INTERNET
The Journals for the Senate are available at:
Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at:

SITTING DAYS—2002

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>12, 13, 14</td>
</tr>
<tr>
<td>March</td>
<td>11, 12, 13, 14, 19, 20, 21</td>
</tr>
<tr>
<td>May</td>
<td>14, 15, 16</td>
</tr>
<tr>
<td>June</td>
<td>17, 18, 19, 20, 24, 25, 26, 27</td>
</tr>
<tr>
<td>August</td>
<td>19, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
<tr>
<td>September</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>October</td>
<td>14, 15, 16, 17, 21, 22, 23, 24</td>
</tr>
<tr>
<td>November</td>
<td>11, 12, 13, 14, 18, 19, 20, 21</td>
</tr>
<tr>
<td>December</td>
<td>2, 3, 4, 5, 9, 10, 11, 12</td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA</td>
<td>1440 AM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630 AM</td>
</tr>
<tr>
<td>NEWCASTLE</td>
<td>1458 AM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936 AM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026 AM</td>
</tr>
<tr>
<td>ADELAIDE</td>
<td>972 AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585 AM</td>
</tr>
<tr>
<td>HOBART</td>
<td>729 AM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5 FM</td>
</tr>
</tbody>
</table>
SENATE CONTENTS

THURSDAY, 29 AUGUST

Governor-General's Speech—
Address-in-Reply................................................................. 3947

Petitions—
General Agreement on Trade in Services.......................... 3947

Notices—
Presentation ........................................................................ 3947

Business—
Rearrangement .................................................................. 3947

Notices—
Postponement .................................................................... 3948

Committees—
Rural and Regional Affairs and Transport Legislation Committee—
Reference ........................................................................... 3948
Legal and Constitutional References Committee—Meeting .......... 3948
Community Affairs References Committee—Extension of Time .... 3948
Publications Committee—Report .......................................... 3948

Budget—
Consideration by Legislation Committees—Additional Information .... 3948
Charter of Political Honesty Bill 2000 [2002],
Electoral Amendment (Political Honesty) Bill 2000 [2002],
Auditor of Parliamentary Allowances and Entitlements Bill 2000 [2002] and
Government Advertising (Objectivity, Fairness and Accountability) Bill 2000—
Report of Finance and Public Administration Legislation Committee .... 3949
Research Agencies Legislation Amendment Bill 2002—
Report of Employment, Workplace Relations and Education Legislation Committee ..................................... 3951

Business—
Rearrangement .................................................................. 3951

Higher Education Funding Amendment Bill 2002 and
Higher Education Legislation Amendment Bill (No. 2) 2002—
Second Reading .................................................................. 3951
In Committee ......................................................................... 3962

Business—
Rearrangement .................................................................. 3985

Veterans' Affairs Legislation Amendment (2002 Budget Measures)
Bill 2002 and
Veterans' Affairs Legislation Amendment Bill (No. 1) 2002—
Second Reading .................................................................. 3985
Third Reading ........................................................................ 3989
Veterans' Affairs Legislation Amendment Bill (No. 2) 2002—
Second Reading .................................................................. 3989
Third Reading ........................................................................ 3997

Australian Radiation Protection and Nuclear Safety (Licence Charges)
Amendment Bill 2002—
Second Reading .................................................................. 3997
Third Reading ........................................................................ 4000

Plant Breeder's Rights Amendment Bill 2002—
Second Reading .................................................................. 4000

Space Activities Amendment Bill 2002—
Second Reading .................................................................. 4003
Ministerial Arrangements ................................................................................... 4003
Questions Without Notice—
  Defence: Seaspire Helicopters ................................................................. 4003
  Telstra: Privatisation ................................................................................. 4004
  Taxation: Family Payments ....................................................................... 4005
  Women: Wages ........................................................................................ 4006
  Taxation: Trusts ........................................................................................ 4007
  Taxation: Trusts ........................................................................................ 4008
  Finance: Credit Card Schemes .................................................................. 4010
  Environment: Murray-Darling River System ............................................. 4011
Distinguished Visitors......................................................................................... 4012
Questions Without Notice—
  Banking: Fees .......................................................................................... 4012
  Health: Pathology Services ...................................................................... 4013
  Education: Funding .................................................................................. 4014
  Immigration: Detention Centres ............................................................... 4015
Questions Without Notice: Additional Answers—
  Education: University Funding ................................................................ 4016
Questions Without Notice: Take Note of Answers—
  Answers to Questions .............................................................................. 4017
Personal Explanations....................................................................................... 4023
United States of America: Terrorist Attacks .................................................... 4024
Superannuation: Commercial Nominees of Australia Ltd—
  Return to Order....................................................................................... 4029
Superannuation Working Group: Report—
  Return to Order....................................................................................... 4029
Committees—
  Reports: Government Responses ............................................................. 4030
  Appropriations and Staffing Committee—Report .................................... 4043
Documents—
  Work of Committees ............................................................................... 4044
  Auditor-General’s Reports—Report No. 6 of 2002-03 ............................. 4044
Committees—
  Legal and Constitutional Legislation Committee—Additional Information 4044
  Public Accounts and Audit Committee—Report ...................................... 4044
  Community Affairs Legislation Committee—Membership.................... 4063
Documents—
  Consideration ......................................................................................... 4063
Committees—
  Community Affairs Legislation Committee—Membership.................... 4063
Nankervis, Mr Graeme .................................................................................. 4063
Trindall, Mrs Janice ...................................................................................... 4063
Adjournment—
  Drought .................................................................................................... 4064
  Indigenous Affairs: Reconciliation ........................................................... 4065
  Iremonger, Mr John ................................................................................ 4067
SENATE CONTENTS—continued

Contributions of Celtic Australians............................................................... 4068
Unauthorised Publication of Photograph....................................................... 4070
Documents—
  Tabling........................................................................................................... 4071
Questions on Notice—
  Austrade: Seminar and Trade Fair—(Question No. 290) ............................. 4072
  Veterans: Legal Services—(Question No. 413) ........................................ 4073
  Wide Bay Electorate: Program Funding—(Question Nos 424 and 443) ...... 4074
  Veterans: Medical Fees—(Question No. 459) ........................................... 4089
  Trade: Live Animal Exports—(Question No. 483) .................................... 4090
  Customs: Quarantine Infringements—(Question No. 528) ....................... 4091
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 inform the Senate that after the Senate adjourned yesterday, accompanied by honourable senators, I presented to the Governor-General the address-in-reply to his speech on the occasion of the opening of Parliament which was agreed to on 16 May 2002. The Governor-General indicated that he would be pleased to convey the address-in-reply to Her Majesty the Queen.

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 42 citizens)
Petition received.

NOTICES

Presentation

Senator Allison to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) the Specific Learning Difficulties Association of New South Wales Inc. (SPELD) may have to close after more than 30 years due to lack of funding,
(ii) SPELD receives only $27 000 of state government funding and receives no federal government funding, despite representations having been made,
(iii) an estimated 7 per cent of children, or one in every classroom, have a specific learning disability,
(iv) this condition can seriously limit life options for people, with significant impacts on emotional health, self esteem, social skills and workforce options, and
(v) the SPELD help line receives over 5 000 calls annually; and
(b) urges the Federal Government to consider providing funding for learning difficulties associations to assist them in their important work, as a matter of urgency.

Senator Watson to move on the next day of sitting:
That the time for the presentation of the report of the Select Committee on Superannuation on its inquiry on tax arrangements for superannuation and related policy be extended to 14 November 2002.

BUSINESS

Rearrangement

Senator ABETZ (Tasmania—Special Minister of State) (9.31 a.m.)—I move:
That the following government business orders of the day be considered from 12.45 p.m. till not later than 2 p.m. today:
No. 7 Veterans’ Affairs Legislation Amendment (2002 Budget Measures) Bill 2002 and a related bill
No. 8 Veterans’ Affairs Legislation Amendment Bill (No. 2) 2002, and
No. 9 Australian Radiation Protection and Nuclear Safety (Licence Charges) Amendment Bill 2002.
Question agreed to.

Rearrangement

Senator ABETZ (Tasmania—Special Minister of State) (9.32 a.m.)—I move:

That the order of general business for consideration today be as follows:

(1) general business notice of motion No. 149 standing in the name of Senator Evans, relating to the rate of bulk-billing by general practitioners; and

(2) consideration of government documents.

Question agreed to.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of Senator Bartlett for today, relating to the reference of matters to the Legal and Constitutional References Committee, postponed till 17 September 2002.

Business of the Senate notice of motion no. 2 standing in the name of Senator Conroy for today, relating to the disallowance of certain Corporations Amendment Regulations, postponed till 16 September 2002.

Government business notice of motion no. 1 standing in the name of the Parliamentary Secretary to the Treasurer (Senator Ian Campbell) for today, proposing to vary an order of the Senate for the production of periodic reports by the Australian Competition and Consumer Commission, postponed till 16 September 2002.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Reference

Senator HARRIS (Queensland) (9.33 a.m.)—I move:


(2) That, in considering the Regulations, the committee have regard to the effective management and interaction of the fishing and tourism industries and interests in the region, with particular regard to the best means of managing any competition or conflict between these industries and interests.

Question negatived.

Legal and Constitutional References Committee

Meeting

Senator MACKAY (Tasmania) (9.34 a.m.)—At the request of Senator Bolkus, I move:

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 p.m., to take evidence for the committee’s inquiry into the Migration Legislation Amendment (Further Border Protection Measures) Bill 2002 and related issues.

Question agreed to.

Community Affairs References Committee

Extension of Time

Senator MACKAY (Tasmania) (9.34 a.m.)—At the request of Senator Hutchins, I move:

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.

Question agreed to.

Publications Committee

Report

Senator COLBECK (Tasmania) (9.35 a.m.)—I present the second report of the Publications Committee.

Ordered that the report be adopted.

BUDGET

Consideration by Legislation Committees

Additional Information

Senator EGGLESTON (Western Australia) (9.36 a.m.)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present additional information re-
ceived by the committee relating to hearings on the additional estimates for 2001-02 and on the budget estimates for 2001-02.

CHARTER OF POLITICAL HONESTY BILL 2000 [2002]

ELECTORAL AMENDMENT (POLITICAL HONESTY) BILL 2000 [2002]

AUDITOR OF PARLIAMENTARY ALLOWANCES AND ENTITLEMENTS BILL 2000 [2002]

GOVERNMENT ADVERTISING (OBJECTIVITY, FAIRNESS AND ACCOUNTABILITY) BILL 2000

Report of Finance and Public Administration Legislation Committee

Senator EGGLESTON (Western Australia) (9.36 a.m.)—On behalf of the Chair of the Finance and Public Administration Legislation Committee, Senator Mason, I present the report of the committee on the Charter of Political Honesty Bill 2000 [2002] and three related bills, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator EGGLESTON—I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

This report considers four individual pieces of legislation originally proposed in 2000—three Private Senators’ Bills, two introduced by Senator Andrew Murray and one by Senator the Hon John Faulkner, and the provisions of a Private Member’s Bill introduced by the Hon Mr Kim Beazley MP. The bills cluster around the core themes of probity in public affairs and public confidence in the institutions of government. They relate, in particular, to the standards expected of parliamentarians, ministers and, in some instances, their staff, in exercising their official duties, to the accessing of parliamentary benefits and to the conduct of advertising campaigns.

The broad object of the Charter of Political Honesty Bill 2000 [2002] is that the Commonwealth Parliament should take responsibility for establishing its own standards of conduct and adopt an ethics regime for members and ministers that would have as its cornerstone a workable and enforceable code of conduct.

The Committee supports this object and the proposed establishment of a joint parliamentary committee to develop a code of conduct and establish mechanisms to set and monitor standards of behaviour. It does not believe, however, that legislation is required at the outset. Instead, it considers that a more logical and workable approach would be to develop an ethics regime incorporating separate codes of conduct for parliamentarians and ministers and then to consider the need for legislation to ensure their enforcement.

The Committee considers that commitment from members of parliament to a code of conduct and a willingness to see it succeed are essential prerequisites to this process. It is only with the commitment of the Prime Minister of the day in conjunction with the Leader of the Opposition that the effective development, implementation and enforcement of a code of conduct could work. The Committee supports establishment of a joint committee to facilitate dialogue and as an appropriate body to draft a code of conduct.

It also supports, in principle, the appointment of a Commissioner for Ministerial and Parliamentary Ethics to develop and implement an education program for members of parliament about ethics in public life and to advise them on the proposed code of conduct.

While supporting the proposed advisory role, the Committee has difficulties with the investigative role that is also proposed for the Commissioner. It is concerned about:

• whether it is appropriate for an independent Commissioner to adjudicate on the conduct of members of parliament;
• the potential conflict of interest for the Commissioner in advising on, and investigating breaches of, the code of conduct;
• the absence of review or appeal provisions for decisions by the Commissioner; and
• the need for adequate recognition of the unique positions of ministers and the Prime Minister in Australia’s system of government.

The Committee recommends that Parliament establish a joint parliamentary committee to inquire into and develop a code of conduct for members of parliament for adoption by both Houses of Parliament. It further recommends that the Committee draft a separate code of conduct for ministers. This should include a code of practice for the making of government appointments by ministers, and should take account of the position held by the executive in the Commonwealth parliamentary system of government.
The Committee fully supports the intention of the Auditor of Parliamentary Allowances and Entitlements Bill 2000 [No. 2] to put in place measures that would promote transparency and accountability in the use of parliamentary entitlements and allowances through adequate monitoring and scrutiny. It is not convinced, however, that an independent Auditor of Parliamentary Allowances and Entitlements should be established in the first instance, and recommends that the Bill not proceed in its current form.

The Committee considers that there are opportunities within the current framework to improve accountability in the use of parliamentary entitlements. These would not only assist members of parliament to observe the rules governing the use of their benefits, but also provide the public with information on the nature of the entitlements, on how they are used and for what purposes.

The Committee considers that the Auditor-General could be given a more active role in auditing the use of parliamentary entitlements. In addition, the Committee considers that the Government could take steps to:

- improve and simplify guidelines on entitlements and their use;
- clarify and improve information available to members of parliament to enable them to better account for expenditure;
- improve levels of disclosure by publicly reporting more comprehensive statistics on the costs and patterns of expenditure on parliamentary entitlements;
- undertake regular internal audit and review of the system administering parliamentary entitlements; and
- report back to Parliament on progress made in implementing measures identified in ANAO reports on parliamentary entitlements.

The Electoral Amendment (Political Honesty) Bill 2000 [2002] proposes amending the Commonwealth Electoral Act 1918 to prohibit the printing, publication or distribution of misleading electoral advertising. The Committee considers it irrefutable that statements made to voters should, as far as possible, be accurate and not misleading, in order that voters can make informed decisions when casting their votes. Whether and how this should be subject to formal regulation rather than relying on the political process is, however, more controversial.

The Committee’s main concerns centre on the practical implications of the Bill. It concluded that further consideration of several issues was needed before the Bill proceeds or is reintroduced in an amended form. These include:

- the proposal to regulate political advertising in an election period but not other strategies by which political parties seek to persuade voters to support them;
- the need to ensure a prompt response to complaints;
- the need to prevent misuse of the legislation for the purposes of achieving political advantage;
- the proposal for criminal rather than civil remedies for breaches of the Act; and
- the extent to which it is appropriate to seek to regulate political discussion.

The Committee considers that the Joint Standing Committee on Electoral Matters could take a more active role in scrutinising political advertising during election campaigns. While no penalty would result from this process, the resultant public exposure of impropriety in a JSCEM report could have the effect of changing undesirable practices.

The Committee’s chief concern with Part 2 of the Charter of Political Honesty Bill 2000 [2002] is the role and function of the proposed Government Publicity Committee. Among the problems with this proposed model is the potential for the offices of the Auditor-General and the Ombudsman, as members of the committee, to become embroiled in political controversy. Such an outcome would be counter productive, particularly if it were to undermine the confidence of both the public and the Parliament in the impartiality and independence of both offices.

Other difficulties with the proposed Government Publicity Committee include:

- the mechanism for appointing the third member of the Committee;
- the Ombudsman’s uncertain jurisdiction in relation to Commonwealth contractors;
- the unlimited power of delegation proposed for the Ombudsman and Auditor-General;
- the lack of a review mechanism for committee decisions; and
- constitutional issues regarding the proper role of the courts in relation to the proposed committee’s decisions.

The Committee therefore does not support the introduction of Part 2 of the Charter of Political Honesty Bill 2000 [2002].

The Committee heard more serious concerns regarding the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000. These
referred, in particular, to the proposed creation of a serious criminal offence defined by reference to vague and uncertain guidelines, and the appropriateness of the courts traversing matters which are essentially political in nature. For these reasons, the Committee also opposes the introduction of the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000.

The Committee considers, however, that regulation of the political content of government advertising must be improved, in the face of public criticism. It found that the present guidelines on government advertising offer no guidance to departments or ministers on the avoidance of political content in government advertising campaigns.

Under the present system, the ministry itself (through the Ministerial Committee on Government Communications) determines what constitutes responsible use of the ministerial office in relation to government advertising, and decisions about content and presentation style rest with the Executive.

As a minimum the Committee considers that the Guidelines for Australian Government Information Activities: Principles and Procedures should include a clear statement of the fundamental principle that government information programs should not be, or be liable to misrepresentation as being, party political.

Further, the Committee is not persuaded that amending guidelines for government agencies alone will provide sufficient safeguards against the expenditure of public funds on advertising that promotes party political interests. It accepts that these are essentially political matters and that, consequently, it is for Parliament as a whole to examine, decide and issue detailed guidelines on what is appropriate.

Therefore, while not supporting the two bills on government advertising, the Committee considers it would be appropriate for this matter to be referred to the proposed Parliamentary Joint Standing Committee on a Code of Conduct for Ministers and Other Members of Parliament, for further consideration and development of appropriate guidelines. The guidelines proposed by the Auditor-General and the JCPAA, in combination with evidence received during this inquiry, should be used as a basis for developing a detailed set of standards.

I should like to thank my fellow committee members who have worked on these bills for their constructive approach to issues that are complex but central to the democratic system which we serve and strive to promote. I should also like to thank the legion of Senate committee staff who, during the 39th Parliament and this Parliament, have assisted the committee’s deliberations on these bills and preparation of its report.

I commend the report to the Senate.

RESEARCH AGENCIES LEGISLATION AMENDMENT BILL 2002

Report of Employment, Workplace Relations and Education Legislation Committee

Senator EGGLESTON (Western Australia) (9.37 a.m.)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present the report of the committee on the provisions of the Research Agencies Legislation Amendment Bill 2002 and submissions received by the committee.

Ordered that the report be printed.

BUSINESS

Rearrangement

Senator HILL (South Australia—Leader of the Government in the Senate) (9.37 a.m.)—I move:

That intervening business be postponed until after consideration of government business order of the day No. 2 (Higher Education Funding Amendment Bill 2002 and a related bill).

Question agreed to.

HIGHER EDUCATION FUNDING AMENDMENT BILL 2002

HIGHER EDUCATION LEGISLATION AMENDMENT BILL (No. 2) 2002

Second Reading

Debate resumed from 28 August, on motion by Senator Troeth:

That these bills be now read a second time.

(Quorum formed)

Senator LUDWIG (Queensland) (9.39 a.m.)—I rise to speak on the Higher Education Funding Amendment Bill 2002 and the Higher Education Legislation Amendment Bill (No. 2) 2002. This government’s record in relation to higher education has been abysmal in ensuring that the higher education area has received enough funding. They have not been able to ensure that the rate and type of funding for higher education has been maintained. When we look at the debacle in funding for government schools and
non-government schools we find that the government are unable to ensure that education is well supported in this country and that they have not been able to turn their minds at all well to progressing the matter.

The government have dealt with higher education poorly. Let us look at what they should be doing. They need to consider, as Senator Carr has indicated a number of times in this chamber, both the current funding and the recurrent funding for higher education in the short to medium term to ensure that there are places for our students in universities and that there are places for all of the faculties—for law and the higher sciences, including research and development. However, they need to ensure not only that those at the higher end of the market of the educational institutions are looked after but also that funding is dispersed across all of the educational institutions so that Australia can enjoy diversity of educational outcomes and that there are sufficient places not only in law, medicine and the higher sciences but also in the social sciences. It is imperative that these matters are progressed and dealt with.

This government has not been able to deal with these matters in an effective and logical manner. We should be able to look at the government’s record and say, ‘Has it been able to distribute the funds well?’ Clearly, the answer is no. The government has not been able to deal with this higher education area in the required manner. On the other hand, the Liberal Party comes up with a think tank on a whole range of areas, but it does not look at the real needs of universities, the needs of the students, the needs of professors and the teachers within the universities to ensure that we rank higher in terms of our university status across the country. Australia is not maintaining its position as it should; it is slipping globally. Australian universities, as I understand, have slipped in the ranking of national and international prestige, and it is not good enough. This government should take heed and ensure that the ranking of Australian universities does not slip, that it is not put in jeopardy by this government and that the education institutions have standing both nationally and internationally to ensure that the educational outcomes are effective and meaningful and also relevant to business needs, relevant to research and development needs and relevant to a raft of social and economic imperatives. Instead, we find that this government is really failing students, teachers and professors in the higher education area.

The higher education bill is, as I have said, a funding amendment bill. That gives us the opportunity to talk about this issue and at least to encourage this government to deal with higher education in a more meaningful and exact way. What we find, however, is that they are not doing that. It is extremely disappointing to me as a Queenslander to find that the international standing of the Queensland University of Technology—which is based in Brisbane and is an excellent university; I studied both a Bachelor of Business in part and a Bachelor of Laws at that university—may slip. If this government’s funding is not continued and not supported, and if these matters are not addressed in a proper and appropriate way, then institutions such as that, which have world and critical acclaim, may slip. That would not be good enough. The University of Queensland is also an excellent place for higher learning, research and development. This government has to understand and accept that this issue does need to be addressed in a meaningful and appropriate way to ensure that that university maintains its world-leading status in the higher learning area.

Senator FORSHAW (New South Wales) (9.46 a.m.)—I rise to speak on the legislation before the Senate, the Higher Education Legislation Amendment Bill (No. 2) 2002 and the Higher Education Funding Amendment Bill 2002. In doing so, I recognise that there are many members of this parliament, and indeed many members of this Senate, who have been the beneficiaries of the great higher education system that has existed in this country, particularly since the Whitlam era of the 1970s. If one cares to look at the Parliamentary Handbook and look at the tertiary qualifications of many members of parliament, one will find that many of them obtained their tertiary qualifications following the great changes made to our tertiary
education system by Gough Whitlam’s government.

It is an interesting fact that if you go through the list of the Howard government ministry, dominated as we know by lawyers—around 70 per cent or more of the frontbench are lawyers; I stand to be corrected as to the actual figure but it certainly is of that magnitude—many of those ministers obtained their tertiary qualifications under the free university education system introduced by Gough Whitlam. It is ironic that those persons, who obtained their qualifications as a result of the great system of free tertiary education introduced by Gough Whitlam, are now part of a government that has consistently, since 1996, sought to undermine those great social changes in tertiary education brought about by a previous Labor government. I will come back to what this government has done to tertiary education in the six-odd years that it has been in government.

I acknowledge that I was a beneficiary of the tertiary education system and the changes brought about by the Whitlam government when I was fortunate enough to study at university in the 1970s and, again, in the 1980s. That was a time when Gough Whitlam, under his magnificent government, ensured that access to tertiary education would be based upon equity—not on privilege, not on how much money your family had, but on equity. It recognised that talented young people in this country, no matter what socioeconomic background they came from, should be able to leave school and go on to obtain the necessary tertiary qualifications. As I said, if you go through the list of ministers of this government you will find many of them were direct beneficiaries of those great education reforms.

