merely rise to inform the Senate that the Democrats will continue to insist on the amendments to the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002.

Senator MURPHY (Tasmania) (6.01 p.m.)—Likewise, I want to endorse the position that the Senate insist on its amendments to the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002, because the reality is that unions have played a most significant role in this country in terms of the wages of workers. It is pathetic that this government seems to want to support unions so far as lawyers or doctors are concerned—it is happy about that—but not when it comes to the representatives of normal workers. The government wants to say to them that if they go out there and bargain and get a good outcome there are those pathetic people in the work force who can say, ‘We are happy to take the money, but we are not happy to contribute to the cost of the operation of those people that have represented us to achieve those outcomes.’

This is a pathetic position for this government to take and it should be opposed. We should continue to oppose it in this place because it should be a requirement for people to make some contribution. Some workers have paid union membership fees and it is that money which is used to achieve the outcomes, so why shouldn’t other workers make a contribution? Of course they should. This is a fair and just position and it should be supported.

Question put:

That the committee does not insist on the Senate amendments disagreed to by the House of Representatives.

The committee divided. [6.07 p.m.]

(The Chairman—Senator J.J. Hogg)

| Ayes | 30 |
| Noes | 34 |
| Majority | 4 |

AYES

Abetz, E. Alston, R.K.R.
Barnett, G. Boswell, R.L.D.
Brandis, G.H. Calvert, P.H.
Colbeck, R. Coonan, H.L.
Eggleston, A. * Ellison, C.M.
Ferguson, A.B. Ferris, J.M.
Herron, J.J. Johnston, D.
Kemp, C.R. Knowles, S.C.
Lightfoot, P.R. Macdonald, I.
Macdonald, J.A.L. Mason, B.J.
McGauran, J.J.J. Patterson, K.C.
Payne, M.A. Reid, M.E.
Scullion, N.G. Tchen, T.
Tierney, J.W. Troeth, J.M.
Vanstone, A.E. Watson, J.O.W.

NOES

Allison, L.F. Bishop, T.M.
Bolkus, N. Brown, B.J.
Buckland, G. Campbell, G.
Carr, K.J. Cherry, J.C.
Conroy, S.M. Cook, P.F.S.
Crossin, P.M. Denman, K.J.
Evans, C.V. Forshaw, M.G.
Greig, B. Harradine, B.
Harris, L. Hogg, J.J.
Hutchins, S.P. Lees, M.H.
Ludwig, J.W. Mackay, S.M. *
Marshall, G. McLucas, J.E.
Moore, C. Murphy, S.M.
Murray, A.J.M. Nettle, K.
Ray, R.F. Ridgeway, A.D.
Sherry, N.J. Stephens, U.
Webber, R. Wong, P.

PAIRS

Campbell, I.G. COLLINS, J.M.A.
Heffernan, W. Lundy, K.A.
Hill, R.M. Faulkner, J.P.
Minchin, N.H. Kirk, L.

* denotes teller

Question negatived.

Resolution reported; report adopted.
The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—For the purpose of presenting the address-in-reply to the Governor-General and pursuant to order, the sitting of the Senate is adjourned. Cars are available now at the Senate entrance to take honourable senators to Government House.

Senate adjourned at 6.10 p.m.

DOCUMENTS

Tabling

The following government documents were tabled:


The following documents were tabled by the Clerk:

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Taxation: Bankruptcy Legislation
(Question No. 274)

Senator Ludwig asked the Minister for Revenue and Assistant Treasurer, upon notice, on 19 April 2002:

(1) How many Part X bankruptcy arrangements, under the Bankruptcy Act 1966, have been lodged and/or finalised during the 2001-02 financial year.

(2) How much tax revenue has been forgone by the Australian Taxation Office (ATO) through part payments resulting from Part X agreements, under the Act, during the 2001-02 financial year.

(3) Are there any current investigations, by the ATO or the Attorney-General’s Department, into suspect Part X agreements; if so: (a) what is the nature and status of those investigations; and (b) are there any court proceedings pending.

(4) Are there any proposed legislative changes to address possible abuses of Part X agreements under the Act.

(5) How many complaints have been lodged with the ATO or the Attorney-General’s Department in respect of possible Part X abuses under the Act.