But what do we see today? We see a higher education system that is almost in crisis, because what has this government done since it came to office? One of the first things it did when it came to office in 1996, with its slash and burn fetish that it had for the government’s budget, was to cut over $3 billion from universities. We can all remember Senator Vanstone, who was then the minister for education and at that time in the cabinet, adopting an approach to finding cuts in education which was like that of Tom Collins in the novel Such is Life—‘Pick a number, any number; 10 per cent sounds okay. We will cut education funding by 10 per cent.’ ‘Such is life,’ as Tom Collins said. Unfortunately, for the lives of many students since then it has got tougher and tougher. Indeed it has become impossible for many young people to access higher education in this country today.

Funding in the amount of $3 billion has been cut from universities. TAFE funding has been cut by $240 million. The amount of HECS repayments collected has increased. Funding in the amount of $170 million has been slashed from rural and regional universities, at a time when rural and regional Australia has been under increasing pressure because of the decline in the agricultural export base of this country. There have also been other pressures on rural and regional areas.

One of the great things that rural and regional Australia had going for it was the regional universities that were established and supported by the previous Labor governments under Bob Hawke and Paul Keating. We put regional universities on the map. We raised their status and ensured that new facilities were built. One of the great pleasures I had when we were in government was attending the opening of the Southern Cross University campus at Coffs Harbour. What did this government do to rural and regional Australia? It took $170 million from those universities. You have to wonder where the National Party was when those decisions were being made.

There have been huge cuts and neglect in the area of research investment. Indeed, the Chief Scientist on one occasion condemned this government’s approach, because we were the only advanced Western nation in which investment in R&D was going backwards.

That is the situation that has occurred in higher education under this government over the last six years. It is a disgrace that ministers of this government who were the beneficiaries of the great Labor education reforms, as I said, who were able to obtain their uni-
University degrees largely at no cost to themselves, are now putting an ever increasing cost burden on students and the families of children who wish to attend university.

Recently, it has emerged that people in Australia pay amongst the highest study costs in the world. An international comparison of tuition fees and living expenses conducted by the International Comparative Higher Education Finance and Accessibility Project has found that Australian students and their families pay more to attend public university than students in Britain, the United States, Europe, New Zealand and Japan. Indeed, as the Deputy Leader of the Opposition and shadow minister for education, Jenny Macklin, has pointed out, since 1996 the contribution that Australian students and their families have to bear in order to obtain an education has risen by 85 per cent. I repeat: there has been an 85 per cent increase in the costs that Australian students and their families have to bear in order to obtain an education.

One has to ask the question: what is it that motivates a government in this day and age, when education is increasingly important not just to students seeking to obtain qualifications and subsequent employment but to the very future of our nation, to attack the higher education system? Frankly, I have never been able to fathom it, other than to believe that this government, in its slashing and burning of government programs and, wherever possible, shifting the focus to user pays and the private sector, does not see any distinction between education policy and any other area of public policy. We see it in health, where it promotes the private sector and cuts funding to public hospitals. It props up private health insurance funds to the tune of billions of dollars while doing nothing about the decrease in bulk-billing. Equally, we are seeing this policy in the area of public education and tertiary education.

That brings me to this specific legislation. Whilst a number of the matters contained in these bills are not necessarily controversial, there is one proposal in particular about which the opposition is greatly concerned—that is, the proposal contained in the Higher Education Funding Amendment Bill 2002 to extend the Postgraduate Education Loans Scheme, PELS, to four additional higher education providers. This is a controversial move because at this time the government is in the midst of a wide ranging inquiry into the provision of higher education in this country. What is of great concern is that the measure contained in this bill which extends that scheme to four additional education providers that do not currently come within the ambit of the scheme could potentially pre-empt the outcome of the inquiry. The government has failed to provide adequate reasons for its decision. I want to quote from the minority report of the Labor senators on the inquiry into this bill conducted by the Senate Employment, Workplace Relations and Education Legislation Committee. The minority report states:

One measure, however, has potentially profound implications for the future of higher education financing policy in Australia: the proposal to extend access to the Postgraduate Education Loans Scheme (PELS) to four additional higher education providers that are not currently listed on Table A or Table B of HEFA’s Section Four.

The threshold issue here is the Government’s declared rationale in singling out these four institutions for favoured treatment in access to PELS, especially in the light of the current inquiry underway in higher education. This wide-ranging Commonwealth Government inquiry is considering, among other matters, the desirability of, and possible mechanisms for providing public subsidies to the 80 or 90 private providers of higher education in Australia. In this context, it is argued by Labor senators that a decision to extend access to the public subsidy inherent in PELS to a select group of private providers should be carefully considered: many stakeholder groups in the higher education sector have argued that such a move would pre-empt the outcome of the current review and, notwithstanding contrary possible outcomes to that process, would pave the way for future extension of Commonwealth subsidies to private higher education institutions.

I will interpose there. Our concern here is that, in the midst of its overall and wide ranging inquiry, this government is pre-empting the outcome of that inquiry by taking a decision through the bill to specifically provide access to the public subsidy that is contained within the Postgraduate Education Loans Scheme to a limited number—four—of private higher education providers. Fur-
ther, this excellent minority report of the Labor senators states:

The Government in its report identifies a number of issues that have arisen in the context of the current Inquiry. The first is the question of whether or not public subsidies should be provided to private higher education providers. In this Minority Report by Labor Senators it will be argued, first, that clear evidence has been presented to the Committee to the effect that a public subsidy is attached to the provision of access to PELS. If access to this scheme is made available to the four private providers listed in this context in the current bill, then it follows that these providers, as well as their postgraduate students availing themselves of PELS, will benefit from a significant taxpayer subsidy.

In public policy, a foundation principle is this: where public subsidies are provided, there must be public accountability.

It will be argued that these four providers are not currently subject to a level of public scrutiny and accountability arrangements that is comparable with the requirements attached to public subsidies going to public higher education institutions. This matter is also identified in the Government’s report. In addition, these providers are not subject to the same legal regime in areas such as discrimination and industrial relations.

It is a lengthy quote, but it is an excellent summary of the concerns that the opposition has about this legislation. If honourable senators take the time to read the rest of the minority report, it outlines in some detail the basis for the findings that I have just referred to.

To sum up, one of the major concerns we have with this legislation is that through this bill this government is, firstly, potentially pre-empting the outcome of its own wide ranging public inquiry into higher education. The fact that it is making decisions like that during the midst of a full inquiry raises a serious concern about its approach to higher education funding. Secondly, this bill extends the operation of a public subsidy which is contained within the Postgraduate Education Loans Scheme to a select and discrete group of private higher education providers. Thirdly—and this is the particularly important point—these four providers do not have the same public scrutiny and accountability requirements placed upon them as those that are placed upon public and other institutions that receive access to the funding under PELS. These four providers are not subject to the same legal requirements that apply to other institutions in areas such as discrimination and industrial relations.

When you put all that together, once more you see this government’s bias towards the private sector. I do not say that the private sector in education or in the health industry should not be supported; the opposition have never said that. But what we do say is that the primary responsibility of government is to the public sector. It should not be undermining the public sector in education as it has been doing for six years, and at the same time it should not be providing special consideration to private providers.

Senator KIRK (South Australia) (10.06 a.m.)—In speaking to the Higher Education Funding Amendment Bill 2002, there are a number of areas that I would like to address. I will make some specific comments about the bill, but first I would like to point out that higher education in Australia finds itself in dire straits, a result of sustained cuts and poorly allocated resources by the coalition government. This government has shown its contempt for the value of higher education and the contribution to society that higher education makes, and so it should be stated that any proposed legislation or amendments from the government in this area need to be treated with suspicion and examined carefully lest, Honourable Senators, we be unwitting accomplices in a further degeneration of such a key sector of our society.

The importance of higher education to society cannot be underestimated. The ALP has always recognised that an educated and skilled population brings social and economic benefits to all areas of the community. An educated population is a prosperous one, and so higher education must be made accessible to the whole community so that all can benefit. Unfortunately, this view is not shared by the current government. Since 1996 we have witnessed an endless stream of cuts to the funding of all tertiary institutions, a misallocation of ever decreasing resources and, perhaps more insidiously, a commitment to the privatisation of the higher education sector.
The litmus test of an effective and efficient higher education sector is how widely accessible it is to the community and whether the educational services provided are of the highest quality. Privatisation, along with the continual decrease in funding, has ensured that this government has failed both fundamental aspects of the test that I have just outlined. Let me refer to the first budget of this government in 1996. In 1996, several hundred million dollars were cut in one stroke from higher education funding. Since then—six years later—not a lot has changed. Cumulatively $3 billion has been slashed from the sector, the HECS liability for all students has increased, the HECS repayment thresholds have decreased, and research and development funding has also decreased. Not only are undergraduate students suffering from these cuts; those students who want to go into postgraduate study find that there are scant resources available to them.

But the problems run even deeper than these appalling cuts to government funding that I have just referred to. The coalition has also forced universities to accept fee paying students, a situation that has resulted in those with the ready cash often being prioritised in their entry to university over those who need to rely on HECS to study. Universities have started reorganising their operations to attract such full fee paying students, those students being, of course, more lucrative to the institutions than those that depend on HECS to attend to study. The peripheral costs imposed on students also continue to increase. Universities now rely on ancillary fees as a source of income. Youth Allowance and Austudy and Abstudy payments continue to be insufficient to support students. As a consequence, students have to work long hours as casuals or part-time employees to be able to afford to attend university and to support themselves.

During my time as a lecturer at the University of Adelaide, over a period of eight years I witnessed departments, schools and faculties wilt under these funding pressures. I had students coming to me and begging for leniency over their study because they could not make ends meet without working far too many hours. I taught students a degree that was being devalued and undermined by the lack of resources that the university could dedicate to it. All this was because the government penny-pinched with higher education. In fact, the University of Adelaide, my former employer, serves as a good example of how higher education is being eroded by the government’s funding arrangements. This university, regarded as being a prestigious ‘sandstone university’ with a proud history in law, medicine and the liberal arts, has been forced to cut these once fundamental courses and now actively pursues the private dollar in the areas of science and engineering to balance its budget. In fact, it now draws only slightly more than 40 per cent of its total income from public funding—and, after all, it is a public university.

We all know that a tertiary education brings long-term benefits to the community, yet it is equally true that failing to provide accessible quality tertiary education for the community brings long-term costs. These long-term costs are now starting to be recognised by groups around the country. Research organisations constantly call for more funding and only recently, as my Labor colleague Tanya Plibersek pointed out last week in the House of Representatives, scientists highlighted, during National Science Week last week, the impending social costs which will result from the government’s myopia over higher education funding. The cuts to science funding will not be noticed this year or even next year, but the deeper cuts will be noticed in years to come.

To my mind, the bill that we have before us today, the Higher Education Funding Amendment Bill 2002, does nothing at all to address any of the higher education sector issues that I have briefly been mentioning. Instead, it will further erode the accessibility of our education system. My concerns with the bill revolve around two major areas. First, it sets a precedent for other private institutions beyond the four institutions named in the legislation to seek access to the Postgraduate Education Loans Scheme, PELS, and ultimately to other public funds. Secondly, the legislation does not include any measures to ensure that the private providers meet quality assurance and accountability
levels comparable with those of public institutions.

The four private institutions included in this legislation—Bond University, Melbourne College of Divinity, Tabor College and the Christian Heritage College—are just four of over 80 private higher education providers in Australia. The legislation outlines very little by way of specification as to why these four institutions were chosen. The government has said little on why these specific four were chosen. In his second reading speech, the minister indicated:

The extension of PELS to these four institutions levels the playing field for competition in fee-paying postgraduate coursework degrees and further extends opportunities for institutions to provide and students to undertake fee-paying postgraduate coursework.

Yet what the minister does not say is that the courses offered at these four institutions are not exclusive; other institutions also offer equivalent courses. The government has no real reasons for selecting these four institutions above others. The real agenda of this government is to establish a precedent for further extending public funds to other private institutions. The state of higher education in this country is in disarray, and all this government can do is put up shoddy, ad hoc legislation like this bill.

Senator O'BRIEN (Tasmania) (10.18 a.m.)—I rise also to speak on the Higher Education Funding Amendment Bill 2002, which is a bill that reflects this government’s ideological creep towards not so much a user-pays model as a students-and-their-parents pay model for higher education funding. The arrival of the higher education system at this end point, so desired by those opposite, will further entrench the sons and daughters of the privileged in their positions in society via a university education at the expense of the disadvantaged who, since the days of the Whitlam government, have enjoyed the ability to take higher education, regardless of their social or economic circumstances. The Howard government’s ideologically driven model for higher education will impact particularly on rural students who, as we know from the work of Professor Margaret Alston, grow up in households which enjoy an average income considerably below the national average.

As the previous speaker, Senator Kirk, said, and I am sure others have said, this bill provides for the extension of the Postgraduate Education Loans Scheme—PELS as it is known—to four additional institutions: Bond University, Melbourne College of Divinity, Tabor College in Adelaide, South Australia, and the Christian Heritage College. This gives students at these institutions access to postgraduate study loans on the same basis as other students, but it does not make the institutions eligible for public
The bill updates the funding amounts provided for in the Higher Education Legislation Amendment Bill (No. 2) 2002. It also provides additional funding for the establishment of a graduate diploma in environment and planning at the University of Tasmania, with six associated scholarships. The bill adjusts funding levels in the Higher Education Funding Act and the Australian Research Council Act 2001 to permit the Institute of Advanced Studies at the ANU access to the funding schemes of the Australian Research Council and the National Health and Medical Research Council. Finally, the bill provides for an additional funding cap for the Australian Research Council competitive research schemes in 2006, consistent with the current budget forward estimates so that the minister can approve ARC grants for a period of four years. There is also a technical amendment to correct previous drafting errors in HEFA.

I want to focus my attention on one particular area in which this government’s funding—or lack of it—for the higher education sector is impacting on rural communities and particularly on the veterinary sector. I noted in question time yesterday that Senator Ian Macdonald thought he would make a couple of cheap points on the basis of the launch of the opposition’s discussion paper on rural veterinarians and a stronger livestock industry. To obtain what he thought was a cheap point, he chose to misrepresent what we are actually saying in relation to this sector. You see, we are trying to make a very serious point about a problem which will face a very valuable sector of the Australian economy. Senator Macdonald said that I had claimed that there was a lack of students wanting to be vets. In fact, that is not what I said: I said there was a lack of students willing or able to take up livestock practice, due largely to education funding cuts by the Howard government. That is the reality. What do we know about the veterinary sector? Firstly, we know that, undergraduate enrolments are increasing but, according to the deans of various universities, students are coming from the cities. Studies have shown that, if a student comes from a rural background, after 10 years they are twice as likely to remain in rural practice. We also know that postgraduate enrolments in this area have fallen steadily over the last five years, and that is an area that this bill is trying to enhance. But in the veterinary sector—a sector which the minister himself said yesterday attracts people who have to get a score higher than the score necessary to get into medicine—the number of students...
seeking to go into postgraduate enrolments is falling. One would have thought, given the student body that these students are being drawn from, and given their scholastic achievements, that you would not see a fall and that you would actually see an increase as the number of students who try to get into these courses drove the scores even higher because there are so few places.

We also find that one in five students in these courses is there on a fee-paying basis as an overseas student. These are required, of course, in order to fund the vet schools in the absence of adequate Commonwealth funding. I think one has to assume the majority of overseas students go home to practise. We only graduate about 300 students per year, and that is including overseas students. But, based on the average—there are 2,476 rural vets at the moment, according to information that I have been able to gather, and their average age is about 50—we need around 165 graduates a year going into rural practices just to hold the numbers. This is not for any improvement but just to hold the numbers.

So we see the opposition presenting a serious attempt to create discussion in a policy area which, frankly, is suffering because of this government’s lack of financial commitment to a very important sector of the economy. What has this government done? It made some promises at the last election: it pledged to address the problem by holding an industry workshop and conducting an inquiry into the problems of the industry, based on the outcome of the workshop; and it put forward a proposal to have bonded scholarships valued at the princely sum of $2 million over five years. We had a workshop in February this year. It made some proposals after significant delays by the Prime Minister’s office which caused much frustration to industry participants. The study that was promised is at last under way. However, its report, originally expected by the industry in August—obviously, that is not going to happen—has fallen back to November, a delay that I think is fully attributable to the Prime Minister’s apparent opinion that this was not an issue of national import and a testament to the impotence of the agriculture minister in regard to his cabinet colleagues. So that is the sort of problem we have. When we looked at the issue of bonded scholarships, promised at budget estimates earlier this year when I asked questions of the government about precisely what they were doing with regard to the model that they would use to apply the promised $2 million over five years, they were still working on it. Six months after the election, they had no idea what they were going to do.

Of course, yesterday we saw some criticism of the opposition in this area again by Senator Macdonald. His response to the part of our discussion paper where we talk about training more vets to help with postborder protection was that it was worth a chuckle because it would take staff away from the front line. Secondly, he said that postborder protection is in fact a measure that is the responsibility of the state government. Of course, it is a function of this government’s mantra that everything is the state’s responsibility that he says that, but the fact of the matter is that the lack of vets generally, whether it is a state or federal responsibility, means that we cannot have an adequate postborder security function in terms of monitoring and controlling disease once it has passed our borders. During the foot-and-mouth outbreak in the United Kingdom, the United Kingdom imported vets from all over the world to deal with its problems. A lot of Australian vets went to the United Kingdom, where they earned much better money than they do here. The problem is that some of those vets will not come back.

If we do not have an adequate program to train veterinary surgeons who are likely to work in rural and regional Australia, then industries which leverage billions of dollars of exports for this country will be denied the opportunity to maintain their relative disease-free status and the probability of the introduction of dangerous diseases and the spread of existing diseases will be heightened. That is why this is a very serious area and why the way that this government funds higher education is a very important issue for rural Australia and the veterinary community. That is why Senator Macdonald’s cheap shot yesterday—which, as I said earlier, did not accurately reflect our policy decision—
was quite irresponsible. It was quite irresponsible because he was trying to belittle a serious attempt at policy discussion in this country on an area which impacts on a significant part of the rural economy.

In relation to our discussion document, I was visited in my office earlier this week by Professor Reuben Rose, Dean of the Faculty of Veterinary Science from the University of Sydney, and Professor Lonnie King, Dean of the College of Veterinary Medicine from Michigan State University. Both gentlemen congratulated the opposition on having made a serious attempt to canvass a proper discussion of an important policy area which is relevant to rural communities. It is not just relevant to Australia. Professor King indicated that these are the sorts of issues that need to be discussed, and are being discussed, in his own country and that there are other issues which he is prepared to assist with, in terms of expanding a proper policy on the development of veterinary science resources for the livestock industries in this country.

I come back to this piece of legislation. It is, yet again, a model in which this government seeks to go down the line of transferring responsibility away from the public purse and onto the private purse—and therefore onto students and parents, driving away from university people who are not financially well-endowed enough to afford it. It is said in relation to veterinary science that about 80 per cent of the students who attend the faculty at Sydney University live on the North Shore of Sydney. What is the chance that a significant number of those young people will decide to set up their practices in rural Australia? Studies show—that is not my opinion—that that is not very likely. We now have a model where there are a limited number of places. Demand is driven by the number of people who want to get into those places. Those who do not have the scores, and who can afford to, can pay. Those who do not get the scores, but have the aptitude and the ability to complete the course and are likely to work in the livestock industries—an important economic sector for this country—cannot afford to go there; their parents cannot afford to pay for them.

Who is missing out? They are missing out, but the country is also missing out. The country is missing out because, as our ageing rural veterinary population retires, we will not have the replacements for them. That is why we are pursuing a serious set of policy discussions. We want to have a proper policy on this. The government made some promises before the last election. They have been very tardy in delivering on those but, frankly, the information that we are gathering indicates that that very limited response will not be enough to correct the problem that this country will face. So I am very pleased to see that we have the serious attention of the real players in this sector. The cheap political points from Senator Macdonald will disappear, as they were destined to, within a day or two. The reality is that we will have a policy which has the support of the business sectors in rural Australia and the education sector, and maybe the government will eventually have to pick it up.

**Senator ALSTON** (Victoria—Minister for Communications, Information Technology and the Arts) (10.35 a.m.)—Universities have been able to rely on a strong and undiminished commitment of public funding from the government. Both Commonwealth funding and places are increasing over the forthcoming triennium. The government is also currently delivering a significant injection of funding through the Backing Australia’s Ability initiative and other measures. The benefits of that package are already being enjoyed by universities. In total, Backing Australia’s Ability commits an additional $3 billion over five years for science, research and innovation. It includes an additional $1.5 billion for the university sector. The government’s policies in recent years have facilitated the transition from a highly dependent sector to one that is more independent of government, having a broader funding base, greater flexibility and more autonomy.

However, as senators are aware, the government is committed to a review of higher education to examine ways in which we can build on the strengths of the sector, increase diversity and recognise the special role of
institutions. The Crossroads paper includes a frank discussion of some of the options available in Australia. These options are now open for debate. A well-educated and skilled work force that embraces lifelong learning is essential for Australia’s economic growth. As part of its commitment to lifelong learning, the government announced the Postgraduate Education Loans Scheme in 2001 as part of Backing Australia’s Ability. The scheme, which commenced in 2002, encourages extended participation in education and helps Australians update their skills and acquire new skills. The Higher Education Funding Amendment Bill 2002 provides for the extension of PELS to four additional institutions: Bond University, Melbourne College of Divinity, Tabor College and Christian Heritage College.

This measure fulfils an election commitment of the government and was announced in the budget. It gives students at these institutions access to postgraduate study loans on the same basis as other students but does not make the institutions eligible for public funding. We estimate that some 2,200 students will benefit over the next four years. A new graduate diploma in environment and planning at the University of Tasmania will advance the cause of environmental sustainability by helping to address the growing demand for professionals versed in the complexities of integrated social, economic and environmental planning. The course will also allow Tasmanians interested in local environmental planning issues to stay in Tasmania rather than having to relocate to the mainland.

These bills will assist institutions to streamline their administration. We are proposing to simplify the acquittal requirements for Commonwealth grants so that universities will not have to comply with different requirements for different types of grants. The requirement for institutions to send a notice of liability to overseas fee-paying students will be removed under the bills. There is currently no requirement to send liability notices to domestic fee payers. The government think it is best left to each institution to determine such administrative processes. We are also proposing to streamline the administration of ARC grants and the provision of expert advice to the ARC board. The minister will be able to formally approve research grants for a period of four years rather than the two currently allowed by the act, thus reducing the amount of paperwork involved in administering grants and also providing certainty to grant holders.

The ARC board will be able to create advisory committees—other than those specifically involved in advising on funding allocations—without the approval of the minister, thus streamlining the processes for the ARC board to acquire expert advice. The bills will permit the Institute of Advanced Studies at the Australian National University to access the competitive funding schemes of the Australian Research Council and the National Health and Medical Research Council. The measure is part of the ongoing efforts of this government to create a more strategic and internationally competitive research system in Australia. The bills provide for internal transfer of funding amounts between sections of HEFA that will enable the Institute of Advanced Studies at the ANU to participate in the government’s performance-based block research funding schemes. This is also an important step in building a more integrated and competitive higher education research system.

The bills contain a number of technical amendments. Funding amounts are varied to reflect revised estimates for HECS liabilities. This variation has no effect on the level of funding provided to institutions. Funding for the Commonwealth’s contribution to superannuation costs is increased in line with revised estimates of the Commonwealth superannuation liability, and provision is made for an advance of operating grants to the University of Adelaide and subsequent repayments. Minor technical amendments to the bills change two sections of HEFA to reflect changes in taxation legislation. They amend the name of Batchelor Institute of Indigenous Tertiary Education in schedule 1, which is currently listed as Batchelor College. They also remedy two minor drafting errors in HEFA. I thank honourable senators for their contributions.

Question agreed to.
Bill read a second time.

**HIGHER EDUCATION FUNDING AMENDMENT BILL 2002**

*In Committee*

Bill—by leave—taken as a whole.

**Senator CARR (Victoria)** (10.43 a.m.)—by leave—I move opposition amendments (1) to (7), (9) and (10) on sheet 2592:

1. Schedule 1, item 8, page 6 (lines 5 and 6), omit “eligible unfunded institution”, substitute “eligible private institution”.
2. Schedule 1, item 11, page 6 (line 22), omit “eligible unfunded institution”, substitute “eligible private institution”.
3. Schedule 1, item 12, page 6 (line 28), omit “eligible unfunded institution”, substitute “eligible private institution”.
4. Schedule 1, item 13, page 6 (line 31), omit “eligible unfunded institution”, substitute “eligible private institution”.
5. Schedule 1, item 15, page 7 (lines 8 and 9), omit “eligible unfunded institution”, substitute “eligible private institution”.
6. Schedule 1, item 15, page 7 (line 11), omit “eligible unfunded institution”, substitute “eligible private institution”.
7. Schedule 1, item 17, page 7 (line 23), omit “Eligible unfunded institution”, substitute “Eligible private institution”.
8. Schedule 1, item 17, page 8 (lines 10 and 11), omit “eligible unfunded institution”, substitute “eligible private institution”.
9. Schedule 1, item 17, page 8 (lines 18 and 19), omit “eligible unfunded institution”, substitute “eligible private institution”.

The opposition’s position regarding our concerns about these bills has been made perfectly clear as a result of a number of the contributions made during the second reading debate. There have been an extensive number of very fine speeches which highlighted the fact that this government has not really thought through the implications of these measures. The implications of these bills have not been realised and, if it were not for the committee inquiry into the bills and the extensive submissions that were received, I suspect the government may well have tried to present the bills without any scrutiny at all.

There are some serious questions about the detail of the legislation. I have a series of questions on which I will be seeking advice from the government and which will help formulate our response to the legislation. I will begin with a simple proposition, Minister. In your summing-up of the second reading debate, you referred to the Crossroads processes. How is it that the government has undertaken this process of extensive review when it has effectively pre-empted this process by the introduction of this legislation? Perhaps you could enlighten us on the government’s thinking on that matter.

**Senator ALSTON (Victoria)—Minister for Communications, Information Technology and the Arts** (10.45 a.m.)—It ought to be fairly clear that, in the grand scheme of things, this is a fairly minor adjustment to current policy—one that we flagged prior to the last election—which does not in any shape or form compromise the much more fundamental review of higher education that is contemplated by the Crossroads exercise. The commitment to extend PELS to these four institutions was made prior to the review being announced. The measure does not extend government funding beyond current institutions but it does extend opportunities and increase student choice. The issue of access to loans for higher education students enrolled in other private higher education institutions will be considered as part of the government’s current higher education review. This will ensure that the issue is considered in a broader policy and funding framework. So, in summary, this is one small part of a much bigger exercise.

**Senator CARR (Victoria)** (10.46 a.m.)—I am interested that the minister should respond in those terms. I want to be clear about this. You have said that this is ‘one small part of a much bigger exercise’. Can I presume from that that the government, which is now saying that this is one small part of the bigger exercise, is actively contemplating the extension of PELS to other private providers as part of the review process?

**Senator ALSTON (Victoria)—Minister for Communications, Information Technology and the Arts** (10.46 a.m.)—The first thing to be said is that we are strongly com-
mitted to the PELS initiative; we in fact want to extend it. The review process may well suggest that we should go further, and that can be considered at that time. But there is no suggestion that somehow the review process should cause a wind-back in PELS or a rethinking of the initiative. We are strongly committed to it. The two actions are perfectly consistent.

Senator CARR (Victoria) (10.47 a.m.)—That is exactly the point. I am not suggesting for a moment that the government is suggesting, as part of its review, that it wants to wind back PELS. My question to you is: in view of your statement that this is one small part of a much larger measure, are you in fact under this review contemplating the extension of PELS to other private providers?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.47 a.m.)—When I said that PELS is part of a much wider range of issues, I did not mean a wider range of issues just in relation to PELS; I meant that the Crossroads exercise is a fundamental review of higher education. As part of that, there may well be a consideration of extending the PELS scheme. We think that it is a good scheme. We are certainly interested in ideas about whether it should go further and in what direction. This should not be seen as the end of the line.

Senator CARR (Victoria) (10.48 a.m.)—In the process of considering this as not being part of the end of the line, is the request of the 80-odd other private providers to have access to PELS now under active consideration by the government as part of that review?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.48 a.m.)—Like all submissions to the inquiry process, it will be considered on its merits.

Senator CARR (Victoria) (10.49 a.m.)—So, when the government says through the committee processes that this should not be seen as a precedent for others, should we now disregard that?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.49 a.m.)—This is honouring an election commitment. It therefore is confined to its own boundaries but, over and above that, you have a far-reaching inquiry which may well look at the concept of PELS in a more positive and fundamental way.

Senator CARR (Victoria) (10.49 a.m.)—So I can be clear about this, Minister; the commitments that the government has been making up until the point at which you entered the debate—that this should not be seen as a precedent for the extension of this scheme to other private providers—are now null and void?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.49 a.m.)—Without knowing the history of all this, the logic seems to me to be that, because we are proposing an extension to four institutions, that should not be seen as a green light for the extension to others. Proposals to extend to others will be considered on their merits and as part of the review process.

Senator CARR (Victoria) (10.50 a.m.)—Two questions arise from that exchange, Minister. First of all, you say that the government is extending this arrangement to these particular four providers on the basis of an election commitment. The providers concerned say that the government is in fact reneging on an election commitment insofar as the commitment was for the extension of Commonwealth funding to these institutions on a much broader level. How does the government respond to that claim?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.50 a.m.)—I am not sure that I am in a position to give you chapter and verse on that because I do not know what the precise commitment was. I may have it. I also do not know the nature and extent or the validity of the criticism to which you refer. I certainly would not want to take your word for or your interpretation of what the criticism might amount to, and therefore it is impossible to make a judgment about the issue you raise. I would be confi-
dent in saying that the government does not believe that it has breached any election commitment.

To the extent that I can help you on the election commitment: the intent of the government’s election commitment to Bond University, Christian Heritage College, Melbourne College of Divinity and Tabor College in South Australia was to give them access to PELS only, not to allow them access to consequential benefits or to make them eligible for operating grants, HECS places or other Commonwealth funding. So, if you are suggesting that somehow they were led to believe that not only would they get PELS but they would get access to a range of other entitlements, that was certainly not so and we did not give them any such basis for thinking that. In fact, we carefully considered that, as I recall, prior to the election and we made a conscious decision to go so far and no further.

Senator CARR (Victoria) (10.52 a.m.)—Thank the minister for his response. Because I understand from experience the nature of these sort of exchanges with him, I thought it might be appropriate to get a copy of the Hansard and read it directly into the record so it is clear what the claims are from these private providers as to the nature of the government’s lack of good faith. I will return to that. The other matter that arises through these exchanges is—

Senator CARR—You do not know what they are either.

Senator CARR—I do know precisely what they are; that is the point. I know precisely what they are and I am going to get the Hansard and demonstrate what the private colleges claim they are. That is the question I am asking you to address, Minister. The other question that I have referred to in these exchanges is the criteria on which these four particular providers were selected. Why has the government chosen to provide public subsidy to these four providers and none other?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.53 a.m.)—Melbourne College of Divinity and Bond University are self-accrediting institutions and they compete with the universities for fee-paying postgraduate students. The amendment will place all self-accrediting higher education institutions on an equivalent footing when competing for fee-paying postgraduate students. Christian Heritage College and Tabor College are the primary providers of Christian teacher training in their states and they are committed to a sector that has no other provider. The issues of access to loans for higher education students enrolled in other private higher education institutions will be considered as part of the review. This will ensure that the issue is considered in a broader policy and funding framework.

Senator BARTLETT (Queensland) (10.54 a.m.)—I would like to add some Democrat contributions to this debate on the Higher Education Funding Amendment Bill 2002 and the amendments that are before us. The questions by Senator Carr, seeking reasons for and explanations of some of what has been put forward, are very important. As my Democrat colleagues Senator Stott Despoja and Senator Allison have made clear in relation to this bill, the Democrats as a whole are opposed to extending PELS to the four private institutions that have just been mentioned. As senators would know, Democrat amendments aimed at removing these provisions have been circulated. I note that others have also prepared amendments with similar intent.

Obviously, discussing the ALP amendments beforehand gives us an idea of the state of these sections that we are seeking to remove, whether or not they will be in an amended form. I am making it clear that the ultimate desire of the Democrats is to remove these provisions altogether. However, it is appropriate to put on the record that the Democrats will be supporting the amendments moved by Senator Carr, to at least introduce some greater degree of accountability in relation to the provisions that are here. A lot of questions need to be asked and more information needs to be gained from the minister in the committee stage. That, of course, is what the committee stage is about.

One of the major concerns that the Democrats have with this bill is that it pre-empts
the minister’s own review of higher education—the Crossroads review—and on procedural grounds alone I think there is good reason to reject these provisions. It is bizarre, in my view, 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. Despite the minister, Dr Nelson, claiming he wants a mature and comprehensive debate, it appears to the Democrats to be difficult to believe he is serious when these sorts of changes are being put forward before the minister’s own review has been completed.

There is a lot of misinformation or misuse of information in this debate. One example is Dr Nelson’s claim that one university offers 167 courses but that 96 have fewer than five students enrolled. This is held up as the sort of inefficiency that needs to be eliminated before additional funding can be considered. On the face of it he seems to have a point, but course enrolments are inadequate indicators of efficiency because they tell us nothing about the real cost of staff to student ratios, for instance. Administratively, it is the aggregate of subjects that students need to complete. The number of subjects that you need to complete per course varies a lot but it can range well up into the twenties for an average degree. While some courses are quite prescriptive as to what subjects need to be taken, most are flexible. Having that range of choice for students, including those offered by different faculties, is crucial in maximising not just student choice but the value of the degree and the effectiveness of it.

There has been an explosion in courses offered to students in recent years, for a variety of reasons, including the identification of niche markets to attract fee-paying students. But the primary reason has been the desire of students to have greater recognition of specialisations than can be revealed in generic titles such as Bachelor of Business or Bachelor of Arts. There are a number of ways to respond to this demand. One is to offer course titles that identify specialisations. These days if you go to any university web site, you will see literally hundreds of so-called badged courses which offer, for example, a Bachelor of Business (Tourism and Finance), which is very different from a Bachelor of Business (Science and Technology) or a Bachelor of Business (Journalism and Politics). While there are some administrative costs in offering a multiplicity of courses, the real costs occur at student level and that is where questions of efficient delivery, such as staff to student ratios, are relevant. One subject can often include students from a range of courses, both postgraduate and undergraduate, and flexibility allows many courses to be offered from the same pool of subjects. If we use the half-truths of the measure that has been put forward repeatedly to paint a picture of inefficiency that is used to justify action, it can actually reduce the ability of universities to offer flexibility to attract students in the first place.

There are significant issues that need to be acknowledged, let alone addressed, as part of that. From the Democrats’ point of view those sorts of issues need to be brought out into the open. They are relevant, as the number of students in the courses—for example, at Tabor College and the Christian Heritage College—demonstrates the poverty of the government’s justification for these provisions in the legislation. We do need to get out information—for example, how many postgraduate courses some of these colleges have in education and how many graduate entry education students come forth. Those sorts of things need to be brought out into the open as part of ensuring an informed debate and an informed decision on these particular provisions in the legislation. We might explore those things a bit further when we get to the Democrats’ amendments. At this stage I indicate again the Democrats’ support for the group of amendments moved by Senator Carr.

Senator CARR (Victoria) (11.01 a.m.)—I thank the Democrats for their indication of support on this matter. I turn to the question of the criteria that the government has used to select these particular four institutions for special treatment—for the provision of public subsidies. Minister, you have indicated that the reason the government has given for
two of the four institutions is that they are self-accrediting institutions. That is not a reason, Minister; that is a straightforward description of what these organisations are. You have said that the other two were the primary providers of teaching in their states. Minister, this is a postgraduate loan scheme; teaching is an undergraduate program. Can you explain the difference?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.02 a.m.)—In relation to the Christian Heritage College and Tabor College, the government sees that initiative as providing opportunities for teachers to pursue postgraduate training. In relation to the Melbourne College of Divinity and Bond University, the principle that we are addressing here is that all self-accrediting higher education institutions should be placed on an equal footing. Given that the act already identifies some 38 institutions which are entitled to access PELS, we are simply completing the list.

Senator CARR (Victoria) (11.03 a.m.)—The argument with regard to the Melbourne College of Divinity and Bond University is consistency. Do you accept that? Is it fair enough? It has not been stated but I understand that that is the meaning. Perhaps you could ask your public servants to give you some advice.

The TEMPORARY CHAIRMAN (Senator Ferguson)—Order! Senator Carr, address your remarks through the chair rather than directly at the minister.

Senator CARR—The minister might like to get some clarification on that matter. I presume that is what is actually meant.

Senator Alston—I am happy to agree on that word.

Senator CARR—Thank you. Don’t get grumpy, Minister; we are here for quite a while. I do not want to trouble you too long.

TEMPORARY CHAIR—Order! Senator Carr, you have the call, use it.

Senator CARR—I just want to comfort him at the moment. I think he needs a bit of counselling on this issue. It is part of his job. The fact of the other two colleges being primarily, as you said, for teaching qualifications was the reason—they were providers of teaching qualifications. Teaching, as I say, is an undergraduate program. This is a postgraduate loan scheme so that clearly cannot be the reason. Furthermore, Minister, can you tell me how many postgraduates are enrolled in teaching programs at Tabor College?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.05 a.m.)—I can understand Senator Carr’s bile on most of these issues. He hates the thought that somehow we might be giving assistance to institutions that he disapproves of, but the fact is that there are likely to be opportunities for teachers to pursue postgraduate qualifications. It is probably a shame that you were not in that category but certainly we think that they are entitled to do that and they should be encouraged to do that.

Senator CARR (Victoria) (11.05 a.m.)—It would be wise of you, Minister, to check your research into the nature of my qualifications. This is the second time you have raised this issue. It would be very beneficial for you to do a bit of research on that. Secondly, Minister, you have not answered the question. This is a program that provides $18 million, which we say has huge implications for future commitments from the Commonwealth. How many persons are currently enrolled at Tabor College in postgraduate studies in teaching, which you say is the prime reason for the extension of this measure to that particular college?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.06 a.m.)—I do not think I am in a position to give Senator Carr the complete enrolment lists from either of those institutions. That is probably information that can be obtained if it is available. I do not think it bears on this debate because we are debating the principle of access. In fact, the $18 million is over a four-year period. I do not know whether you are trying to make the point that somehow this is a large amount of money or a small amount of money. Clearly, for the four institutions concerned it is a very important initiative.
Senator CARR (Victoria) (11.07 a.m.)—
Minister, of course it is an important issue for the four institutions concerned. It is a huge advantage to those institutions. As a result of this measure, these institutions will be able to secure a significant market advantage over and above their competitors. Contrary to your concerns about what you refer to as my ‘bile’, I am concerned about the principles of the market operating fairly. I think it is important, Minister, that you, as the great advocate for the free enterprise system, appreciate the implications of providing a market advantage to a couple of colleges over and above the 80 or 90 that are currently operating in the market. I am trying to establish the reason for this, and I have not had an explanation other than that you are going to provide specialist assistance to this college because it trains teachers.

I ask the question: how many teachers? I am told, ‘Don’t know. You find that out.’ We are also told that a postgraduate program such as this is not the primary qualification for teachers—it is an additional qualification; having a postgraduate subsidy provided to people who we say are the primary focus is an undergraduate program. Minister, I put it to you—because you have got an army of public servants and I would trust you to check this basic information—that there is one student enrolled in postgraduate teaching at Tabor College. Can you confirm that?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.08 a.m.)—I do not know why you hate the thought of teachers getting postgraduate qualifications. If there is only one now, then that may be a very good reason why extending this initiative to those institutions will provide incentives for those teachers to obtain postgraduate qualifications. That in itself, I would have thought, was highly desirable. There may be no absolute requirement—your union probably has not managed to insist that no-one is able to get a postgraduate requirement—but I would have thought that even you would be in favour of the principle of people getting additional qualifications.

The reason we have nominated only two is not a reason for opposing them unless you are opposed in principle. If you are opposed in principle to teachers training institutions having a PELS extension to encourage them to undertake postgraduate courses, then say so. But if your real argument is that there are only two and there are plenty of others who would like a similar helping, then you can make a submission to the Crossroads review and that can be looked at on its merits in due course.

Senator CARR (Victoria) (11.10 a.m.)—I notice that you have not confirmed the figure of one. I ask you to get advice on that because you have very able assistants there and I am sure that they can tell you that information. If they have not already, you would have to ask yourself why not. I come back to the point of all of this: what is the criteria on which these particular colleges have been singled out for assistance by the government? Why have they been given a market advantage? We have yet to hear an explanation other than that they are providing services for teachers—the sole service, I think you said at one point in this discussion today.

The fact remains: that is not true. Both of these colleges operate in states where there are many providers of training for teachers. They are direct competitors for other religious groups, for instance—other faith based colleges. Why are you providing assistance to these two in that regard? We have yet to hear an explanation other than this: that it was an election commitment. If the policies of the department in terms of funding are being determined as a result of election commitments, so be it. But it would be interesting to know what the public rationale was for the expenditure of this money. The spending of this money—$18 million now in terms of this bill, with huge potential down the line—the government is now saying is all subject to further review as part of the Crossroads review. We know already that the private providers are saying they want access to this as well. They want a level playing field. So I ask, Minister, if the criteria were solely a political determination—and all we have heard so far is that it was a political determination as a result of a secret arrangement with the Liberal Party—then I think we are entitled to know that, and we can assess the
merits of it. But we are talking about the expenditure of public funds and we have got to know what the criteria are. It is simply pathetic to suggest that you are providing ‘opportunities’ to some people to get postgraduate qualifications.

I am a supporter of teachers getting postgraduate qualifications. I made the point to you, Minister, that I have got a few of my own. I make the point to you though: shouldn’t it be on the basis of some equity? Should it not be on the basis of a rational public policy assessment? We have not heard that. All we have heard is that there was a political deal done by this government. Furthermore, it was put to me before that the minister was confident that the government would only ever tell the truth on these matters and would never dishonour its commitments and it was said to me that I had misunderstood it. Let me quote a submission from the principal of Tabor College in South Australia. He said:

On behalf of our organisation, I would like to express support of the provisions made in the bill. At the same time I wish to point out that the provisions made in the bill fall considerably short of the promises made in then Minister David Kemp’s pre-election Policy Release, where he said:

A re-elected Government will provide more students with access to higher education that targets their specific needs by placing several other teacher training institutions in the same position as the University of Notre Dame...

The application of this principle would provide concrete assistance and a more level playing field for those in the community who establish alternative institutions to meet their needs. It would also provide a potentially sounder and more equitable base to assure the supply of suitably qualified teachers in private schools with a religious mission.

A third Howard Government will provide the same arrangements as apply currently to the University of Notre Dame to Bond University, the Melbourne College of Divinity, Christian Heritage College and Tabor College by including them within the framework of the Higher Education Act 1988 (HEFA) while maintaining their ability to have fee-paying students.

That is crystal clear. I do not think I could misunderstand that. What Dr Kemp told those colleges was that they were going to get access to the full box and dice. Is that the government’s policy? Is that the real policy we are being asked to consider here? Is it the real policy of this government to provide not just these colleges with the full box and dice of public funding and all its aspects but also the 80 or 90 other private providers knocking on the door, not to mention those amongst the 4,000 RTOs—registered training organisations, Minister, if you are not familiar with the term—that are also seeking to provide higher education services? Are we saying that is the full implication of this policy or is this government saying, ‘No, it is just this limited number, and that’s it’? What the documents suggest is that you today, Minister, have misled this chamber.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.15 a.m.)—The media release put out by Dr Kemp on 31 October seems to be the one that Senator Carr is relying on. As always, quoting selectively, he has omitted reference to a sentence which states:

This will have no impact upon the underlying cash balance.

PELS does not have any impact on the underlying cash balance, whereas HECS clearly would. I know that is a bit arcane for Senator Carr, but it is worth absorbing—and I can see why he is concerned about it. Anyone who then read the election commitment could have no misunderstanding at all, because the election commitment stated in clear and unequivocal terms that ‘students at Bond University, the Melbourne College of Divinity, the Christian Heritage College and Tabor College, Adelaide, will be eligible for PELS loans for non-research postgraduate study’. So there cannot be any basis for a suggestion that somehow we were out there promising access to HECS for these institutions.

I think the much more fundamental question that Senator Carr needs to address is whether or not he is in favour of the concept and principles of PELS. If his position is that he does not believe anyone should get PELS,
let us hear about it, because that will mean in this instance that all four institutions, including two teacher training institutions, will not get PELS. If Senator Carr says he is all in favour of teachers undertaking postgraduate studies, does he mean at their own expense entirely or does he want them to be aided and assisted by having access to a PELS loan?

If, on the other hand, he is in favour of PELS but he wants it extended much more broadly then he should be in favour of at least it being extended to two significant training institutions. He can then run the usual political precedent line, and when he puts in his detailed submissions to the Crossroads inquiry he can argue that this is a foot in the door and that it ought to be extended much more broadly. So the fundamental issue is: are you in favour of PELS in principle or aren’t you?

**Senator CARR (Victoria) (11.18 a.m.)**—Minister, you have not answered the question about the statements made by Tabor College in their submission. You say that I misquoted the letter. I quoted directly from their submission, which was placed before the committee, dated 1 July 2002. They claim—and that was the claim I was putting to you—that you have reneged on the commitment by the government. As for the other issue that you have raised, the question of cost neutrality—and that is what you said; ‘cash neutral’, I believe, is the term you meant, which of course means ‘cost neutrality’—

**Senator Alston**—I didn’t use the term ‘cost neutral’ at all.

**Senator CARR**—I will ask you again: what was the term you used, Minister?

**Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.19 a.m.)**—It is not a term. You purport to be relying on a press release of Dr Kemp. What you are now telling us is that you have not read it. All I did was quote a sentence. Do you want me to quote that sentence again for you? It is from a press release which I would have thought you would have in front of you. I will read it to you now and you can write it down. It reads:

This will have no impact upon the underlying cash balance.

While I am at it, let me say that I would have thought there is a pretty fundamental distinction between saying that because someone alleges they have been misled or encouraged to believe and the government responding to that and refuting it. They are two fundamentally different propositions. If you think we should take any complaint at face value then you are clearly unfit to ever get into government.

**The TEMPORARY CHAIRMAN (Senator Ferguson)**—Senator Carr, before I call you and before this degenerates into an argument between you and the minister, I remind both of you to address your remarks to the chair, please.

**Senator CARR (Victoria) (11.20 a.m.)**—Thank you, Mr Temporary Chairman. I will address my remarks through you. Chair, could you explain to the minister that the concept of no underlying impact on the cash balance is, in fact, a reference to the cost of the HECS program—and that is what we are talking about here. Under the government’s accounting conventions, this is of course turned on its head so that the HECS debt becomes an asset and the subsidy—which is the cost to the budget of HECS—is treated in exactly the opposite way it would be in any other form of financial consideration. We can measure this. What is the cost of the subsidy in HECS—because you brought the HECS issue up? We know what the cost of the subsidy is, because if we were to apply a real rate of interest to this we would establish what the cost of the subsidy is.

I asked the department this question. Minister, do you know what the answer is? It is $1 billion. What we are talking about is that if the current arrangements had a real rate of interest applied to them it would be $1 billion. That is the framework in which we are talking about the underlying cash balance. When the minister claims this special qualification in the press release, he is talking about a level of subsidy of that dimension. The point I relied on is what the colleges themselves claim, based on their submission to the Senate inquiry. I am not quoting any press release. I am not seeking
to misquote anyone. I am simply asserting what the documents are. They have been presented to the Senate by one of these colleges, but the government has let them down.