Senator Coonan—The answer to the honourable senator’s question is as follows:

(1) The answer to this question has been given by the Minister representing the Attorney-General, in response to Question on Notice number 275.

(2) The Government does not provide running commentaries on the revenue impacts of every decision that the Commissioner of Taxation may make in administering the taxation laws. Providing such figures in isolation is meaningless, as the Government’s overall revenue position will depend on aggregate movements in the income and expenditure taxation bases over the entire financial year.

That said, as has been indicated before, the revenue impacts of all the Government’s policy measures are reported in the Budget and MYEFO every year, and additional detail can also be found in the ATO’s annual reports.

Bankruptcy arrangements inevitably involve some compromises in relation to amounts allegedly owing, and do not imply evidence of abuse. Where there is evidence of abuse, the Government and its agencies are active in pursuing the individuals involved.

(3) The ATO is working closely with the Insolvency & Trustee Service Australia (ITSA) in investigating four Insolvency Practitioners in relation to Part X arrangements they administered.

The ATO is awaiting Judgment from the Federal Magistrates Court in a Queensland matter where the Commissioner has applied to set aside a Part X arrangement. Subject to the outcome of the case, the Commissioner may make further applications to the Court in two similar cases.

(4) The answer to this question has been given by the Minister representing the Attorney-General, in response to Question on Notice number 275.

(5) There has been one complaint in addition to the matters referred to in answer to question 3 above.

The ATO is not aware of any other complaints in respect of possible Part X abuses under the Act.

Securities and Investments: Scams
(Question No. 412)

Senator Harris asked the Minister for Justice and Customs, upon notice, on 3 July 2002:

(1) Is the Minister aware that millions of dollars per month are being defrauded from Australian citizens by a group of ‘scammers’ who have been operating non-stop from Bangkok since leaving the Philippines.

(2) Is the Minister aware that the Muller family operation was fifty strong a year ago, and that reports 2-months ago in the Bangkok Post indicate that there are now over 200 people in the office.

(3) Is it the case that Australian authorities will do nothing about the scam; if so, why not.

(4) Has Interpol been notified of the scam; if not, why not.
Senators Ellison—The answer to the honourable senator’s question is as follows:

(1) Firstly, the most appropriate agency for dealing with such allegations is the Australian Securities and Investments Commission (ASIC). They referred the recent “Brinton Group” ‘boiler room’ investigation to the Thai Securities Exchange Commission (SEC). The Australian Federal Police (AFP) was asked to send a member along with U.S. Customs and the Federal Bureau of Investigation (FBI) only to oversee the execution of the search warrants and to assist Thai authorities in reading and identifying any English language documentation that might be relevant. The AFP also attended because a number of Australian nationals were reputed to be operating the phones in the “boiler room” operation. Identification and communication to the Department of Foreign Affairs and Trade (DFAT) and consular officials of any arrested Australian citizens could therefore also have been facilitated.

The AFP officers in Bangkok do not conduct active investigations; they act as a liaison between Australian and Thai law enforcement agencies. The AFP can refer investigations and information and request them to take action. Currently the AFP has no information that specifically identifies any other group or identifies the whereabouts of their base of operations; the receipt of such information would be promptly sent to the appropriate Thai authorities.

Recent reports from Thailand indicate that the criminal prosecutions of those arrested in relation to the “Brinton Group” are currently before the court. The substantive fraud charges are not being proceeded with, however, other criminal charges are still pending.

The AFP are only recently (11 July 2002) in receipt of correspondence from a group named, “The Australian Brinton Group Recovery Association” (ABGRA). This correspondence has sought the cooperation of the AFP in assisting with the restraint of the Brinton Group’s funds in Hong Kong. As stated at the outset however, ASIC are the most appropriate agency to properly manage such allegations.

(2) The AFP has received no information concerning the recent size of this organization in Bangkok.