The reason I raise this matter is that I am trying to establish the full implications of the government’s policies. It is not even an issue of whether or not one is opposed to PELS; you know full well, Minister, that the Labor Party voted for the bill last year. You know full well that that is the case, so there is no point in running down that particular burrow. The question that is now before us is: what is the cost implication of this measure? The colleges themselves say that you have basically duded them. The private providers right across the board say they want access to this particular measure. They say they think there is an unfair market advantage here. I am trying to establish from you, Minister, what criteria were used by the government to select these particular colleges which will get a substantial market advantage by this measure. I think it is a perfectly reasonable question. We have yet to hear the answer.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.23 a.m.)—Senator Carr seems to adopt at face value a claim which really amounts to saying that the four institutions believe they were promised access to HECS. That is fundamentally not so, and there is nothing that you can point to that gives comfort to that proposition. When you read the press release and the election commitment, you see that they both make it plain. Maybe the problem arises because both Senator Carr and the institutions concerned just skimmed over that sentence. Obviously, Senator Carr had never seen it until I drew it to his attention. It is quite likely that the institutions concerned did not fully understand what it meant. If they did, then clearly they are just overstating their case, but if they did not understand it, then now is the time to explain it.

Under accepted accounting practice, the actual amount loaned to students is treated as a financial asset and therefore does not impact on Commonwealth expenses. The overall impact on the fiscal balance is therefore positive and in the order of $1 million over four years. As well as the fiscal impact, obviously there will be an upfront monetary cost to the government from the loans. This is estimated to be $18.7 million over four years.

With respect to the claim, disingenuous or otherwise, that somehow they were promised HECS as well as PELS, there was a very clear and conscious decision made by the government not to promise HECS, and we reflected that in both the media release and the election commitment. Unless and until Senator Carr can point to some other document that shows that we promised HECS, I simply do not understand what he is doing other than parroting what we believe to be a misconceived claim.

Senator NETTLE (New South Wales) (11.25 a.m.)—I rise to again state the Greens’ opposition to the Higher Education Funding Amendment Bill 2002, and particularly to the extension of PELS to private institutions. The reason we are opposing this extension is that it is a public subsidy. It is another example of this government taking money out of the public purse and giving it to these private providers. As is the case with so many of our essential services—and education, of course, is a key essential service to our society—it is only through public provision that we can ensure that there is equitable access to an essential service like education.

I welcome the opportunity to have this debate about the flaws in the government’s proposal to extend PELS to these private institutions. We have heard the Minister for Communications, Information Technology and the Arts talk today about how he does not perceive that this extension of the scheme to these four private institutions is an opening of the floodgates for the 80 to 90 private providers who would like access to PELS.

I point out to the minister that, when these organisations appeared before the Senate Employment, Workplace Relations and Education Legislation Committee and talked about how they would like access to PELS, they also stated that they would like access to HECS. So these private providers were saying not only that they would like to see
of this bill is to take public money and give it to these private providers. So whilst we recognise that greater regulation of private institutions is an improvement, and we will support measures which go down that path, we point out that the Greens do not believe this takes away from the central tenet of this legislation.

So far this morning, we have had the minister speaking about the opportunity for senators in this chamber to have input into the Crossroads review. It is pertinent that the minister points out that we are in the midst of the Crossroads review—a review about funding arrangements for higher education—because that is of course where this debate relating to the extension of PELS should appropriately be discussed. We have had these arguments put previously to the government to say that when you look at an overall review, as you are selling the Crossroads review to be, it is pertinent to have everything open for discussion.

Yet we see this bill before parliament and the government are saying, ‘Let’s extend PELS. Let’s give this public subsidy to these private institutions now because we made an election promise. But don’t let that interfere with the overall holistic review that we are doing of higher education at the moment and, if senators would like to make submissions to the Crossroads review, please feel free to go ahead.’ Dare I suggest that it would be appropriate that the government put forward submissions to extend PELS to these private institutions as a part of the Crossroads review. If it is good enough for other senators to put their points forward during the Crossroads review, why is it not good enough for the government to also follow a process that they themselves have set up?

The other issue I would like to raise in relation to this bill and the extension to these particular private providers draws back to the reason why the Greens support public education. It is only through public education, where you get people together in an environment regardless of their religion or their ability to pay, that they can learn to be part of the tolerant and cohesive society and community that the Greens are committed to en-
suring that we have in Australia. I am by no means casting aspersions on these particular institutions, but if we allow this to extend to these private institutions—who do set standards as to who can attend their institutions, depending on their ability to pay, religion, gender or whatever it may be—we are opening up these public subsidies to private institutions that do not provide the same quality public education that our own public institutions provide by allowing everyone to access that service, that quality education.

There is a range of issues that the government need to answer in terms of coming forward with this proposal to extend PELS to these private institutions. Particularly, I would like to ask the minister: why do the government choose to devalue public education in the way that they are doing at the moment through this bill? Why are the government extending public subsidies to these private institutions, making it so much easier for them to try to outcompete the public institutions in the education marketplace? These public institutions can provide us with the quality public education that helps to build the cohesive and tolerant society that we would like to see here in Australia and that the government have articulated that they would also like to see, whilst of course the evidence for that has been greatly lacking, particularly in the last two years.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.33 a.m.)—I was asked, I think more in a rhetorical fashion than anything else, why are we devaluing public education. Senator Nettle seems to persist in misunderstanding the way in which PELS operates, because it does not constitute a public subsidy to private providers. What it involves is a modest subsidy to students. In other words, the fee is paid by the government direct to the institution. The subsidy element—if you want to call it that—then involves the terms of the repayment by the student. So there is no question of subsidy to the institution. There is, therefore, no question of devaluing public education.

Senator CARR (Victoria) (11.34 a.m.)—Clearly, if we come to this issue of the nature of the government’s commitments and the criteria on which these colleges have been selected, then what we have is the government’s defence resting on a distinction between what was in the press release and what was in the government’s policy statement.

Senator Alston—No, they are both consistent.

Senator CARR—Are you saying that the qualifications were in the policy statement as well?

Senator Alston—Absolutely.

Senator CARR—We then have to examine exactly what that means. I would ask you directly through the chair, Minister: would you not agree that, as we have indicated, a real rate of interest applied to HECS would have produced a difference of $1 billion? That is the nature of the subsidy we have at the moment—a $1.7 billion liability per annum on HECS. That is the dimension of these so-called funding cash balances. That is the nature of this particular matter with regard to the very substantial amounts of money involved and they are clearly the issues that the government’s Crossroads review is contemplating, as the minister said today. That is absolutely consistent with the government’s claims here today and with the nature of both the press release from Dr Kemp and the pre-election policy statement of this government.

Firstly, Minister, can you confirm that that is the amount of money we are talking about? Secondly, can you indicate to us that, with regard to the opportunities to broaden out what is said to be the level playing field, that could reasonably be interpreted by these institutions as an extension of the same conditions that apply to the University of Notre Dame? Would it be a reasonable interpretation based on that? Therefore, is it not the case that the criteria that have been selected here—the politically selective approach that has been taken here—may well have significant implications? Or can the government at this point rule that this is not a precedent for anyone else to seek, with further amendments to the act, the same benefits as those given to these particular providers?

Senator ALSTON (Victoria—Minister for Communications, Information Technol-
ogy and the Arts) (11.37 a.m.)—Precedents are always fairly self-serving arguments, but there is nothing to stop anyone putting a submission into the Crossroads review arguing that they should get an extension of entitlements. But can I go back to the more important issue, because Senator Carr seems now to be pretty excited about this billion dollar subsidy. There is a fundamental difference between the way HECS operates and the way PELS operates. HECS involves a 25 per cent discount if you pay the fee up-front, and that does affect the underlying cash balance. There is an implicit interest rate subsidy in relation to both HECS and PELS, and I am sure Senator Carr appreciates how that works, because the nominal level of interest rates prevailing in the marketplace is likely to be higher than the CPI rate. As a result they are getting a slight discount.

That implicit interest rate subsidy does not affect the underlying cash balance, and that is why that press release that was put out by Dr Kemp made it plain that the arrangements to apply would not have an impact upon the underlying cash balance. So if you have any degree of financial literacy then you understand that you are not getting HECS; you are getting PELS. Why I say there is no point of distinction between the press release and the election commitment is that they both effectively make it plain that this is a commitment in relation to PELS and not HECS. The election commitment says:

This means students at Bond University, the Melbourne College of Divinity, Christian Heritage College and Tabor College will be eligible for PELS loans for non-research postgraduate study.

I have to say that I think it is highly disingenuous to argue that somehow you can still claim that the government were implicitly promising access to HECS. That cannot be so. Whatever legal issue or semantic approach you might like to take, the fact is that we boldly state there that you are eligible for PELS; we make no such suggestion in relation to HECS. It has been made plain to them that they were not getting HECS, and the original press release also makes it plain that the arrangements would have no impact on the underlying cash balance. If you want to get up and tell me that they do, then we can have a debate about the financials—but you have not to date.

Senator CARR (Victoria) (11.40 a.m.)—I thank the minister for his answer: that is actually very helpful. As to what the commitment was, though, I have checked and I think you should get better advice on this, because the actual words are these:

A re-elected ... Government will provide more students with access to higher education that targets their specific needs by placing several other teacher training institutions in the same position as the University of Notre Dame.

How many HECS places are there at the University of Notre Dame provided by the Commonwealth government? My information is 300, 350—something in that range; that would be about right. Perhaps I can only suggest—through you, Mr Temporary Chair—that the advisers have informed you poorly on this matter, because that is the situation. You have been asked to argue a case which is clearly not true. Notre Dame has HECS places. The commitment was as to ‘the same position as the University of Notre Dame’. The point is that that has quite a significant impact on the cash balance, as you have acknowledged. Furthermore, the real rate of interest subsidy of $1 billion—that is the cost of this on current HECS—would indeed, if it were changed, have a significant impact, and that is what you are discussing right now within the government. That is absolutely at the core of the considerations of the Crossroads review. So I would ask you to comment on that, Minister, because I think we do have to look at the other criteria that were applied in consideration of these particular institutions.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.42 a.m.)—My first comment would be to remark upon the irony in Senator Carr, about five minutes ago heaping praise on the advisers and now seeking to somehow attribute blame and ignorance to them. The real ignorance derives from Senator Carr being too lazy to actually have in front of him both the press release and the election document on which he is constantly seeking to rely. If he did, then he would not have this problem. I know why he
is terminally confused; he has demonstrated that in this chamber for 10 years. So let me just take him once again to a non-selective reading of the election commitment from which he has just quoted selectively. He talked about it referring to several other teacher training institutions in the same position as the University of Notre Dame. It then goes on at quite some length to spell out, to provide more detail on, a general proposition. What that clearly means when you read the document is that it was being made plain that the institutions would be placed in the same position as the University of Notre Dame in respect of PELS. You do not have to take my word for it: all you have to do is actually read the document, because it goes on to say:

A third Howard Government—

now just listen to this; do not reinforce your own prejudices—

will provide the same arrangements as apply currently to the University of Notre Dame to Bond University, the Melbourne College of Divinity, Christian Heritage College and Tabor College ...

If that were all it said, you would say, ‘Game, set and match—it is quite plain.’ Listen! Look, would you mind? We are having a discussion.

Senator Carr—I thought you were going through the chair. Who are you to take over from the chair?

Senator ALSTON—I do it through the chair, Mr Temporary Chair, but—

Senator Carr—who are you to talk to the advisers box in that tone?

Senator ALSTON—I am talking to you.

Senator Carr—No, you weren’t.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Order! Senator Carr!

Senator ALSTON—if Senator Carr wants to ask me a question, there is no point in my giving him an answer if he then quite consciously and visibly chooses not to listen to me but to listen to whatever someone else might be saying to him. The whole proposition is misconceived. Senator Carr, if you read that second last paragraph you will see:

A third Howard Government will provide the same arrangements as apply currently to the University of Notre Dame to Bond University, the Melbourne College of Divinity, Christian Heritage College and Tabor College ...

That is, to those four. If that were all it said, I could understand your argument—and that is your argument, because you go back to a couple of paragraphs above where you read that several other teacher training institutions will be put in the same position as the University of Notre Dame.

If that is all that is said I could understand why you would argue the way you are arguing, but the document then goes on. These institutions hopefully do not read selectively; they read the whole document. It goes on to say:

This means—

and ‘this’, of course, refers to all that has gone before—

students at Bond University, the Melbourne College of Divinity, Christian Heritage College and Tabor College will be eligible for PELS loans ...

It does not say ‘and HECS’. Of course, that is what they are now trying to argue. For example—just think about the politics of this—if you were wanting to get credit for extending HECS to them, despite what you would say is a pretty substantial cost, why on earth wouldn’t you say so? If you put out a press release saying, ‘This means you’re getting PELS,’ it would be pretty plain, I would have thought, that you are not getting HECS. That is exactly what it means. Unless you read that paragraph—which you have deliberately chosen not to do on about three occasions, because you still do not seem to have the press release in front of you—

I really cannot help you any more because you are just going to continue to argue selectively.

I hope you have finally been given the press release. That is what you should get; that is what you should ask for—the press release—not what someone else might like to serve up to you as a selective interpretation of some preceding words. Just read that last paragraph and all your problems will be solved.

Senator NETTLE (New South Wales) (11.46 a.m.)—I rise to assist the minister in his clarification and explanation about what
the extension of PELS to these private institutions means. The minister previously sought to explain to this chamber that he does not perceive this to be a public subsidy to these private providers but, instead, sees it as a subsidy to the students. I would like to point out to the minister, through the chair, that this is public money being given to students for the express purpose of them passing it on to the private providers. The minister seeks to explain that this is not a public subsidy to private providers because it goes through the students, whether it is a direct or indirect public subsidy. I would like to clarify for the minister that this is public money being given to students for the express purpose of them passing it on to the private providers. Perhaps the minister could clarify for the Senate that this is exactly what the government's legislation seeks to do in extending PELS to these universities: it is providing public money to the students for the express purpose of them passing it on to these private institutions. In that way, minister, it is a direct public subsidy to these private institutions.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.47 a.m.)—I cannot stop Senator Nettle from running a line that suits her purposes, but the fact is that she is quite wrong in saying that the money goes through the students. It does not; it goes directly to the institution. They get paid in full; there is no subsidy to them. They get paid in full. In theory, students could borrow money for a whole range of activities. In respect of this, they get a loan and they repay it, but they repay it only on a CPI basis rather than on a full interest rate basis. The subsidy, insofar as there is an implicit interest rate subsidy, goes to the students, not to the institutions.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.50 a.m.)—I would like to clarify one small matter because it really goes to the heart of what Senator Carr has been seeking to pursue here. We are not talking about fine print; we are talking about an election document. That is about as sacred as it gets. Although, of course, as far as the Labor Party is concerned, things like, ‘We won’t further privatise the Commonwealth Bank’ or ‘We’ve got l-a-w law tax cuts’ are not sacred on that side of the chamber. An election commitment is generally a pretty solemn statement. So if you were one of those four institutions and you read this document and it tells you that you will be eligible for PELS, what would you say to yourself? ‘Gosh, we wanted HECS.’ If you were in any doubt, what would you do? You would ring up, wouldn’t you? You would make urgent further inquiries. And what would you be told? You would be told that you are not getting HECS.

This argument is post-election. You say ‘bush lawyers’; I think it is sophistry at its worst. It is an attempt to try and selectively focus on a few general statements whilst ignoring the precise detail of the very thing that they were seeking. That is not a sensible or professional approach to this issue; that is be other private providers that want access. That may well have significant financial impacts for the Commonwealth over and above what has been stated in this bill.

A claim is being made by the private providers that the government has reneged on promises which, as I read them, very clearly state what the government intended. The government’s defence is: ‘You’ve got to be much sharper than that. You need some sort of shifty bush lawyer’s approach, and make sure you understand all the fine print.’ We understand that; we have that clear; that is fine. What we have, though, are amendments that go to the question of cost in terms of public subsidy. That is the point of the amendments. I trust that they will enjoy the support of the chamber. The other issue goes to the processes of accreditation. Perhaps I will come to that after these matters are processed.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.50 a.m.)—I would like to clarify one small matter because it really goes to the heart of what Senator Carr has been seeking to pursue here. We are not talking about fine print; we are talking about an election document. That is about as sacred as it gets. Although, of course, as far as the Labor Party is concerned, things like, ‘We won’t further privatise the Commonwealth Bank’ or ‘We’ve got l-a-w law tax cuts’ are not sacred on that side of the chamber. An election commitment is generally a pretty solemn statement. So if you were one of those four institutions and you read this document and it tells you that you will be eligible for PELS, what would you say to yourself? You would say, ‘Gosh, we wanted HECS.’ If you were in any doubt, what would you do? You would ring up, wouldn’t you? You would make urgent further inquiries. And what would you be told? You would be told that you are not getting HECS.

This argument is post-election. You say ‘bush lawyers’; I think it is sophistry at its worst. It is an attempt to try and selectively focus on a few general statements whilst ignoring the precise detail of the very thing that they were seeking. That is not a sensible or professional approach to this issue; that is...
a political line. I suspect that what has really happened here is that they have made it plain to Senator Carr that they were a bit disappointed, there was some general language, and he has made up the rest of the script. No self-respecting institution could point to that paragraph and say that, in any shape or form, gave them a basis for believing that they were promised HECS. They might be very disappointed—they probably were from day one—but there cannot be any basis for them believing, genuinely, that they were going to get HECS prior to the election and finding out later that they had been duded. What has happened, of course, is that Senator Carr has sought to manufacture a political argument which is transparently nonsense and, as a result, we are relying on the documentation.

Senator CARR (Victoria) (11.52 a.m.)—
We are trying to make some progress here. You are obviously deeply distressed by the claims. This is a Christian college making these claims. I am surprised that you are suggesting that they could be behaving in the way that you seem to suggest. It is not what I have said; it is what they told the Senate on 1 July. They made it perfectly clear what their position was, and they said over and over again that the government has duded them. As I say, I cannot believe that a Christian college would present to the Senate a position which is not true. They clearly believe that the government has been dishonest. I am appalled at this sort of claim.

We are told that the Liberal Party policy documents are holy writs. This is a revelation; it is a shock to us. I would have thought that a Christian college would understand that point of view—that the holy writ has come from Senator Alston—but they clearly do not, because their submission to the Senate says that the government has duded them. As I say, they were not aware of the bush lawyer style of politics that this government feels it needs to exercise. We have here a pretty simple series of amendments. The government is clearly opposed to them. I take it that is the position, because I have not actually heard what the government’s attitude is to the amendments. I ask: Minister, isn’t this the opportunity to actually make some progress and stop wasting the Senate’s time?

Question agreed to.

Senator CARR (Victoria) (11.54 a.m.)—by leave—I move opposition amendments (15) and (16) on sheet 2592:
(15) Schedule 1, item 10, page 6 (lines 13 to 17), omit paragraph (c), substitute:
(c) if the institution is a non-self-accrediting institution—is a course which the Minister is satisfied meets the quality criteria in place in the National Protocols, based on the advice of:
(i) an independent expert panel as established by the Minister with terms of reference and reporting requirements as prescribed; or
(ii) an institution referred to in section 4.
(16) Schedule 1, item 10, page 6 (line 17), after paragraph (c), insert:
; (d) the matters prescribed under subparagraph (c)(i) shall include criteria for the appointment of an expert panel, including persons with extensive knowledge of higher education courses in the same or similar field, which is independent of the institution.

These amendments are important in regard to the question of quality and accountability. I would seek from the government some further advice. We have established that there were no criteria for selection—other than the political fix—and we have established that the Liberal Party election holy writ was handed down from on high, and now I suppose we should establish this: what was the process undertaken by the Public Service to try to turn these tablets of stone into public policy? How were the public servants able to establish that these institutions were of sufficient quality to warrant the extension of quite extensive public subsidies to them? What was this magnificent process?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.56 a.m.)—You are not entitled to ask what thought processes were undertaken by public servants. You are entitled to ask for elucidation on what is meant
in the bill, and you can properly ask the government about issues such as consistency, and I have explained that, but otherwise you are required to rely on what is on the public record. You are not entitled to ask public servants about all the permutations and combinations they might have gone through. At the end of the day, public servants do not make government policy; they provide advice and input. We make the government policy, and we are accountable for it. We are on the record, and you are entitled to be as critical as you like of that.

Senator CARR (Victoria) (11.56 a.m.)—It is quite clear you did not understand the question, Minister. Perhaps I will have to go through it with you once again. These amendments go to the issue of accreditation and quality assurance. I would like to know: what was the process that the government undertook to establish that these institutions, to which we are now being asked to extend considerable public moneys, were in fact appropriate to receive these moneys?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.57 a.m.)—Bond University and the Melbourne College of Divinity are self-accrediting institutions. The other two institutions are accredited by the relevant state governments.

Senator CARR (Victoria) (11.58 a.m.)—I expect that, with regard to Bond University and the college of divinity, there will be no argument on this side of the chamber. As they are self-accrediting institutions, and given the provisions of their various acts, we have reasonable confidence that they would meet the normal standards that one would expect—particularly in regard to the college of divinity, which is associated with Melbourne University. You would not reasonably be able to mount a case that they have not met normal quality assurance regimes. In regard to the other two colleges, can you indicate the dates when these quality approvals were undertaken by the relevant state authorities?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (11.58 a.m.)—I cannot give Senator Carr the dates, but I can give him an assurance that we have made inquiries and ascertained that they are properly accredited by the relevant state authorities.

Senator NETTLE (New South Wales) (11.59 a.m.)—I wish to ask Senator Carr a question about the amendments that he is currently proposing to the Senate. Will the expert panel proposed in amendment (15) undertake their assessment of the non-self-accrediting institutions before PELS is extended to these institutions?

Senator CARR (Victoria) (12.00 p.m.)—The whole point of the opposition’s amendment is to find a vehicle by which we can improve the level of quality assurance and put an intermediary layer between the current situation, where it appears that a political deal can be done, and a comment sought from the state accrediting authority whereby a state accrediting authority, which has no responsibility for the appropriation of Commonwealth money, is causing Commonwealth moneys to be spent. That is quite a serious issue. It occurs all too often in education. The states are only too happy to agree to educational institutions having access to Commonwealth money. They do not have to worry about these issues of quality assurance in the direct political sense through their parliaments or in the broader sense, because the Commonwealth has to pick up the tab. Our concern is to find a mechanism that guarantees quality assurance which the Commonwealth can have confidence in, to ensure that students undertaking programs at these institutions will be able to enjoy qualifications that will be respected around the world.

The problem we have at the moment is that there are a number of private providers operating in the Australian marketplace who are providing qualifications that do not meet that criterion. For example, we have seen it at Greenwich, where the government’s own inquiries—forced upon them through the parliamentary processes here—have demonstrated that that institution should not be in any part of the Australian education system; but it is still operating. The government has chosen to do nothing about it. It writes pious letters. Ministers even make pious statements about it. But no action is actually taken. Our
proposals seek to provide a measure of comfort and protection for the people and students of this country.

Senator Nettle (New South Wales) (12.02 p.m.)—I recognise the intention of trying to create the expert panel to achieve better quality assurance for these private institutions but, in respect of amendment (15) that Senator Carr is putting forward, what are the details of how the expert panel will operate? How will that expert panel provide that extra level or that assurance that we are getting quality? Specifically, in terms of that expert panel’s operation, will it be required to carry out its assessment of these institutions before they have any access or extension to PELS?

Senator Carr (Victoria) (12.03 p.m.)—I thank Senator Nettle for her question. Our amendments go to a whole range of matters, and amendment (15) states that we want these issues, in terms of the selection of the persons on the panel, their method of operation and the means by which they undertake the assessments of applicants for these subsidies, to be prescribed; that is, to be subject to a disallowable instrument in this place. That means that we would expect the minister—to be able to provide to this parliament a defensible regime that would ensure appropriate probity and quality assurance arrangements and, basically, the soundness of the operations of these institutions before public subsidies are made.

Senator Alston (Victoria—Minister for Communications, Information Technology and the Arts) (12.04 p.m.)—Can I indicate where Senator Carr is going on this, for the benefit of Senator Nettle. You have state Labor governments right around Australia. Senator Carr is saying that they are not to be trusted. That is pretty helpful, given that Senator Carr claims to control Victoria. What he is really doing is expressing a vote of no confidence in Mary Delahunty. More importantly, there is a longstanding agreement by which higher education is a shared responsibility between the Commonwealth and the states and territories. One of the areas for which the states and territories have clear, unequivocal responsibility is the recognition and accreditation of higher education providers and courses. Under these proposed amendments, reference to the responsibility of the states and territories to accredit the higher education institutions of non-self-accrediting institutions would be deleted and replaced with a requirement for the Commonwealth to satisfy itself that courses meet the quality criteria. This is not only a wasteful duplication, it also blatantly contradicts the Commonwealth-state agreement on higher education.

What really makes me quake in my shoes is the realisation that it is not ultimately an independent process at all. It is a matter of the minister being satisfied that a course meets the quality criteria, based on advice. The minister does not have to take any notice of an independent panel. Imagine if you had Senator Carr running the show at Commonwealth level. He would have the imperial right to decide who is in and who is out. That is about the worst form of accreditation I could ever imagine. If he were proposing some sort of arms-length independent arrangement, at least there would be some intellectual rigour—apart from the fact that it is a blatant contradiction of the federal-state agreements and a vote of no confidence in his state Labor colleagues. But the notion that one individual, the minister of the day, should be able to make a judgment about accreditation leaves it wide open to all sorts of subjective assessments and all the paybacks that you would ever want. You can just imagine Senator Carr making promises in the lead-up to the election about who gets what: ‘Don’t worry about the independent panel process. I don’t have to take any notice of that. I make the decision.’ That is what he is proposing to replace the existing Commonwealth-state arrangement with, and I would have thought that any self-respecting state Labor government should be out there complaining bitterly about that. It does not really need the Commonwealth to point out the idiocy of that approach. Accordingly, we will be dividing on the amendments.

Senator Stott Despoja (South Australia) (12.07 p.m.)—Firstly, as I put on record in my second reading comments yesterday, the Democrats are keen to support any
mechanisms that improve accountability and transparency in relation to academic institutions, particularly universities. We are quite happy to divide on these amendments—as the minister has indicated he wants us to do. At the risk of sounding like I am standing up in defence of the minister, I do want to take up his last point in relation to the states. Senator Alston, I think you are being a little harsh on Senator Carr, given that at least one Labor state, New South Wales, is doing the right thing in relation to the protocols process.

For the benefit of the chamber, I would like to ask the minister to outline what progress he understands has been made in relation to the national protocols for the higher education approval process. To give Senator Carr a bit of a tick, I understand that Victoria is not too far away from enacting legislation or at least signing off on that process to ensure that their state is brought into line with the national protocols. Minister, in relation to your comments about self-accrediting institutions, it is true that the Melbourne College of Divinity and Bond University are self-accrediting bodies. But what is the government’s understanding of those institutions in relation to their reporting and academic requirements? For example, is the government not concerned about the fact that Bond and MCD are not required to have an academic board? Does this not suggest that they are somewhat less rigorous in both their academic and reporting arrangements? I would like to hear the government’s perspective on those two institutions in particular, given that the minister has jumped up and said that they are self-accrediting bodies. We know that they are not on either list A or list B of the HEFA, but we would like to hear the government’s perspective on those reporting and academic requirements.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.09 p.m.)—In relation to the second matter, I understand they are self-accrediting institutions under the legislation and there is no requirement for them to have an academic board. On that basis, presumably, they are simply complying with the statutory obligations. As far as the other matter is concerned, Senator Stott Despoja is quite right in saying that the New South Wales government has moved to enshrine the national protocols in legislation, but the Commonwealth is satisfied with the progress being made by the other states and territories. Even prior to consideration of the national protocols, we were satisfied with the accreditation processes that were in place. I think the onus is really on those who argue that the current arrangements are inadequate and that, somehow, Senator Carr’s approach is superior. In the first instance, you need to show us the deficiencies which you contend are in the existing arrangements, because we are satisfied that the states and territories are properly discharging their responsibilities and we have no reason to think that they will not continue to do so.

Senator NETTLE (New South Wales) (12.11 p.m.)—I rise to clarify Senator Carr’s answer to my question about the expert panel. My question goes to understanding your proposal that the minister determine the expert panel and the regulations and terms of reference for that panel. I would question the wisdom of the minister determining the regulations and the operating procedures for such an expert panel, particularly when we have heard the minister speak of his contempt, in a sense, for your proposal for an independent panel.

Senator CARR (Victoria) (12.11 p.m.)—That is a fair enough question, particularly when you think about the contempt that this government displays for this parliament. I accept the thrust of what you were saying about the nature of this government but I would not accept it about the prospects of a Labor government, which will of course occur after the next election. What we are interested in is the immediate period, and that is the point that you are going to. That is why we say it is a disallowable instrument—that is, if you are not satisfied with the processes that come forward, there will be an opportunity through this chamber to do something about that.

Can I also say this: the way you are presenting the ministerial discretion in these matters is somewhat limited to the extent that that is the form that occurs throughout the
current act. Ministers have to make judgments about the nature of regulations, which are then subject to disallowance in this place—that is the method by which reporting requirements are placed on universities, for instance. There is a whole series of measures by which the minister determines what is appropriate in terms of reporting requirements. That is the nature of operating grant arrangements over and above the base formula. That is the basis on which student fees might well be set with regard to a range of programs. So, in those three areas, this measure is consistent with the formulation of the current legislation.

The minister suggested that we have to demonstrate that there is some inadequacy in the way in which the state departments of education operate in higher education. Frankly, anyone who knows anything about this would not be making that statement, because, quite clearly, in the years since the Commonwealth assumed responsibilities for funding of higher education, the states have reduced their capacity with regard to the administration of universities and higher education providers. We have noticed this again and again through the proceedings of the Senate education committee.

I asked a question before about the dates on which the accreditation processes were undertaken in the states in regard to the two colleges that are being mentioned here. The government could not tell us this important information. If the investigations were undertaken before the national protocols were signed in June 2002, I think it was, the current framework would not apply. I note that New South Wales is implementing the protocols in legislation and that Victoria and Queensland are on the way to do it.

I also note this: the government in its recent discussion paper proposed undermining those very protocols by suggesting that there should be a change in the nature of the universities themselves and undermining the basic definition of a university. So it is pretty important that these questions be attended to and that they be placed in some legislative form to provide some security on those matters, because that currently is not the situation and it is quite clear that this government is challenging them. I would not be surprised if the states were, in part, to follow its lead on occasions. I trust that that will not be the case—I know that in regard to Minister Kosky, with whom I have discussed this matter directly, there is a very strong commitment to the protocols. How that translates into administrative practice is another matter altogether.

I come back to the question about the dates; the government cannot tell me when these assessments were made. Perhaps they can tell me this: in the assessments undertaken in South Australia, was any assessment made of these colleges and the regulations in regard to vocational education institutions or higher education institutions? Can you tell me that, Minister?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.17 p.m.)—I am advised that the South Australian accreditation authority has accredited the courses that Tabor College will be providing.

Senator CARR (Victoria) (12.17 p.m.)—That is the nub of the problem: you do not know. You say courses; I said institutions. There is a big difference. The second question: were they accredited as courses in vocational education or in higher education? It is a substantive issue. What is the answer?

Senator Alston—The answer is higher education.

Senator CARR—In regard to the institutions, were they accredited as higher education institutions or as vocational education institutions?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.18 p.m.)—Under state law, the courses have to be accredited, and that is what has occurred. I also point out to the chamber that clause 98JA of the bill states:

An eligible unfunded institution must give to the Minister, if and when required by the Minister to do so, such information about either or both of the following:

(a) the probity of the institution’s governance arrangements;
the institution’s financial position;
as the Minister requires.

So the government will be seeking under this legislation statistical, financial and other information commensurate with the institutions’ accountability requirements for maintaining access to PELS. Annually, the government will undertake to report on this as part of the annual higher education triennium report, in a section on PELS at eligible private institutions. This will provide information on the financial standing of the institution, the continuing accreditation of PELS courses and data on PELS students at that institution. I say again that the government is satisfied that the accreditation processes already in place will be sufficient to ensure the integrity and quality of the institutions and their courses. If the courses are accredited, that is what the students want. They want to make sure that what they are undertaking is an approved course. That is what is certified by the state authorities that Senator Carr seems to lack confidence in.

Senator NETTLE (New South Wales) (12.19 p.m.)—I rise to speak about Senator Carr’s amendments on this issue. I recognise the instrumentality of having the regulations disallowable in this chamber. I am wondering whether, by stipulating the operating procedures of an expert panel, we could ensure that there are no problems in the instance that Senator Carr articulated, particularly in the short term. We want to ensure not only that the expert panel is operating in a way that ensures quality for these private institutions but also, given the comments from the minister with regard to ministerial discretion and perhaps the need not to listen to the expert panel, that we look at pursuing those options in terms of how the expert panel is set up. Whilst recognising that the expert panel does provide some improvement and some additional regulation for these private institutions, we would like the opportunity to discuss further the options for putting forward a framework in which this expert panel would operate. I point out that these amendments appeared when I entered the chamber for part of this debate. To have the opportunity to discuss the proposals around the expert panel would be appreciated.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.21 p.m.)—Senator Carr seems to be making a point of saying that it is not sufficient at state level to merely accredit the course, that the institutions should be accredited; and yet his own amendment only deals with courses. We believe that the current arrangements are adequate. All that Senator Carr would be doing is introducing another level of uncertainty in relation to courses.

Senator CARR (Victoria) (12.21 p.m.)—Thank you, Minister, for your assistance in this matter. The terms of reference will make it very clear that they have to look at the whole institution. I emphasise that I appreciate the importance of the comments that have been made with regard to the nature of the government’s unreliability. I draw your attention, Senator, to amendment (14). It says:

(1) The Minister must, as soon as practicable after the end of 30 June in each year, cause an annual report to be prepared by each eligible private institution that offers an eligible post-graduate course of study. The annual report must include (but is not limited to):

(a) evidence that the course requirements and learning outcomes are comparable to those of a similar field of study at an Australian university;
(b) evidence of staff quality, qualifications, research output, refereed research publications and citation indices;
(c) institutional governance, facilities and student services;
(d) financial status and operation;
(e) staff and student data;
(f) equity plans and outcomes, for students and staff;
(g) planning data...

That is absolutely consistent with the current arrangements in regard to public institutions. Perhaps, Minister, that responds to your concern that we should be looking at institutions, not just courses, which is the current practice. I appreciate the Minister’s support for that concept.
Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.23 p.m.)—It would be worth while and of benefit for Senator Nettle to inquire of Senator Carr on what basis any such decision of the minister would be a disallowable instrument. I do not see any provision for it in the amendment.

Senator NETTLE (New South Wales) (12.23 p.m.)—I thank Senator Carr for pointing me to the subsequent amendment. We are currently discussing, as I understand, amendments (15) and (16) but, as Senator Carr pointed out in amendment (14) there is an explanation with regard to the annual report of these private institutions. I would like to ask Senator Carr to clarify for the committee the presentation of the annual report. My understanding is that the proposal is that the annual report be presented in parliament, as is articulated in paragraph (2) of amendment (14). Is there a role for the expert panel in viewing and commenting on the annual reports of these institutions?

Senator CARR (Victoria) (12.24 p.m.)—The proposition essentially is that an expert panel be established and that its methods of operation be consistent with the normal behaviour within the higher education sector. I would have thought that any specific matters, such as those you have indicated, could well be subject to the general processes that are outlined in amendment (15) which, of course, indicates the various criteria on which we would expect the independent panel to operate. The Minister suggests that this is not a disallowable instrument under these amendments. The clear advice that we have from the clerks, and that is why it is formulated, is that the prescribed organisation in these terms meets that criteria, and that is exactly what we are seeking to achieve.

Senator NETTLE (New South Wales) (12.25 p.m.)—I refer to when senators will have the opportunity to see the detail of the amendments that are being put forward by Senator Carr. As I have said, I recognise we are bringing in improved regulations and I understand the purpose of the expert panel. I do not perceive my speaking now as indicating a particular position with regard to these amendments. Rather, I am seeking to engage in a discussion to look for opportunities to tighten up the role of the expert panel and improve the scrutiny of the annual reports of these private institutions. I would not like Senator Carr to feel that I am hampering the opportunity to pursue this avenue but I would appreciate the opportunity to engage in more discussion to clarify whether perhaps there are other options to improve the scrutiny of these private institutions.

Senator CARR (Victoria) (12.27 p.m.)—Senator Nettle, I appreciate that the amendments have been circulated today. We did not anticipate that the bill would be brought on today, because the government had listed on the red the Commonwealth Electoral Amendment Bill (No. 1) 2002 for considerable discussion today. I thought that is what would happen. You will have an opportunity to look at these amendments in great detail. I understand that you are supporting the principle of them, and I appreciate that, and I thank the Greens for their support in that regard.

What we are seeking to do here, of course, is to find a mechanism where we can improve the level of planning for public expenditure and the establishment of a proper process for public information about the institutions that are seeking access to public subsidies. We are trying to improve the level of quality assurance and, of course, accountability. We are not saying that these should be the subject of exactly the same criteria as public institutions; we are saying that they should be consistent with that approach. That is the nature of the amendments that you see before you. Consideration of the bill is not likely to be concluded prior to the break at 12.45 p.m. so there will be an opportunity for you to study the issues in more detail.

I have yet to hear from the government when the assessments of Tabor College are to be actually undertaken by the South Australian government. Is it possible for the government to give us any advice on that issue? I think it is an important one when dealing with these questions. What concerns us is not so much organisations like Bond University or the Melbourne College of Divinity. While there are differences in the way...
in which they are structured, it is explicit in the way in which their operations occur, particularly in the case of the Melbourne College of Divinity where there are separate arrangements for their theological studies from those that are occurring with the Melbourne University, which has an overriding association with that college.

The two providers that concern us more are the non-self-accrediting institutions. That is why we need a vehicle such as is being proposed here. We need a body of independent expert advice that cannot be stood over by the minister, that will provide advice to the parliament through its reports, and that will provide an opportunity for the parliament to disallow decisions by ministers. I do not for a moment concede that you are trying to provide regulation in the depth that would prevent a minister from exercising discretion on some of these matters. There are occasions when that is required. I do not think any government could legitimately say that it would not at times feel the need to exercise that. I am not suggesting for a moment that that would be a change in the policy that we would pursue. There are occasions when it is necessary, in public interest terms, for governments to make decisions. There are questions about the discretion with regard to public funds that need to be considered in these matters. But there also needs to be a policy framework that is understood, that is consistent and that does not allow for prejudicial action to be taken without due process. That is what concerns me about the current approach the government is pursuing.

We have a situation where these particular colleges have courses running which are not self-accredited. They have to be accredited by other people. We have considerable concern about the way in which that process was undertaken to establish that these particular institutions met the criteria that one would normally expect from a higher education institution. Can the government tell me the date on which these accreditation arrangements were finalised?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.32 p.m.)—Tabor College is registered until 31 December 2003. The list in front of me indicates a total of 15 courses and those courses were all accredited for five-year periods. The earliest would seem to expire on 31 December 2003, which means that for the bulk of the 15 courses the accreditation by the relevant authority is 31 December, or thereabouts, 1998. There are a couple that expire a year later and another two that expire a year later than that.

Senator CARR (Victoria) (12.32 p.m.)—Thank you, Minister. I appreciate that information. You are saying that the bulk of those accreditations were actually done in 1998—several years before the national protocols. These colleges were not assessed according to the national protocols—they did not exist then. That is why I put the point to you that they were not accredited as higher education institutions. The advice that I have been given is that they were accredited against vocational education standards, not higher education standards. They undertook a review process well prior to the establishment of the national protocols for the higher education approval process, which was endorsed by the Ministerial Council on 31 March 2000. It was two years prior to that.

Furthermore, my recollection is that in 1998 there was a Tory government in South Australia. I am disappointed that the minister would seek to misrepresent my concerns about state Labor governments—in fact, he was talking about a government run by the Liberal Party. I am very disappointed again, Minister, that you have misrepresented the situation here. How can we be confident that, two years prior to the establishment of the national protocols for the approval processes for higher education, these processes were in fact followed?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.34 p.m.)—In South Australia higher education recognition requires both accreditation and registration. Tabor College is registered until 31 December 2003. I have made sufficient reference to the table listing the accredited postgraduate courses.

Senator CARR (Victoria) (12.35 p.m.)—I am sorry that you have not understood the question. AQF standards are in fact for vo-
They have applied those directly. That is what the South Australian department did in 1998; it transferred the criteria for a vocational college and then said that these institutions automatically were higher education institutions. It does not work that way. There was a fundamental problem in the way in which the South Australian department processed this issue in 1998. I do not know how I can make it any clearer than that. They do not measure up to the normal criteria that would be established today. Can you confirm that?

**Senator ALSTON** (Victoria—Minister for Communications, Information Technology and the Arts) (12.36 p.m.)—I do not want to go around in circles; I have made the position plain.

**Senator NETTLE** (New South Wales) (12.36 p.m.)—I want to flag a proposal: perhaps we could proceed to discuss some of the other amendments listed on the running sheet for today, if senators were amenable to such a proposal. There are upcoming amendments from the Australian Greens which seek to exclude the PELS provisions of this bill, and I think there are strong arguments to be put as to why we should exclude the PELS provisions. Some of these arguments have already been articulated in this chamber and they relate to that key principle within the PELS extension, which is the public subsidy going to these private providers.

The are a number of amendments to be discussed which go to the core of this bill. Perhaps, to allow ourselves the opportunity to look further at the more detailed amendments that we are currently discussing, it may be an option to lay some of these on the table and proceed with the debate as to the merits of the extension of PELS in a general sense. I put that proposal for senators’ consideration.

**The TEMPORARY CHAIRMAN** (Senator McLucas)—Senator Nettle, are you suggesting that further consideration of these amendments be postponed?

**Senator NETTLE**—I suppose I was putting that question to other senators in the chamber to see if there was any support for such a proposal. I am happy and prepared to continue to discuss the current amendments that are on the table, but I was just flagging that as another option.

**Senator CARR** (Victoria) (12.38 p.m.)—Opposition amendments (15) and (16) are what we are discussing at the moment. I think we have probably reached the point where the committee has a clear view on that matter. I propose that we put those matters to a vote now.

The other issue of the definitions of the national protocols are consequential upon those amendments. I think that they equally may well be put to a vote relatively quickly, although we have only five minutes left today. When we resume the debate on this matter, that would then leave the question you are proposing, Senator Nettle—and I understand One Nation and also the Democrats are proposing similar wording. So perhaps we could kick off the resumption of the debate on that issue.

**Question put:**

That the amendments (Senator Carr’s) be agreed to.

The committee divided. [12.43 p.m.]

(The Chairman—Senator J.J. Hogg)

Ayes............ 32
Noes............ 31
Majority....... 1

AYES

Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Bolkus, N.
Buckland, G. *  Campbell, G.
Carr, K.J.  Cherry, J.C.
Conroy, S.M.  Cook, P.F.S.
Crossin, P.M.  Denman, K.J.
Faulkner, J.P.  Forshaw, M.G.
Greig, B.  Hogg, J.J.
Lees, M.H.  Ludwig, J.W.
Lundy, K.A.  Mackay, S.M.
Marshall, G.  McLucas, J.E.
Moore, C.  Murphy, S.M.
Murray, A.J.M.  Nettle, K.
Radgeway, A.D.  Sherry, N.J.
Stephens, U.  Stott Despoja, N.
Thursday, 29 August 2002

NOES
Abetz, E.  
Barnett, G.  
Brandis, G.H.  
Campbell, I.G.  
Coonan, H.L.  
Ellison, C.M.  
Ferris, J.M.  
Heffernan, W.  
Hobbs, R.L.D.  
Jewell, R.  
Knowles, S.C.  
Macdonald, I.  
Mackay, B.J.  
Patterson, K.C.  
Scullion, N.G.  
Tierney, J.W.  
Watson, J.O.W.

PAIRS
Collins, J.M.A.  
Evans, C.V.  
Hutchins, S.P.  
Kirk, L.  
Webber, R.  
Chapman, H.G.P.  
Reid, M.E.  
Minchin, N.H.  
Troeth, J.M.  
Hill, R.M.  

* denotes teller

Question agreed to.

Progress reported.

BUSINESS

Rearrangement

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (12.47 p.m.)—I move:

That, after consideration of government business order of the day no. 9 (Australian Radiation Protection and Nuclear Safety (Licence Charges) Amendment Bill 2002), the following government business orders of the day be called on to enable second reading speeches to be made till not later than 2 pm:

No. 5  Plant Breeder’s Rights Amendment Bill 2002.
No. 6  Space Activities Amendment Bill 2002.
No. 4  Proceeds of Crime Bill 2002 and a related bill.

Question agreed to.

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

VETERANS’ AFFAIRS LEGISLATION AMENDMENT BILL (NO. 1) 2002

Second Reading

Debate resumed from 28 August, on motion by Senator Alston:

That these bills be now read a second time.

Senator MARK BISHOP (Western Australia) (12.47 p.m.)—The Veterans’ Affairs Legislation Amendment (2002 Budget Measures) Bill 2002 before the Senate today has three central amendments. Two of them concern technical adjustments to the legislation affecting war widows—namely, bringing into line the provision of backdating so that widows are not disadvantaged when they transfer to the income support supplement from Centrelink benefits and, secondly, the regularisation of an oversight in the original drafting affecting the inclusion of a non-pensioner’s partner’s income in the means test. Both of these are straightforward and are supported by the opposition. The key issue in relation to the bill, however, is the proposal to index the income support supplement—otherwise known as the ‘frozen rate’—as well as the service pension paid to war widows in their own right as veterans. In addressing the issues, I would also like to explore and set out for the benefit of the Senate—and for the veteran community—some of the issues within the policy framework for war widows. I do this deliberately because it seems to me that policy in relation to widows is pretty ad hoc and is full of inconsistencies and inequity.

Let me say at the outset that I do not propose to retrace the full history of the war widows pension, but some perspective is necessary to explain why we have come to this proposal today and to correct the cheap political shot of the Minister for Veterans’ Affairs at the time of the introduction of the bill—namely, that this bill will ‘end Labor’s freeze on the war widows income support supplement’ and ‘end Labor’s unfair treatment of our special war widows’. This is pretty rich coming from this government, whose term with respect to the veterans port-
folio has seen a total stagnation of policy and a process of stalling and avoidance in the face of growing discontent within the veteran community. It also clearly demonstrates the policy vacuum we are facing with the Howard government on veterans policy because there is not the slightest inkling evident that this proposal forms part of any context with or overall view on war widows.

By way of brief background, the war widows pension was first provided for in the War Pensions Act 1914. It seems that it may have been paid as compensation for war loss and not as income support or as income maintenance, which were available under the Old Age and Invalids Act 1908; hence the pension has never been subject to any means test. Nevertheless, dependence on the veteran has long been the test. This, of course, is a test of financial support, not one of emotional or personal loss. It is, in fact, the single biggest confounding issue which pervades policy on war widows pensions and it is one which this government has compounded rather than simplified, which I will address later.

As recorded in the Bills Digest on this matter, there has been much debate about the appropriate level of the war widows pension. It is interesting to note that until 1952 it was linked to the rate of pay of the rank of the deceased veteran. The standard rate was introduced in 1972, but there has been continuing controversy about the rationale for the payment of pensions to widows, the linkage with the social security systems of income support and other allowances, the existence of a few myths and legends, and the overall pragmatic view taken regardless of principle and policy that everything depends on the budget at the end of the day. The latter, it would seem, is the only common factor when considering all the idiosyncrasies of the war widows pension. It continues to this very day with the Howard government’s own special anomalies—as it likes to call them.