(3) The Kingdom of Thailand is the responsibility of Thai law enforcement; the AFP has no jurisdiction to conduct proactive enquires within Thailand. In addition, ASIC are the more appropriate agency to deal with company and securities related allegations. Should a specific criminal referral be received by the AFP, from ASIC, who should be the primary contact point for investors alleging fraud in securities related transactions, then the AFP may allocate resources to that referral based on an assessment of the case’s priority. If accepted for investigation, a mutual legal assistance request to the Thai authorities, through the Attorney-General’s department could be instigated following receipt of full victims’ and witness’ statements in Australia. The AFP will do everything possible to encourage the Thais to take action if specific information is available to take to them.

(4) The law enforcement community in Thailand, including various international police liaison representatives, is aware of the boiler room scams. This consists of approximately 25 separate agencies stationed in Bangkok from Europe, Asia Pacific and the Americas. Interpol is represented in this group and sent information about the activities of the “Brinton Group” to their office in Lyon when it first gained prominence in Bangkok. Interpol can only pass and receive information; it is a matter for the respective country’s authorities to act operationally. Other agencies, including the US Customs Service and FBI are also fully aware of the ongoing activities and take a keen interest in this area. Like the AFP, all of these agencies operate in the same manner as the AFP liaison office and rely fully on the Thai authorities to take whatever action they deem appropriate within the framework of the Thai legal and judicial system, taking into consideration their own resources and operational priorities.

Wide Bay Electorate: Program Funding
(Question Nos 432 and 438)

Senator O’Brien asked the Minister representing the Attorney-General and the Minister for Justice and Customs, upon notice, on 10 July 2002:

(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Wide Bay.

(2) What was the level of funding provided through these programs and/or grants for the 1999-2000, 2000-01 and 2001-02 financial years.
(3) Where specific projects were funded: (a) what was the location of each project; (b) what was the nature of each project; and (c) what was the level of funding of each project.

Senator Ellison—The Attorney-General has provided the following answers to the honourable senator’s questions:

Family Relationships Services Program

(1) The Attorney-General’s Department provides funds to the Department of Family and Community Services to purchase and administer services provided by community based organisations under the Family Relationships Services Program. In the Wide Bay electorate, this funding provides Family Relationship Counselling (FRC) by Relationships Australia, Queensland (RAQ). The service is located in Hervey Bay.

In addition, the RAQ office in Bundaberg, which was funded in 2001-02 for a Primary Dispute Resolution project, provided some service delivery from the Hervey Bay office.

(2) and (3) Family Relationship Counselling is jointly funded by the Attorney-General’s Department and the Department of Family and Community Services. The Attorney-General’s Department component paid to RAQ was $881,950 for financial year 1999-2000, $1,051,800 for 2000-2001, and $1,070,442 for 2001-2002. This funding provided services across RAQ outlets throughout Queensland, and a breakdown of funds allocated by RAQ to particular outlets is not available.

The funding provided to RAQ Bundaberg for the Primary Dispute Resolution project was a one off grant of $70,000, only for 2001-2002.

Native Title Financial Assistance Scheme

(1) and (2) The Native Title Financial Assistance Scheme, administered by the Attorney-General’s Department, provided an amount of $756,500 in 2001-02 for the purpose of responding to native title claims in the Wide Bay area. The level of funding provided in 1999-2000 and 2000-2001 is not obtainable.

(3) The funds were grants of financial assistance for respondents to native title claim rather than projects.

Commonwealth Legal Aid Program

(1) to (3) Funds are provided under the Commonwealth Legal Aid Program to the Queensland Legal Aid Commission for Commonwealth legal aid matters. These funds are used by the Commission to provide legal aid services in Commonwealth matters across Queensland.

The level of funding provided to the Legal Aid Commission of Queensland under the Commonwealth Legal Aid Program was $18.000m in 1999-2000, $19.903m in 2000-2001, and $21.806m in 2001-2002.

It is not possible to identify how much of the funding is provided to the electorate of Wide Bay, but there is a regional office of the Commission located at Bundaberg which provides a range of services throughout the region.

Quarantine: Infringement Notices

(Question No. 529)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 22 August 2002:

How many quarantine infringement notices were recorded by the Australian Quarantine Inspection Service in the following financial years: (a) 2000-01; (b) 1999-2000 (c) 1998-99; (d) 1997-98; and (e) 1996-97.

Senator Ian Macdonald—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(a) 6623; (b) 5374; (c) 6353; (d) 4690; (e) Zero.