The policy with respect to war widows entitlements is very complex. It is also confusing, contradictory and unfair—all of which is the product of years of ad hocery. Let me give the Senate some examples by turning to compensation, income support or recognition. Although many assert that the war widows pension is compensation for the loss of a loved one, this is not clear. I suggest that we may be splitting hairs somewhat. It certainly is compensation for personal loss, but it is also compensation for loss of income earning capacity of the deceased veteran—or, by another description, income support. Originally, it was both. But changes over the years seem to have been driven more by the economic factor rather than the non-economic factor.

Certainly, if we look at subsequent policy formulation, we see that it has been treated as income support—firstly, because it was cancelled on remarriage, which ended dependency and, secondly, because the current government changed the indexation to match the policy applying to the age pension—that is, indexation by CPI or 25 per cent of MTAWE, whichever is the lesser. This form of indexation is, as far as I am aware, restricted to income support pensions so that they keep pace with the standard of living, as opposed to CPI, which applies to allowances and compensation, which are indexed by CPI only to keep pace with the cost of living. Yet it remains tax free and is not means tested—millionaires are fully entitled to claim—both of which are taken as signs that the pension is a right as a form of recognition for personal loss.

The decision in 1986 to limit widows’ access to the war widows pension as well as the full rate of social security benefits, although expressed as a budget saving initiative, clearly was motivated by the notion that the widows pension was indeed a substantial form of income support, and that access to other forms of income support benefits should be limited—hence the frozen rate, as it is termed, and now the ISS, as it has become. From that time forward, widows were unable to access a range of income support benefits available under the Social Security Act, including the Jobsearch allowance, Newstart, sickness allowance or other special benefits.

I turn to dependency and marriage. Notwithstanding the above comments, and consistent with the attitude that the widows pension is a right, the cancellation of the pension
on remarriage was removed prospectively in 1984 and retrospectively last year. Yet you do not have to be legally married: if you establish that there was a marriage-like relationship, that will suffice. However, separation is not a disqualification for legal marriage but it is for nonlegal relationships. So not only do we have complete policy confusion and contradiction as to the purpose of the war widows pension, but also we have substantial inconsistency and unfairness.

We also have a conundrum to which there are quite a few widows who want an answer, because despite remarriage no longer being a disqualification, a widow is still not entitled to claim if she remarried prior to 1984 and never claimed, or if an application had been formally rejected on the grounds of remarriage prior to 1984. That is, the widow must have been in receipt of payment as a war widow to have it restored. If you had a claim rejected or never applied, there is nothing to restore.

Divorce results in immediate termination of eligibility. This, of course, produces the very common situation of a long suffering woman who divorces her veteran husband, perhaps after many difficult years of marriage, sometimes for her own safety, only to find that it is the veteran’s new partner who is entitled to the full pension on his death. Yet if she had simply separated, her right would have been preserved. As I understand it, this can result in two widows pensions being paid—one to the original separated wife and the other to any new de facto partner.

The notion of dependency also applies to children and, as we know, there is attached to the widows pension what is called a ‘domestic allowance’ of $25 which, as I understand it, had its origins as a payment for children. It is not indexed but it has survived whether or not there are children being cared for. Because of this it is regarded by many as an intrinsic part of the war widows pension but, due to its history, it is treated separately and is not indexed. In the interests of simplification it would be better integrated into the whole pension and indexed. Certainly, in the face of family payments also available from Centrelink, it would seem to be a total anachronism in policy terms but it has nevertheless survived.

It is a great pity that the policy construct for war widows is so difficult because Australia as a nation has always honoured and respected the pain and loss of a loved one in war, and we have always honoured the promise to care for those left behind, commensurate with the values of the time. Those values, of course, have not changed but community circumstances have. The circumstances of 1914-18, which set the war widows pension in place, are simply no longer relevant. We do have a modern scheme, the Military Compensation Scheme, which does reflect these circumstances but, because of dual eligibility in limited circumstances, the two schemes interact, and interact badly. There are a number of issues here to which I will return in due course.

Having made that comment in passing, and having set out some of the factual background, let me return to the primary purpose of the bill—the indexation of the ISS. Whatever the intent may have been in 1986 to terminate war widows’ access to social security benefits, and to freeze the rate then being paid, it is clear that unrestricted access to two streams of benefits—one from the VEA and the other from the Social Security Act—was difficult to justify in policy terms or in budgetary terms, simply because it contained an element of dual payment.

There should be no doubt, however, that we on this side fully support the notion that war widows are entitled to a level of compensation and support, in the event of the loss of their partner in the defence of the nation, over and above their peers, most of whom are on the age pension. This has been longstanding community policy, regardless of the fact that the probability of death from war-caused injuries diminishes rapidly with time, to a level now where many widows who are unsuccessful in establishing war causation feel aggrieved. It is clear now, though, that with the passing of time the difference between those war widows without extensive other income and their age pension peers is now an appropriate one and that indexation in the manner proposed in the bill is
also appropriate. It is for that reason that Labor supports the bill.

Although incomplete, for reasons I will mention in a moment, it is in part also good policy. It reflects the respect and care promised to veterans that their loved ones would be looked after but does not treat them purely as an element within the welfare field. It recognises war widows as a special category of Australians to whom we all owe a debt and with a fixed additional benefit over their age/widowed peers. The decision not to amend the Social Security Act in the same way, and to thereby transfer widows to the Department of Veterans’ Affairs, is similarly supported. We agree that wherever possible veterans should be serviced in a holistic way by the one responsible agency. Our support for this bill, however, should not be taken as an indication that all is well in the matter of care for war widows. There are some outstanding issues which need attending to.

The first, which has long been an issue for Legacy and the War Widows Guild, is the inclusion of rent assistance within the frozen rate. There are approximately 8,800 war widows renting privately and 4,300 renting publicly, with an unknown number not in receipt of income support whose accommodation details are unknown. Those renting privately, unlike anyone else in the community in comparable financial circumstances, can get no rent assistance at all. If we accept, as we do, that the erosion of the value of the ISS has now declined to a level where the combined value of the ISS and the war widows pension appropriately reflects the status of widows, the continuing inclusion of rent assistance within it becomes a new anomaly—to use the government’s own hackneyed descriptor. What is more, it affects and discriminates against the most needy.

Then there is the nonpayment of ISS to widows who live overseas. Why they should be selected for such special discrimination is unknown, but there would seem to be little justification for it, except as a money saving device. Next, I repeat the point that I have made to most of the annual congresses of ex-service organisations in the last two months: namely, the plight of veterans’ widows who are under 57 years of age and have no children. It is amazing that the needs of these women have gone unattended for so long when, in the last six years, over $2½ billion has been added to the veterans budget.

Take the case of a widow of a TPI who, we can assume, has cared for her husband for the term of their marriage—in some cases with accompanying harmful behaviour—with a long dependence on veterans benefits and has therefore been unable to accumulate savings and own a house or many other material assets of value and who, on his death, would be entitled only to the war widows pension and unable to get even Newstart from Centrelink. Such a person’s income would fall from a joint value in excess of $1,400 per fortnight to just $446 per fortnight, and she would lose her concession card as well. It is ironic that, if she were in good health, she would in fact be $20 per fortnight better off if she did not seek the widows pension and the gold card but accepted the service pension at the single rate, rent assistance and Newstart, even with its harsh means test.

There may be up to 1,600 widows in this category and, no doubt, a reasonable proportion will fit the example I have just cited. Yes, they may have the gold card, but it is of no value if they healthy and it certainly does not buy the groceries. I mention this example not only because a small number of widows are doing it tougher than all of the others but also because it shows just how complex the issues are, simply because no attempt has ever been made to make the war widows pension mesh properly with the social security system.

The key point, though, is that this bill before us today effectively reverses the approach taken in 1986, which we should agree ought to be applied to all of the other limitations imposed at that time. For example, why should a young, healthy widow, with or without children, be precluded from access to Newstart and all the supporting training programs that go with it? Why should she be denied access to these other benefits simply because she is a war widow who, we now accept as a result of this bill, is entitled to a fixed means test benefit over and above that paid to her peers? This bill would have been
an ideal opportunity to have done so and, if my numbers are right, it would cost very little—possibly less than the mobile phone bill for the Department of Veterans’ Affairs.

Earlier in this speech I raised the question of whether we, as a parliament, could continue to consider the maze of complexity surrounding the war widows pension against the needs of women in modern society, and I suggested that it might be timely to draw a line to ‘grandmother’ the existing policy, especially given that there is a modern equivalent. As I understand the government’s proposal for a new single military compensation scheme, due to the differences between the two schemes and the differing values of the VEA pension and the MCRS lump sum, particularly for the younger widows, a choice ought to be offered on which widows could decide, on receipt of financial advice, depending on their financial circumstances.

As we know, lump sums are very attractive to young widows, as they provide the capital for them to re-establish their lives. But by choosing the lump sum over a pension they may, over their life, lose out simply because the pension, as a tax free, indexed and non-means tested benefit, is worth more. This is not a fair choice and, given the grudging acceptance now being given by the government to structured settlements, the question must now surely be why the new military compensation scheme cannot also offer a benefit with perhaps a minimum pension to provide ongoing income support and prevent dissipation as well as a lump sum, with the mix to be negotiated on financial advice but at the same time using actuarial advice to ensure that the benefit taken is no less than that currently available.

I make this suggestion in clear recognition that the government is in the throes of drafting a new scheme but also in recognition that what I have said today clearly illustrates that the continuation of the current war widows pension under the VEA is simply not viable, particularly for the new generation of the ADF. It is full of injustice for those currently entitled and simply should not be extended. Moreover it is of the utmost importance, when considering the form of war widows benefit in the future, that the policy rationale be stated clearly and in terms consistent with the totality of veterans policy and with an eye to the social security safety net as well. The government must clearly delineate those portions which are compensatory for loss and those which are of an income support nature, based on the current superannuation scheme. As one homogeneous scheme, linkages with the VEA and all of the offsetting which now bedevils ex-service personnel and veterans must be avoided at all costs. The opposition supports the bill.

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (1.05 p.m.)—I thank Senator Bishop for his comments and his support for the Minister for Veterans’ Affairs, Mrs Vale, and the work she is doing. She is a very able, capable and compassionate minister, and I do appreciate the support that both the shadow minister and all of the Senate have given to these amendments.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT BILL (No. 2) 2002

Second Reading

Debate resumed from 26 August, on motion by Senator Abetz:

That this bill be now read a second time.

Senator MARK BISHOP (Western Australia) (1.07 p.m.)—I would like, if I may, to make some further comments on Veterans’ Affairs Legislation Amendment Bill (No. 1) 2002. It is worth noting that the Veterans’ Entitlements Act is a very complex and difficult piece of legislation to come to grips with simply because it effectively contains over 80 years of law dealing with the care and recognition of veterans throughout a period of enormous change in Australian society. In this period we have had two major world conflagrations, the second of which saw Australia attacked directly for the first time, with mass mobilisation. Since then we have served with the United Nations in Korea and the British during the Malayan crisis, in the
Indonesian confrontation, and with the US in Vietnam, the Gulf and now Afghanistan. We have also joined with the UN in a wide range of peacekeeping missions all around the world, the last of which has been in East Timor.

In this time, society has changed enormously, and you do not have to look very far in the veterans jurisdiction to find examples of discriminatory or contradictory policies which appear to have arisen more by budgetary considerations than by any principle of equity or consistency. Because of this complexity, it is therefore not the least bit surprising that from time to time we are presented with amendments such as those in this bill which are corrections to outcomes unforeseen at the time of the original legislation. In fact, one could well conclude that it is time that we drew a line and started again, which I understand the government is planning by the drafting of a new military compensation scheme. But the trouble is that the current act will continue to operate while ever there are people alive with entitlements granted by it. No doubt, we will continue to see complex amendments coming into the parliament to fix an unintended shortcoming or, more to the point, to provide consistency with the Social Security Act where there seems to be a capacity to overlook the linkages with the Veterans’ Entitlements Act far too often.

Going beyond the context of the bill then, its provisions are largely of the nature I have described, although I must say that they are so numerous and detailed that it is almost impossible to make reference to all of them. In the majority of amendments the changes proposed are of a purely technical nature and are necessary to clarify or to make terminology consistent. In some cases there have been oversights where people have been affected unintentionally and, so again, corrections need to be made. It is worth noting that in some cases the bureaucracy does seem to be able to manage by way of ex gratia payments or simply by turning a blind eye. For this reason alone, the law needs to be corrected, though this is long overdue. We have no quibble with this type of amendment, and so I will not go through the detail as it is set out in the explanatory memorandum.

Before proceeding to make some specific remarks on a few items in the bill, however, I wish to make a point about the government’s attitude to this legislation and, indeed, to other legislation where ministers’ second reading speeches and explanatory memorandums seem to regard the legislative process as a rubber stamp—that it is all too complex to explain and that any policy implications should be swept under the carpet and ignored. This bill is a good case in point because there are a number of serious policy and administrative issues which are simply not referred to.

The first policy issue arises, in fact, with the very first amendment proposed in this bill, as set out in schedule 1, which deals with changes to the income support supplement for war widows and widowers. These amendments, in essence, are simply to correct drafting omissions made at the time the income support supplement was legislated, both in the Social Security Act and in the Veterans’ Entitlements Act, in that the policy being applied at the time was that war widows’ access to social security benefits was severely limited. Those in payment for the ISS thereafter were to have no access to benefits, including the disability support pension, unemployment benefits—now known as Newstart—or any other benefit. All rates payable at the time were frozen.

We have no quibble with the need to make sure that the intended policy is correctly provided for in the legislation—and hence this long list of drafting amendments—but what we must make clear right now is that the policy itself is flawed and is, in fact, being reversed in part by other legislation currently before the parliament. Here I refer to the Veterans’ Affairs Legislation Amendment (2002 Budget Measures) Bill 2002, which was dealt with just a few moments ago. Yet nowhere in the minister’s second reading speech for either bill is this referred to—nor is mention made that the second bill effectively reverses in part the policy basis of the ISS as it was introduced.

Whatever the reasons behind the 1986 amendments which have brought us to this
bill today, we in the Labor Party agree that war widows enjoy a traditional place in Australian veterans law whereby their unique loss is worthy of recognition, in addition to their separate needs for support from the social security system. It should be noted, however, that in supporting the bill we also agree with the government that, given the history of the war widows pension and the linkage with the social security system, there should be a trade-off when it comes to income support. It is not appropriate that war widows should have full access to both.

However, there is more to it than this because this bill seeks to alter only one part of the suite of 1986 measures. In short, we can see no logical reason why war widows in receipt of a war widows pension, which recognises the death of their husband due to war-caused injury or disease, should not be able to access benefits other than the ISS, particularly Newstart with which comes access to training and the work force. We accept it should be fully means tested, but to change only part of the 1986 policy, as in-indexation of the ISS does, is to continue the attitude that war widows should have no access to any other program. This is, in fact, a penalty for all war widows under the age of 57 and should not be tolerated.

Putting that major point of criticism aside, however, we accept that, for technical reasons alone, the amendments in schedules 1 and 2 of the bill are necessary to correctly express this flawed policy in the Social Security Act and the Social Security (Administration) Act. Schedule 3 of the bill amending the Aged Care (Consequential Provisions) Act also contains technical amendments to definitions of ‘in care’, which are supported and therefore need no elaboration beyond that set out in the explanatory memorandum. Schedule 4 contains a minor amendment worthy of note in that it corrects an earlier amendment providing for the removal of rent assistance to those sharing public housing which is already subsidised. This effectively closes that loophole and is supported, as it was in the first instance. Schedule 5 also makes a minor amendment to give effect to an earlier amendment transferring carers’ allowances from the VEA to the Social Security Act. This amendment corrects another misdescription to allow that to happen and is similarly supported. Schedule 6 contains a wide range of technical amendments to correct previous misdescriptions, invalid references and incorrect expressions. These do not warrant further comment.

There are no policy implications except on two specific matters which I need to mention. The first of these is item 51, which corrects an inconsistency within the VEA whereby third-party compensation paid to a widow is treated differently within two separate sections of the act, in that there is a difference in the way the cause of death is described. The original provision of the act was that, where there is a third-party settlement to a widow for the death of her husband—for example, from a car accident—the widow’s pension was offset in full or in part. A later amendment to another section incorrectly limited this offset to a death which was defence caused. This clearly was inconsistent and contrary to policy, and so now needs to be rectified.

The second is a provision to be inserted into a number of sections of the act, allowing for the easier incorporation of non-legislative external documents or other delegated legislation into statutory instruments governing the operation of some benefit schemes in the VEA. I refer here specifically to items 20, 55, 59, 63, 66 and 68. These amendments provide that changes made in external instruments will flow through automatically to the VEA where relevant thus avoiding the need for separate regulatory processes on every occasion.

This may seem to be a practical proposal to reduce the amount of work and the need for subordinate legislation, but my concerns are twofold. First, this is a device with little precedent, yet it has not been acknowledged at all in the minister’s second reading speech, nor is it dealt with adequately in the explanatory memorandum. At face value these amendments appear vague, referring to external documents ‘existing from time to time’ and to those which might ‘not yet exist’. In terms of the scrutiny of delegated legislation the parliament must in every in-
stance be aware of and approve, even by default, changes to regulation and delegated authority, particularly for budgetary consequences, and also ensure that policy is not being altered by stealth. Second, the automatic provision for flow-on from one instrument or external document to another within the Veterans’ portfolio is something to be watched carefully. I draw the attention of the clerks and the Regulations and Ordinances Committee to this matter for ongoing scrutiny and consideration. Accordingly, I seek leave to have incorporated in Hansard the specific advice provided to me by the minister, dated 23 April 2002, as a matter of record.

Leave granted.

The document read as follows—

MINISTER FOR VETERANS’ AFFAIRS
MINISTER ASSISTING THE MINISTER FOR DEFENCE
Senator Mark Bishop
Shadow Minister for Veterans’ Affairs Parliament House
CANBERRA ACT 2600
Dear Senator Bishop

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

I refer to the meeting on 12 April 2002 between our advisers and departmental officers that included a discussion about the above Bill. At that meeting some concern was expressed relating to seven items in Schedule 6 to Bill. Items 20, 55, 58, 59, 63 and 68 of Schedule 6 all deal with the proposed inclusion of a power in the Veterans’ Entitlements Act 1986 that would enable the incorporation of documents in legislative instruments.

I am advised that the above provisions have given rise to some concern regarding the scope of the proposed power and the manner in which it would be exercised. A Paper was promised to outline further details of the practical effect of the proposed power.

Please find attached a copy of a Paper which outlines the intended operation of the proposed power and identifies the types of documents that are likely to be specified in the disallowable instrument. I trust that the Paper is of assistance in addressing any concerns.

Yours sincerely
(signed)
Danna Vale
23 April 2002
Encl

Veterans’ Affairs Legislation Amendment Bill (No. 1) 2002

An Explanation of “Incorporation by Reference” Provisions

Background

1. The purpose of this Paper is to provide additional information on a number of clauses contained in the Veterans’ Affairs Legislation Amendment Bill (No. 1) 2002 (‘the Bill’). Those clauses have already been explained in the Explanatory Memorandum that accompanies the Bill.

2. The impetus for this document arose out of concerns being expressed by the veteran community about the clauses in question. It is anticipated that this document will be widely published to all interested parties in an attempt to address any concerns and to ensure that any debate is fully informed.

What clauses are we talking about?

3. The clauses in the Bill that have apparently given rise to some concern can loosely be described as “Incorporation by Reference” provisions. There are seven of these clauses in the Bill. They all have the same purpose which is to enable certain Instruments made under the Veterans’ Entitlements Act 1986 (‘the VEA’) to be able to incorporate documents in force from time to time.

4. The clauses involved are all contained in Schedule 6 to the Bill and involve:

- item 20—which amends section 29 of the VEA which deals with the “Guide to the Assessment of Rates of Veterans’ Pensions”;
- item 55—which amends section 90 of the VEA which deals with the “Treatment Principles”;
- item 58—which amends section 90A of the VEA which deals with the “Repatriation Private Patient Principles”;
- item 59—which amends section 91 of the VEA which deals with the “Repatriation Pharmaceutical Benefits Scheme”;
- item 63—which amends section 105 of the VEA which deals with the “Vehicle Assistance Scheme”;
- item 66—which amends section 115B of the VEA which deals with the “Veterans’ Vocational Rehabilitation Scheme”; and
- item 68—which amends section 117 of the VEA which deals with the “Veterans’ Children Education Scheme”.

Background

1. The purpose of this Paper is to provide additional information on a number of clauses contained in the Veterans’ Affairs Legislation Amendment Bill (No. 1) 2002 (‘the Bill’). Those clauses have already been explained in the Explanatory Memorandum that accompanies the Bill.

2. The impetus for this document arose out of concerns being expressed by the veteran community about the clauses in question. It is anticipated that this document will be widely published to all interested parties in an attempt to address any concerns and to ensure that any debate is fully informed.

What clauses are we talking about?

3. The clauses in the Bill that have apparently given rise to some concern can loosely be described as “Incorporation by Reference” provisions. There are seven of these clauses in the Bill. They all have the same purpose which is to enable certain Instruments made under the Veterans’ Entitlements Act 1986 (‘the VEA’) to be able to incorporate documents in force from time to time.

4. The clauses involved are all contained in Schedule 6 to the Bill and involve:

- item 20—which amends section 29 of the VEA which deals with the “Guide to the Assessment of Rates of Veterans’ Pensions”;
- item 55—which amends section 90 of the VEA which deals with the “Treatment Principles”;
- item 58—which amends section 90A of the VEA which deals with the “Repatriation Private Patient Principles”;
- item 59—which amends section 91 of the VEA which deals with the “Repatriation Pharmaceutical Benefits Scheme”;
- item 63—which amends section 105 of the VEA which deals with the “Vehicle Assistance Scheme”;
- item 66—which amends section 115B of the VEA which deals with the “Veterans’ Vocational Rehabilitation Scheme”; and
- item 68—which amends section 117 of the VEA which deals with the “Veterans’ Children Education Scheme”.

Veterans’ Affairs Legislation Amendment Bill (No. 1) 2002

An Explanation of “Incorporation by Reference” Provisions

Background

1. The purpose of this Paper is to provide additional information on a number of clauses contained in the Veterans’ Affairs Legislation Amendment Bill (No. 1) 2002 (‘the Bill’). Those clauses have already been explained in the Explanatory Memorandum that accompanies the Bill.

2. The impetus for this document arose out of concerns being expressed by the veteran community about the clauses in question. It is anticipated that this document will be widely published to all interested parties in an attempt to address any concerns and to ensure that any debate is fully informed.

What clauses are we talking about?

3. The clauses in the Bill that have apparently given rise to some concern can loosely be described as “Incorporation by Reference” provisions. There are seven of these clauses in the Bill. They all have the same purpose which is to enable certain Instruments made under the Veterans’ Entitlements Act 1986 (‘the VEA’) to be able to incorporate documents in force from time to time.

4. The clauses involved are all contained in Schedule 6 to the Bill and involve:

- item 20—which amends section 29 of the VEA which deals with the “Guide to the Assessment of Rates of Veterans’ Pensions”;
- item 55—which amends section 90 of the VEA which deals with the “Treatment Principles”;
- item 58—which amends section 90A of the VEA which deals with the “Repatriation Private Patient Principles”;
- item 59—which amends section 91 of the VEA which deals with the “Repatriation Pharmaceutical Benefits Scheme”;
- item 63—which amends section 105 of the VEA which deals with the “Vehicle Assistance Scheme”;
- item 66—which amends section 115B of the VEA which deals with the “Veterans’ Vocational Rehabilitation Scheme”; and
- item 68—which amends section 117 of the VEA which deals with the “Veterans’ Children Education Scheme”.
Why do we want to incorporate documents into Instruments?

5. Usually legislation is self-contained and set out in one text. But if all the relevant aspects of a piece of legislation were contained in the one document it could become unwieldy and virtually impossible to use. To overcome these problems it is often convenient to set out brief items in the body of the legislation and refer to the more detailed items as being contained in other documents. This practice is known as incorporation by reference.

6. An example of the above practice is where other legislation is referred to in the primary document. For example, the “Treatment Principles” made under section 90 of the VEA incorporate by reference the Medicare Benefits Schedule made under the Health Insurance Act 1973. A further example is where an Australian Standard is being referred to in legislation. The relevant legislation will say that an object or good is to comply with AS 12345, but the legislation will not contain the full text of the Australian Standard because it is voluminous. The document containing the detailed requirements of the Standard will not be included in the legislation.

7. By referring to other documents in the main body of the legislation, the legal principle is that these other documents then become incorporated by reference into the main body of the legislation and become part of the legislation. This is a standard legislative procedure that is utilised in many pieces of legislation and is currently used in Instruments made under the VEA.

8. However, while it is permissible for Instruments to incorporate documents by reference, there is a rule that, generally speaking, such external documents are “frozen in time”. Thus, if an Instrument refers to Australian Standard 12345 then only the terms of that Standard as they existed at the time the relevant Instrument was made are incorporated into the Instrument. This results in any subsequent amendment to the Standard not being part of the Instrument. In order to make the amended Standard part of the Instrument, the Instrument would need to be amended to refer to the new amended Standard. The rule governing the incorporation of documents into Instruments is contained in section 49A of the Acts Interpretation Act 1901 (‘the AIA’).

9. The primary reason for the rule relating to the incorporation of documents is that the law should be certain and if Instruments refer to documents that keep changing then those affected by the Instrument might have difficulty in learning of those changes (see Chapters 22 and 24 in “Delegated Legislation in Australia” by Pearce and Argument, 2”d Edition, Butterworths).

The rule in the AIA can be very inconvenient in some circumstances

10. The AIA recognises that the rule can operate negatively and hinder effective administration so it provides an override mechanism. It allows for a Statute to provide that an Instrument made under the Statute can incorporate documents in force from time to time (ie. amended) and that is what is proposed to be done to the VEA by this Bill. Put simply, the purpose of the provisions of the Bill under discussion is to override section 49A of the AIA which prohibits Instruments from incorporating non-legislative documents in force from time to time.

Will veterans be disadvantaged in any way?

11. Veterans will NOT be disadvantaged by these provisions. Repatriation Law is not regulatory law in the sense that the activities of veterans are regulated. Rather; Repatriation Law mainly regulates the Department of Veterans’ Affairs (DVA) and the Repatriation Commission in their dealings with veterans meaning that Repatriation Law is more an internal-working tool for DVA/Commission than a body of rules that veterans must observe. Thus, if an incorporated document is amended and becomes part of an Instrument, it is highly unlikely that a veteran will be disadvantaged in some way because he or she does not have immediate access to the changed document.

12. In addition, the invariable practice of both DVA and the Commission is to ensure that information relating to eligibility and entitlements is widely published. Accordingly, if the Instrument was to include a reference to a document that was not widely available, DVA would undertake to make the document available through either an office of the Department or through the Department’s Internet Site.

What about service providers?

13. Unlike veterans, service providers are regulated by Repatriation Law and would need to know about changes to incorporated documents. However, it is not envisaged that any difficulties will arise in this regard and this assumption is based on current DVA arrangements. Under these arrangements, service providers are notified promptly of any changes that affect them and the system works well. This is particularly the case as most service providers also have contractual obligations with DVA and the Commission. These contracts and service agreements contain mechanisms for the notification and variation of the terms of the agreements. Unless these mecha-
nisms are complied with, any such variation would not be legally effective.

**How could the public generally be aware of changed incorporated documents?**

14. All of DVA’s legislation, including Instruments, are available on the DVA Internet Home Page and consideration is being given to providing links on that page to documents incorporated in DVA Instruments so that a member of the public will always have access to a changed incorporated document.

**What other pieces of legislation incorporate documents in force from time to time?**

15. Other legislation which enables the incorporation of non-legislative documents that are in force from time to time include:

- Public Service Act 1999 (section 23)
- Radiocommunications Act 1992 (section 314A)
- Telecommunications Act 1997 (section 589)

**What are the VEA Instruments that will incorporate documents in force from time to time?**

16. Only the following seven Instruments identified in the Bill will be able to incorporate non-legislative documents in force from time to time. These Instruments are all made by the Commission, approved by the Minister and are required to be tabled before both Houses of the Parliament. The Instruments are:

- The Guide to the Assessment of Rates of Veterans’ Pensions made under section 29 of the VEA;
- The Treatment Principles made under section 90 of the VEA;
- The Repatriation Private Patient Principles made under section 90A of the VEA;
- The Repatriation Pharmaceutical Benefits Scheme made under section 91 of the VEA;
- The Vehicle Assistance Scheme made under section 105 of the VEA;
- The Veterans’ Vocational Rehabilitation Scheme made under section 115B of the VEA; and
- The Veterans’ Children Education Scheme made under section 117 of the VEA.

**What sort of documents will be incorporated from time to time in these Instruments?**

17. At present it is envisaged that only two of the abovementioned Instruments will incorporate non-legislative documents in force from time to time. However, it is considered that the other Instruments should also have that facility to incorporate such documents.

18. The two Instruments that are currently proposed to incorporate documents in force from time to time are the Treatment Principles and the Repatriation Pharmaceutical Benefits Scheme.

19. The Treatment Principles are intended to incorporate at least the following documents as in force from time to time:

- the American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders, being the standard for assessing post-traumatic stress disorder. Paragraph 2.4.2A currently only incorporates the 4th Edition;
- Memorandum of Understanding between the Commonwealth, the Repatriation Commission and the Australian Medical Association Ltd setting out, among other things, doctor’s fees. Currently only the MOU of 10 December 1995 is incorporated;
- Notes for Local Medical Officers setting out the terms for doctors’ contracts with the Repatriation Commission. Currently only the Notes of December 1995 are incorporated (see paragraph 4.1.2);
- Dental Officer Scheme setting out the terms for dentists’ contracts with the Repatriation Commission. Currently only the conditions in force at 1 June 1993 are incorporated (see paragraph 5.1.2);
- Dental Schedules setting out the dental services that may be provided to veterans etc (see paragraph 5.2.1);
- Guidelines for the Provision of Community Nursing Care which contain the standards of care to be provided. Currently only the Guidelines in force at 1 May 2001 are incorporated (see paragraphs 7.3.2 and 7.3.5);
- The Schedule of Prescribable Items for optometrical services (see paragraph 7.4.2);
- Rehabilitation Appliance Scheme setting out the appliances that may be provided to veterans etc to assist with their rehabilitation;
- The Schedule of Prescribable Items for visual aids (see paragraph 11.4.1);

20. The Repatriation Pharmaceutical Benefits Scheme is intended to incorporate at least the following documents as in force from time to time:

- Schedule of Pharmaceutical Benefits for Approved Pharmacist and Medical Practitioners dated 1 February 2002 setting out,
among other things, notices to doctors and pharmacists;

• Repatriation Pharmaceutical Benefits Schedule dated 1 February 2002 setting out the Pharmaceutical Benefits that may be prescribed and supplied to veterans etc.

How would the Instruments refer to the incorporated documents?

21. It is envisaged that the Treatment Principles and the Repatriation Pharmaceutical Benefits Scheme would be amended in a manner similar to that described in Attachment A. In essence, the incorporated document would need to be identified with sufficient certainty to enable each document and its contents to be readily identified.

How do you incorporate a document that “does not yet exist”?

22. This power would be used to incorporate a draft or interim document before it has been formally made. For example, in relation to Australian Standards, there is a process that must by followed before a new Standard is said to formally exist. Interim Standards can exist that are yet to be formally made by Standards Australia. Similarly, in relation to the Medicare Benefits Schedule, DVA has been made aware of some recommendations made by the Medicare Benefits Advisory Committee to amend the Medicare Benefits Schedule to include a new item. The Commission may wish to include the new item for treatment to veterans prior to its inclusion in the Medicare Benefits Schedule. The terms of the proposed amendment contained in the Bill would enable this to be actioned.

23. The common law rules relating to “uncertainty” impact on the exercise of this power. Clearly the Commission could not make an Instrument that referred to a document that could not be identified or the terms of which could not be ascertained. The incorporated document would need to be identified with some degree of detail and be made available to the public. This would be achieved through either direct publication by DVA or via the DVA Internet Site.

Conclusion

24. The circumstances involving the relevant DVA Instruments are such that it is appropriate for the rule in section 49A of the Acts Interpretation Act 1901 to be overridden. Those circumstances being:

• the need to provide new services to veterans quickly without having to amend the relevant Instrument to refer to an updated incorporated document;

• the fact that Repatriation Law does not regulate the activities of veterans etc meaning that they are unlikely to be disadvantaged by not being aware of changed incorporated documents;

• the effective arrangements in place for informing service-providers (who are regulated by Repatriation Law) of changed incorporated documents; and

• the proposal to publicise incorporated documents on DVA’s Internet Site.

Further queries

25. The above information has been prepared by the Legal Services Group in the Department of Veterans’ Affairs. As you will appreciate, both the legal issues and details are complex. Further queries on the legal issues can be directed to the Branch Head of the Legal Services Group, Mr Paul Pirani on 62896003.

DANNA VALE MP
Minister for Veterans’ Affairs

Attachment A

Treatment Principles

Fourth Edition American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders

2.4.2A The Commission will provide, arrange, or accept financial responsibility for, treatment of a veteran under paragraph 2.4.1 in respect of post-traumatic stress disorder if the veteran has been assessed and diagnosed as suffering from post-traumatic stress disorder, by a psychiatrist, in accordance with the criteria for such assessment and diagnosis as set out in the fourth edition of the American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders (commonly known as DSM IV) in force from time to time.

Memorandum of Understanding

3.5.1 The extent of the financial responsibility accepted by the Commission for the provision of treatment for eligible persons is, subject to the Act and these Principles, as follows:

(a) in respect of the fees payable to DVA Registered Local Medical Officers—the fees set out in clauses 18 and 29 of the Memorandum of Understanding—“Memorandum of Understanding” means the Memorandum of Understanding between the Commonwealth of Australia as represented by the Department of Veterans’ Affairs, the Repatriation Commission and the Australian Medical Association Ltd, relating to the provision of medical
services by Local Medical Officers to entitled persons, dated 10 December 1995 in force from time to time;

Notes for Local Medical Officers of December 1995

4.1.2 Compliance with the conditions of the Local Medical Officer Scheme set out in the Notes for Local Medical Officers of December 1995 in force from time to time is a condition of the contract for services with each Local Medical Officer, including a DVA Registered Local Medical Officer.

Dental Officers Scheme

5.1.2 Compliance with the Local Dental Officer Scheme, as in force at 1 June 1993 in force from time to time, is a condition of the contract for services with each Local Dental Officer.

Dental Schedules

5.2.1 The Commission may, from time to time, prepare Dental Schedules A, B and C and a Dental Prosthetist Schedule, that list dental services provided or arranged by the Commission and the limits of financial responsibility accepted by the Commission.

Note: Copies of the Local Dental Officer and Dental Prosthetists Fees Bulletins that contain details of these Schedules may be obtained from any office of the Department.

Rehabilitation Appliance Schedule

11.1.1 The Commission may, from time to time, prepare a RAP Schedule that lists the surgical appliances and appliances for self-help and rehabilitation that may be provided by a health provider to an entitled person and for which the Commission may accept financial liability.

(a) surgical appliances; and

(b) appliances for self-help and rehabilitation purposes;

Repatriation Pharmaceutical Benefits Scheme

Schedule of Pharmaceutical Benefits for Approved Pharmacists and Medical Practitioners

4. Where it is provided for the Department or the Commission to notify of certain matters, the publication of the Explanatory Notes shall be taken to constitute such notification to the extent that the Explanatory Notes are relevant and are not inconsistent with other notification given by the Department or the Commission.

“Explanatory Notes” means the text entitled “Explanatory Notes” and the text entitled “RPBS Explanatory Notes” that is published, from time to time, in the document, Schedule of Pharmaceutical Benefits for Approved Pharmacists and Medical Practitioners, having the International Standard Serial Number 1037-3667, and dated 1 November 2000 to the extent that that text is not inconsistent with this Scheme;

Repatriation Pharmaceutical Benefits Schedule

7. Restrictions apply to the prescribing of certain items. These include:

(a) items—quantities and repeats: those listed in the RPBS Schedule or PBS Schedule; ...

“RPBS Schedule” means the Schedule of Pharmaceutical Benefits prepared by the Department of Veterans’ Affairs, entitled “Repatriation Schedule of Pharmaceutical Benefits” and dated 1 November 2000 in force from time to time;

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (1.18 p.m.)—In closing the debate on the Veterans’ Affairs Legislation Amendment Bill (No. 2) 2002, I refer to that last matter. The advice has been incorporated without any objection from the government but it does refer to amendments that are not currently in the bill before this chamber. As I understand it, these amendments were withdrawn in the House of Representatives earlier this week. So the advice can clutter up the Hansard but it is not relevant to the bill before this chamber at the present time.

With that apart, I thank Senator Bishop for his contribution. I notice that he has some criticisms about the process. I would be absolutely confident that all of the amendments proposed were done so by the minister, who, as I said earlier, is a very capable, able, compassionate minister, and the work she has done would have been in consultation with all of the stakeholders. I was going to say that I am sure that all other parties in the chamber with an interest in this matter would have been fully briefed either by the minister’s office or by the department at request, but the document just referred to would obviously confirm that. Anyone who has an interest in this bill, including all of the stakeholders, would be fully aware of all of the terms and the impact that they have on the bill. With those comments, I thank the Senate for its support for the bill.
Thursday, 29 August 2002

Question agreed to.
Bill read a second time.

Third Reading
Bill passed through its remaining stages without amendment or debate.

AUSTRALIAN RADIATION PROTECTION AND NUCLEAR SAFETY (LICENCE CHARGES) AMENDMENT BILL 2002

Second Reading
Debate resumed from 20 June, on motion by Senator Alston:
That this bill be now read a second time.

Senator STOTT DESPOJA (South Australia) (1.20 p.m.)—I will keep my remarks brief. The Australian Democrats will not be opposing the Australian Radiation Protection and Nuclear Safety (Licence Charges) Amendment Bill 2002. We acknowledge that this bill confirms the practice of the last three years—that Commonwealth agencies, including CSIRO, the Australian National University and ANSTO, are liable for licence charges imposed by ARPANSA. However, while the Democrats will accede to the government’s request that this legislation be treated as non-controversial, the bill does draw attention to some issues on which my colleague Senator Allison and I would like to briefly touch.

In 1998 ARPANSA was given the responsibility for regulating and licensing nuclear installations and radiation sources. However, we are aware that a number of agencies have raised concerns—directly with us and with others—that the regulatory process has become more bureaucratic and legalistic and that the technical capacity has diminished. It has been put to us that in some instances licence costs have risen five- to tenfold. I think we all recognise that when the regulator is expected to charge licences at full cost recovery there may be a perception of a conflict of interest between information sought and charges determined.

I also understand that there may be deficiencies in timely processing of licences such that some activities may be carried out while technically unlicensed due to delays. There are delays, in some instances, of up to two years in the processing of licensing applications or renewals. I am sure that the minister and all members of the chamber would be concerned to hear that due to such delays you actually have processes being undertaken while licences have not been approved. Of course, it can be expected that organisations that are regulated may not be entirely happy in all circumstances with the regulator. I suspect that is a fact of life. Nevertheless, we do not believe that these concerns are trivial, because they are being voiced by organisations that we consider are quite credible.

I doubt that anyone in this chamber would dispute the need for careful regulation of nuclear and radiation facilities, practices, research and development. Obviously, that is something that the Australian Democrats have expressed concerns about on many occasions over the years. It is worth remembering that the object of the act, of ARPANSA, is to protect the health and safety of people and to protect the environment from harmful effects of radiation—all good objectives. In view of these concerns, and also because this regulatory framework has been in place for some years now, the Democrats believe that it is appropriate for a cool-headed examination of ARPANSA’s licensing processes.

There are, of course, a number of options available to the Senate, including, for instance, a referral to a committee. Before the government gasps at that suggestion, I will say that on balance the Democrats believe a better option, a good option, is to request that the Australian National Audit Office audit ARPANSA’s licensing processes. We are confident, and I am sure that all in this chamber would be confident, that the ANAO’s professional and independent eye is well suited for such an examination. Accordingly, I move the second reading amendment standing in my name and urge all senators to support the amendment:

At the end of the motion, add:
“but the Senate notes concerns with the Australian Radiation Protection and Nuclear Safety Agency’s licensing processes and requests the Australian National Audit Office audit the agency’s:
(a) process and method of determining licence applications;
(b) scheduling and renewing;
(c) setting of licence charges;
(d) extent of unlicensed activities resulting from delays in licence processing; and
(e) the impact of delays, if any, on research and development in Australia.

The amendment essentially asks for ARPANSA’s licensing processes to be audited by the ANAO. I commend that amendment to the Senate, as I do, of course, the amendment to be moved by Senator Allison to this legislation.

Senator CARR (Victoria) (1.24 p.m.)—The opposition is supporting the thrust of Australian Radiation Protection and Nuclear Safety (Licence Charges) Amendment Bill 2002. The opposition will support the second reading amendment moved by Senator Stott Despoja today. Perhaps I should briefly explain why that is the case. The matters that she raises go to the issue of ARPANSA’s role in the licensing processes, which of course has a direct impact on the Lucas Heights reactor. A construction licence has been granted for that reactor, and it will of course require an operating licence. The second reading amendment expresses an opinion that ARPANSA should not issue an operating licence until such time as there has been a resolution of the issue of the storage of intermediate level nuclear waste generated by the reactor itself.

The nature of ARPANSA is that it is an independent statutory authority, and therefore I think it is inappropriate that there be an approach whereby a prescription in those terms be issued by this chamber. However, it is important to note that Dr John Loy, the CEO of ARPANSA, has recently indicated that, in his view, there should not be an operating licence granted for the new reactor at Lucas Heights until there has been substantial progress towards the resolution of the waste issue. That is an entirely appropriate response. Dr Loy’s statements are absolutely consistent with his general responsibilities in regard to the health and safety of the people of this country.

The ACTING DEPUTY PRESIDENT (Senator McLucas)—Senator Allison, are you standing on a point of order?

Senator Allison—Madam Acting Deputy President, it is not exactly a point of order, but I did want to point out to Senator Carr that I think he is speaking on the second second reading amendment, on mine. That may be okay, but I just point this out to him.

Senator Ian Macdonald—You are talking about Senator Allison’s amendment rather than Senator Stott Despoja’s.

Senator CARR—My apologies. I have the wrong Democrat senator moving the amendment. I understand that that could be a difficulty at this time. I indicate my support for the amendment that I have been referring to. As this is so-called non-controversial legislation, I am anxious to deal with some other matters as well. We are supporting the amendment on the basis that we acknowledge that ARPANSA is an independent statutory authority and that the chief executive officer has indicated his concern about the failure to deal with the waste issue. We are concerned that there are substantial matters to be resolved. The recent dispute in South Australia with the South Australian government highlights the difficulties in regard to the lower level waste, let alone the questions that are now emerging about the failure of the federal government to have a nuclear waste strategy across Australia. So on those bases we accept the amendment.

Senator Ian Macdonald—What are you doing with Senator Stott Despoja’s amendment?

Senator CARR—It would be a good idea if I actually had a look at it before I tell you that.

Senator Ian Macdonald—Well, that means you’re agin it; so that’s good.

Senator Stott Despoja—I thought you told us you would be supporting it.

The ACTING DEPUTY PRESIDENT—We cannot do business like this.

Senator CARR—Senator Stott Despoja, the opposition will be supporting that amendment.
Senator ALLISON (Victoria) (1.28 p.m.)—I think Senator Carr has made most of the remarks that I would have made on behalf of the Democrats. I did intend to be very brief, in any case. The first of my amendments should be familiar to the ALP, since I think it was the opposition that raised it in the first place. It is important that the government listen to the chief executive officer of ARPANSA and that we have some idea of how we are going to deal with the spent fuel, how we are going to turn it into reasonable waste form. As Senator Carr says, this government’s strategy on waste with regard to Lucas Heights is pretty much a shambles. That, in our view, should all have been dealt with well before we got to the point of granting a construction licence or anything else on Lucas Heights.

Clearly, we have a proposal from the government for low level waste which is not accepted by the state government in South Australia and is certainly contrary to the Democrats’ view of what should happen with low level waste. So we again use this opportunity to point out to the government that this is not good practice and we would like to see a strategy put in place that we can all agree with. The safety, storage and transportation of nuclear materials associated with the new reactor need to be resolved. The Democrats very much want to see the government resolve those matters before operating licences are issued. I do not think we can make that point more strongly than we have done in the past. This is an important second reading amendment, and I urge senators to support it.

The ACTING DEPUTY PRESIDENT (Senator McLucas)—Senator Allison, I understand you are foreshadowing your amendment, to be discussed after Senator Stott Despoja’s amendment.

Senator ALLISON—I will not make any further remarks on my amendment and I will move it at the appropriate time.

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (1.30 p.m.)—I can understand the philosophical bent of the movers of the two amendments and of Senator Carr and some of his colleagues, and it is all very interesting in a debating, chatty sort of way. But this bill is actually about the collection of fees and charges from Commonwealth agencies that ARPANSA regulates. Other issues are not really relevant to this bill even though they might, as I say, be interesting for a debate or chat at some time. Consequently, the government will not support either of the second reading amendments.

Senator Stott Despoja’s amendment requests the Australian National Audit Office to audit ARPANSA’s licensing processes. The government is of the view that the basis for this proposal is flawed. ARPANSA received some 137 applications for licences, 80 of these were made during the first few months of operation of the new regulatory system, and 109 licences have now been issued. Given this licensing workload, priorities needed to be applied to the consideration of licence applications. The government considers that these priorities were decided fairly and appropriately. The government also considers that the level of ARPANSA’s fees reflects its policy of full cost recovery. This approach is realistic, and I emphasise that it is what was expected when the ARPANSA bill was passed by the parliament. Given that the basis for this audit proposal is flawed, the government cannot support the second reading amendment. However, this is not to say that the government does not support the scrutiny of the processes of regulatory bodies such as ARPANSA. The government does not object to the ANAO undertaking an audit of ARPANSA in the future if the Audit Office identifies the need for such an audit.

The government also opposes the second reading amendment to be moved by Senator Allison. The amendment seeks to interfere with ARPANSA’s regulatory oversight of the replacement research reactor. The licensing process used by the CEO of ARPANSA to consider matters such as those raised in the amendment was actually agreed to by the Senate when it passed the ARPANSA act. We see that the Democrats are now not prepared to accept the decision made under the act, and I regret to say that the Labor Party appears to be in the same position. As the Senate is aware, the CEO of ARPANSA has
issued a facility licence for the construction of the replacement research reactor. The CEO gave consideration to the issues of spent fuel management and radioactive waste management in reaching his decision to issue the licences.

Consistent with the regulatory approach taken in the act, these issues will continue to be monitored and considered by the CEO of ARPANSA as and when necessary. I emphasise that this bill simply involves minor clarification of the powers of ARPANSA to collect fees and charges, and I commend the bill to the Senate. I indicate that, because of time constraints, we will not be dividing on the second reading amendments but, again, I emphasise that the government opposes both of them.

The ACTING DEPUTY PRESIDENT (Senator McLucas)—The question is that the second reading amendment moved by Senator Stott Despoja be agreed to.

Question agreed to.

Senator ALLISON (Victoria) (1.34 p.m.)—I move the Democrats second reading amendment, as circulated on sheet 2538:

At the end of the motion, add:

"but the Senate:

(a) notes the view of the Chief Executive Officer of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) that arrangements for taking the spent fuel and turning it into a reasonable waste form needs to be absolutely clear before the new reactor at Lucas Heights commences operations, and there needs to be clear progress on siting a store for the waste that returns to Australia; and

(b) is of the opinion that until all matters relating to safety, storage and transportation of nuclear materials associated with the new reactor at Lucas Heights are resolved, no operating licence related to the new reactor at Lucas Heights should be issued by the agency".

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.
be paid to the breeder—a provision that is consistent with Australia’s obligations under the International Convention for the Protection of New Varieties of Plants 1991. The bill also clarifies the power of the minister under section 49 to impose conditions on existing and proposed breeders’ rights on public interest grounds. The Plant Breeder’s Rights Act 1994 is based on Australia’s membership of the International Convention for the Protection of New Varieties of Plants 1991. This is a United Nations multilateral agreement establishing an internationally harmonised regime for exclusive intellectual property relating to new plant varieties. The act is a form of patent legislation that coexists with other laws. The evolution of this legislation commenced in the 1970s and has been the subject of public debate over many years. The Fraser government attempted to push a plant varieties scheme through the parliament in 1981. That scheme was considered deficient. It was left to the Senate to work through many of the unresolved issues—a situation not unfamiliar to senators under the current coalition government.

The issue of plant breeders’ rights was then the subject of an exhaustive inquiry by the then Senate Standing Committee on Natural Resources, the committee handing down its report in May 1984. It recommended that a plant varieties rights scheme be established and that legislation be drafted to conform with the 1978 UN convention relating to new varieties of plants. The committee also recommended that the then Department of Primary Industries closely examine all the evidence that was critical of the original bill. The end result of that proper and exhaustive process was the enactment of the Plant Variety Rights Act 1987. That act enabled plant breeders to apply for and receive proprietary rights for new varieties of plants they developed. It was designed to stimulate plant breeding in Australia for both our domestic industries and export.

Despite the exhaustive consultation that preceded the passage of this legislation through the parliament, significant uncertainty about the impact of the scheme remained in some sections of the community. Concerns remained about the impact on the developing world, management of worldwide plant genetic resources, the ownership of essential food resources, market structures and basic consumer interests. There is a not dissimilar debate under way in relation to the use of genetically modified organisms in agriculture. While there is a general view that the potential benefits of GMOs are considerable, there is significant concern that the potential risk of GMO use might outweigh those benefits. I will come back to the matter of GMO policy and the mismanagement of the issue by the Minister for Agriculture, Fisheries and Forestry, Warren Truss, shortly.

Proprietary rights are designed to provide plant breeders, both public and private, with a means of recouping some of the development costs incurred in the breeding of new plant varieties. Plant breeders’ rights are exclusive commercial rights to a registered variety of seed and are a form of intellectual property similar to patents and copyright. The Plant Breeder’s Rights Scheme seeks to encourage innovation and give innovators legal protection from commercial exploitation of their products by other parties. It is an essential protection for an industry that drives domestic industry development and generates export income of $100 million per annum. Ongoing innovation in the seeds industry, driving the development and commercialisation of new seed varieties, is the key to sustaining our major rural industries. We must innovate or perish.

The recently formed Australian Seeds Authority is a nonprofit organisation established to manage seed certification and accreditation in Australia. The establishment of the Australian Seeds Authority is an important step in the evolution of the Australian seed industry and will underpin development of this emerging rural industry. In addition to seed certification, the Australian Seeds Authority is responsible for matters relating to international seed trade and the development and implementation of an industry-wide quality assurance system. I acknowledge the work of the Grains Council of Australia, the Seed Industry Association of Australia, state governments and the Department of Agriculture, Fisheries and Forestry in its establishment.
A few weeks ago, I described the Howard government as 'genetically uncoordinated' in its approach to the regulation of gene technology. The Gene Technology Regulator is currently considering applications for the commercial release of GM canola. It is not appropriate for me to use this debate to comment on matters before the regulator, but I do want to note the inconsistent approach of the government to matters of seed technology management. Last year, the minister for agriculture announced a three-year project to examine the feasibility of segregating GM products across supply chains. The problem for Mr Truss and Australian agriculture is that this issue needs to be addressed long before Mr Truss’s study delivers any findings. While Mr Truss pretends this matter can wait until long after he has been removed from his portfolio, state governments, industry and the community must grapple with these complex issues now. In this respect, I want to commend the Gene Technology Grains Committee for the work it has done in developing draft guidelines on the incorporation of GM technology into Australian farming systems. The Plant Breeder’s Rights Scheme was introduced to promote investment, innovation and development in the Australian seed industry. The leadership demonstrated by previous governments in this area ought to be replicated in the area of gene technology today.

I have some questions relating to the impact of Australia’s international treaty obligations on the Australian seed industry, questions that go to the heart of the regime managed by the Plant Breeder’s Rights Act as amended by the bill before the Senate. My questions concern the decision taken by the Minister for Agriculture, Fisheries and Forestry, Mr Truss, to sign the International Treaty on Plant Genetic Resources for Food and Agriculture at the UN food and agriculture summit on world hunger in Rome this year. Can the minister advise whether this treaty requires Australian farmers to pay the United Nations a share of profits from crops grown from seeds stored in a global seed bank? Does the treaty establish a worldwide seed saver network designed to protect biodiversity and give developing countries access to new seed varieties? As the government refused to sign this treaty between 1996 and 2001, what was the basis of Mr Truss’s change of mind in June this year? According to an article in the Australian on 10 June this year, the minister had a number of concerns about the transfer of genetic assets under the treaty but decided it was better to be involved to protect Australia’s interests. Can the minister advise the Senate of the details of those concerns?

The same press article reported that the United States and Japan have refused to become parties to the treaty. Has the minister made himself aware of the position of the United States and Japan and, if so, what is the position of these major seed technology innovators? It appears that decisions will be made by the United States and Japan about a range of seed technology issues outside the architecture of the treaty. Clearly, Australia’s involvement in the consideration of these issues by the United States and Japan will be limited. Can the minister explain the decision making processes under the treaty and the opportunities for signatories to have input into those processes?

I am also interested in the treaty’s royalty program. I understand that, at the time of signing the treaty, the royalty details were not established. Have the details of the royalties and how they will be distributed yet been determined? If so, what are the details? Mr Truss is reported as saying that Australian plant breeders will profit from the new system because they can access foreign crops from the seed bank. I assume that they will have to pay for that access and I seek advice on how that access will work. I trust that the minister at the table who responds to the second reading debate—whoever it is—will assist me in better understanding the operation of Australia’s seed technology regime by seeking answers to the queries that I have raised.

However, I am pleased to indicate Labor’s support for improvements to the Plant Breeder’s Rights Act that will clarify breeders’ rights, enhance access to the Plant Breeder’s Rights Scheme and improve its administration. I have previously foreshadowed my desire to seek clarification on some technical aspects of the amendments and I
will do so at the next stage of the debate. I am advised that the Australian Democrats are proposing some amendments to the bill. We have not yet had an opportunity to see the detail of those amendments, but we will consider them when they are available.

Debate (on motion by Senator Ian Macdonald) adjourned.

SPACE ACTIVITIES AMENDMENT BILL 2002
Second Reading
Debate resumed from 19 June, on motion by Senator Ian Campbell:
That this bill be now read a second time.

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (1.48 p.m.)—Madam Acting Deputy President, I understood that there were to be speakers, but no-one seems to be interested. I move:
That the debate be adjourned.
Question agreed to.

Sitting suspended from 1.48 p.m. to 2.00 p.m.

MINISTERIAL ARRANGEMENTS
Senator HILL (South Australia—Minister for Defence) (2.00 p.m.)—by leave—I inform the Senate that Senator Nick Minchin, the Minister for Finance and Administration, Minister representing the Treasurer and Minister representing the Minister for Industry, Tourism and Resources; and Senator Abetz, the Special Minister of State and Minister representing the Minister for Small Business and Tourism, will be absent from question time today. Senator Minchin is attending the opening of the—

Opposition senator interjecting—

Senator HILL—I am telling you that. Senator Minchin is attending the opening of the Australian Magnesium Corporation Stanwell project near Rockhampton in Central Queensland. Senator Abetz is addressing the Australian Marketing Institute’s 2002 Government Marketing Conference in Coolangatta. During Senator Minchin’s absence, Senator Alston will take questions relating to Industry and Resources and Senator Coonan will take questions relating to Treasury and Finance and Administration. During Senator Abetz’s absence, Senator Macdonald will take questions relating to Special Minister of State issues and Small Business and Tourism.

QUESTIONS WITHOUT NOTICE
Defence: Seasprite Helicopters
Senator CHRIS EVANS (2.01 p.m.)—My question is directed to Senator Hill, the Minister for Defence. Can the minister confirm that the 805 Squadron was commissioned in February 2001 with 26 personnel with the responsibility of operating the Seasprite helicopters? Minister, isn’t the first Seasprite now not due to be delivered before 2005 and the entire fleet not due to be operational before late 2006, some five years later than planned? Why do we now have an operational helicopter squadron with no helicopters?

Senator HILL—Mr President, I wish that when Senator Evans takes part of an answer that I have given him to a question on notice he might share the balance of the answer with the Senate. If he did so, he would have also told the Senate that the squadron has in fact been reduced in size because of the late delivery of the aircraft. He would have also told the Senate about the work that the squadron is doing, because, as I recall it, I set that out in the answer to him. There is considerable work in relation to the development of the aircraft—most of which are now already at Nowra—and the fitting of the various weapon systems and so forth. I would best suggest that he visits the establishment and speaks to the military personnel that are engaged in doing that work. Their task is to ensure that when the aircraft comes on line it does so with full capabilities and is able to achieve the missions that have been set for it.

Senator CHRIS EVANS—Mr President, I thank the minister for his answer and ask a supplementary question. As he would be aware, I have already asked him for authority to visit the centre. But the question remains: why do we have an operational squadron without access to any helicopters in which to fly? It seems a pretty basic question that the minister has not answered. Minister, I would
also like you to confirm that the government has withheld only $720,000 out of a contract of $800 million to Kaman. Is this the government’s version of getting tough with the supplier when they have clearly failed to deliver in accordance with the $1 billion contract? Surely withholding only $720,000 is not putting the sort of pressure on that will give some value to taxpayers over this highly bungled contract. What are you going to do to get better value for the Australian taxpayer and to take tougher action against the supplier?

**Senator Hill**—To answer the first part of the question, the work that is being done by the much reduced squadron includes final line assembly work—which I can provide in detail—squadron preparation work, squadron administration, project support, extra squadron activity, training activities and the like. In relation to the contracts, I remind the Senate that, although delivery is very late, the contract is still within budget. What we have been able to do, however, is renegotiate the payment schedule to better reflect the degree of capability that has been delivered. That negotiation has been completed and I am expecting the contract changes to be executed soon.

**Telstra: Privatisation**

**Senator Tierney** (2.05 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Is the minister aware of claims that a privately owned Telstra would only concentrate on profitable capital city markets and desert the bush? Do such claims have any validity? Is the minister also aware of plans to survey certain regional electorates on attitudes to a possible future sale of Telstra?

**Senator Alston**—I am indebted to you. Even the CEPU, which has been very negative on most issues over many years, understands the importance of not breaking Telstra up into a thousand pieces, hiving off various parts of it and just keeping the network as a dog in government ownership. The problem with Mr Tanner is that it is a complete and utter lie to go out there and say that Telstra would have the ability to simply desert the bush if indeed they were fully privatised, because you have got the universal service obligation in law, you have got the digital data service obligation in law—

**The President**—Minister, I think you did reflect on a member.

**Senator Alston**—I withdraw that, Mr President. You also have installation and fault repair times enshrined in law. You have untimed local calls enshrined in law, so there are a whole raft of obligations that will ensure that service levels remain at record levels. That is what it is all about: you can do it in law irrespectively. The tragedy, of course, is Labor know that, but after six years they have still not learnt that the Australian public are actually interested in policy, not just politics, and, of course, they are interested in quality of service.
What these three amigos in the House of Representatives are up to with this silly survey is the sort of stunt that you might expect from Independents, who have no responsibilities and are really not out there seeking any high level of party support. It is not the sort of thing that the Labor Party should be associated with but I am sure they will be in due course. You have these three people putting out a release yesterday saying, ‘We’re going to go out and ask people whether they’re in favour of privatisation.’ They are not actually going to ask them, ‘Are you in favour of privatisation if they ensure that service levels are maintained, if they ensure that it remains in Australian ownership and if they make adequate provision for future technologies to be available?’—in other words, a whole range of very important questions which cannot be separated from privatisation. That is an ideological question: are you in favour of privatisation? But if you say, as we did in 1996, ‘You’ll get a billion dollar Natural Heritage Trust fund out of it,’ then the equation is completely different—and similarly with all of the provisions that we have made. Just to show you how absurd their press release was, they attached to it a list of various countries in the OECD and where they stood on privatisation. What you found was the US, the UK, Canada, Mexico and New Zealand all fully privatised, Finland committed to full privatisation, and Ireland and Italy with less than five per cent government ownership. What does that tell you? All the countries that are prospering have got fully privatised telecommunications carriers. The US have never had anything other than privately owned telecommunications carriers, yet they invented the universal service obligation. So get serious about policy; stop pandering to the unions on this nonsense and realise that this is—(Time expired)

Taxation: Family Payments

Senator CROSSIN (2.09 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. My question refers to the minister’s current position that family tax and child-care benefit debts should be stripped automatically from parents’ tax returns. Does the minister recall making the following statement on 1 July 2001:

The Government has also decided that it would be easier for any family who still had an excess payment to have it recovered by adjusting their future payments, rather than taking it from their tax refund. This is because people may have earmarked their refund to use for specific things.

Minister, what has changed between then and now apart from an election?

Senator VANSTONE—I would like to thank Senator Crossin for the question but we have been there, we have done that and this is news, if it ever was news, from about five weeks ago. Senator, your question is a bit like going into a supermarket and looking for a fresh lettuce and finding they are all a bit limp and pathetic and you are not terribly interested in them. I will tell you why, Senator: your colleagues have—

Opposition senators interjecting—

Senator VANSTONE—Perhaps, Senator, you might like to have a look at what your colleagues are doing, because this matter has been raised on a number of occasions by your colleagues. I do not know whether you are completely disinterested when your colleagues raise matters but your colleagues have and the response is the simple response I am about to give you—

Opposition senators interjecting—

Senator VANSTONE—and if you stop talking for a minute I will give it to you.

Senator CROSSIN interjecting—

Senator VANSTONE—It is very hard to talk and hear at the same time, Senator. The answer is quite simple: the press release from which you are quoting is the press release that was issued when this government sensibly decided that, with a new family tax benefit system with which some families were not familiar—they were used to the old welfare style system—in the first year of application we would make some concessions, and we did: we made the two that that press release refers to. That is the context of that press release—and you know it if you have got the whole press release other than a question simply put in front of you. The two concessions that were made—and sensibly made—were a waiver on the first $1,000 of debt and
a turning off of the legislated-for reconciliation at the end of the year with your tax rebate. That is the press release that applied to that one-off instance. Senator, you know that and so do all of your colleagues: they asked about it five weeks ago. Your colleagues might say to you, ‘Get with the program.’ That issue is about five weeks old.

Senator CROSSIN—Mr President, I ask a supplementary question. Does the minister recall making the following argument for tax stripping and against gradual repayment on Tuesday night on ABC’s Lateline when you said:

They’ve received more than other families in the same circumstances as them. Those other families don’t expect us to allow the family that’s got more to have an interest-free loan at length.

You also said:

What flexibility are you asking for? Are you next going to say when someone owes more tax, we should allow them to pay that at $20 a week?

Minister, doesn’t this argument have a particularly hollow ring in light of the Howard government’s decision to give people caught out in tax minimisation schemes two years interest free to repay their tax debt? Why should tax minimisers be given this flexibility but not ordinary Australian families?

Senator VANSTONE—Senator Coonan can answer with respect to tax matters, but I can distinguish for you between a number of circumstances in tax law. There is quite a wide variety of circumstances. They are not all the same. You might ask Senator Kirk, who is behind you; she might be able to help you out on this if, in fact, she did tax law—I am not sure—but I am sure she will be able to read and understand it. The situation here is one where families have put in an estimate on or before 1 July 2000 and on the basis of that estimate—or those estimates if they have changed them—they have been paid out cash. They have had that money, and 24 months later some of them still have not put in a tax return. But they have been paid the money on an estimate and it is therefore required that it be reconciled and paid—(Time expired)

Women: Wages

Senator BARNETT (2.15 p.m.)—My question is to the Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women, Senator the Hon. Amanda Vanstone. Will the minister inform the Senate about the results from the recent OECD publication Employment Outlook 2002? How does Australia compare with other countries with regard to the wage gap between women and men?

Opposition senators interjecting—

The PRESIDENT—Order! There are too many interjections on my left.

Senator VANSTONE—I thank Senator Barnett for the question. Australia is doing very well in the context of the gap between male and female full-time wages. It is something that I think all Australians would be interested in, and particularly women. The OECD economic outlook for 2002 shows Australia having one of the narrowest gaps between male and female full-time wages—namely, an eight per cent gap, compared with a 21 per cent gap in the United States and, apparently, in Switzerland. This is very good news. The report makes some other points with respect to women in the work force, and particularly notes that Australian women’s employment rates are comparatively lower when they have children. That, of course, raises the issue of the work and family balance. That invites me to comment on this government’s record in relation to work and families. Our record on supporting families and the choice they want to make is truly fabulous. We can truly say that we are the most female-friendly government this country has ever seen.

Opposition senators interjecting—

Senator VANSTONE—I know members opposite do not like it, because the stereotype they set up was that we were a government that was going to drive women back home, that women would not have the choice under us, and that we were far too old-fashioned to understand that women might want to use their education and work.

Senator Crossin interjecting—

Senator VANSTONE—We will have a quick look at what happened. We spent more
than $7 billion on child care in the last six years. This is the point the opposition will not like hearing: that is over 70 per cent more in real terms than Labor spent in its last six years in office. If we compare, in real terms, our last six years of spending on child care with the last six years of spending when you guys were there, we spent 70 per cent more. The number of child care places is up by 194,000, taking us to over 500,000 child care places.

Opposition senators interjecting—

Senator VANSTONE—I can understand why there is yelling from the other side. They hate to hear it. Their stereotype of us has been completely busted. They do not like hearing it and that is why they keep interjecting, but there is more news for them. There has been a 63 per cent increase in the number of child care places. That does not sound like it is driving women back into the home; it sounds to me like it is giving women choice. We have dramatically increased support for outside school hours care. Those places have increased by 221 per cent—

Senator Mackay interjecting—

Senator VANSTONE—and that, of course, is recognition that all women are not the same; they will not need the same type of child care.

Honourable senators interjecting—

The PRESIDENT—Order! Continual interjection is disorderly, as we all know. Both sides of the House are continuing to be disorderly. I ask you to come to order and let the minister finish her question.

Senator VANSTONE—As I said, I do understand that Labor does not like the recognition that in the last six years in office we spent 70 per cent more than they did on child care and that there was a 63 per cent increase in the number of child care places. Then, of course, there is the family tax benefit: now over $11 billion a year. That is $2 billion more since the new tax system, with the average tax-free payment to families being $5,700 a year. This is a family-friendly government that recognises that families will want to make choices for themselves. The Labor Party, in contrast, has offered nothing to this debate. It is very important that we understand the different needs of different families in different circumstances. We are looking at a broad range of work and family issues—

Senator Crossin interjecting—

Senator VANSTONE—but at the moment we have the most family-friendly policies, I think, in the world. (Time expired)

The PRESIDENT—Order! Before I ask Senator George Campbell to ask his question, could I ask Senator Crossin and Senator Mackay, who have been continually interjecting since two o’clock, to give us a rest for a while so that we can hear what Senator George Campbell has to say.

Taxation: Trusts

Senator GEORGE CAMPBELL (2.20 p.m.)—My question is to Senator Coonan, representing the Treasurer. Why is the Howard government stripping millions of dollars from families’ tax returns this year when the government continues to allow high-wealth individuals to avoid tax through trusts? Isn’t it the case that dozens of coalition members of the parliament have trusts? Why does the Howard government put the interests of its own members of parliament ahead of the 650,000 families who have been hit with the Vanstone family debt trap?

Senator COONAN—Thank you, Senator George Campbell, for the question, misconceived though it is.

Senator George Campbell—Misconceived? Have a look at the headline.

Senator COONAN—The release of the exposure draft on entity taxation meant that the government had received a number of submissions which indicated that there were a number of technical problems with the approach that had been taken with trusts. In fact, the matter had been referred to the Board of Taxation, as I am sure those on the other side would know, to undertake some consultations. There were some difficulties with the approach to the taxation of entities. The government took advice from the Board of Taxation which recommended that the bill not proceed and suggested looking at alternative approaches. It is a very good example of the success of the government’s policy of
active engagement with industry and taxpayers about the design of new tax laws and legislation, and it indicates that the government not only listens but also acts on the views expressed in the community. With respect to the family tax package, there is absolutely—

**Senator Conroy**—Have you got a trust?

**Senator COONAN**—No, I do not, Senator Conroy. Come in, spinner! I do not have a trust. I will get back to Senator George Campbell’s question. The family tax package is extremely generous to families. It is a package which delivers benefits to families because this government understands the very great needs that families have in this country. Of course, it is a tax law. We expect everyone to comply with the tax law, and we expect that, if there has been an overpayment, arrangements will be made to pay it back.

One of the things that has been quite diverting in the debate over the last few days is: what exactly is the Labor Party suggesting should happen in respect of family tax benefits? The Labor Party has not had a tax policy since 1993. The last we heard from the Labor Party on any tax policy of any sort that might have benefited families was law tax cuts—and we all know what happened with that. Promises were made but not delivered. So the question of the family tax package is not only where numbers of benefits are delivered to Australian families who need them, it is a tax policy which is designed to make sure that, where there is an overpayment, it is paid back and, where there is an underpayment, the payment is topped up. It is a policy which is entirely defensible, as is the government’s approach to whether or not there need to be further steps taken in relation to entity taxation. This matter is under consultation. While we have not yet received a report from the Board of Taxation and it would not be appropriate for me to pre-empt what advice the government might receive from the Board of Taxation—or indeed what the government might do in relation to that advice—there is a role to pinpoint in a more focused way where there may be abuses of the tax system that will take into account the legitimate use of trusts in appropriate cases.

**Senator GEORGE CAMPBELL**—Mr President, I ask a supplementary question. Can the minister confirm that the Treasurer promised in writing and to the parliament that he would tax the trusts of high-wealth individuals, a promise he has comprehensively reneged on? Hasn’t the Treasurer also reneged on other key antitax avoidance measures announced in the tax reform package such as lease anti-avoidance provisions, imposing fringe benefits tax on tax-free amounts paid through trusts and imposing a withholding tax on nonresidents? Why should hardworking, honest families pay the bill for the Howard government not honouring the Treasurer’s promises to crack down on tax avoidance?

**Senator COONAN**—Thank you for the supplementary question. Although Senator George Campbell is wrong again, it gives me a great opportunity to talk about some of the ways in which this government has cracked down on tax avoidance. It was the coalition that was prepared to go to the people on the issue of GST and tax reform. GST itself is an anti-avoidance measure. A broad based, multistage GST is harder to avoid than a single-stage sales tax, especially when combined with no ABN withholding regime. The result is that we are now in a much better position when it comes to targeting activity in the black economy. But the GST and the ABN were only part of our plans. There are strong anti-avoidance elements of the new business tax measures. For instance, there are measures to limit avoidance through the exploitation of non-commercial losses and limitation on deductions for prepayment. There is a substantial integrity element to the consolidation changes and the demergers changes. (Time expired)

**Taxation: Trusts**

**Senator MURRAY** (2.26 p.m.)—My question is to the Assistant Treasurer and follows up on the question from Senator George Campbell. Does the government intend to reject the Board of Taxation’s view that the Ralph recommendation to tax trusts as companies should be set aside? Does the government accept the principle that business activities should be taxed alike, regardless of the entity doing business? How can
the government continue to support the present concessions to trusts that Ralph and the Treasurer described as a serious threat to the integrity of the tax system, and how can the Howard government justify crackdowns on welfare but continue to support tax avoidance through trusts, which is estimated by Treasury at $350 million a year?

Senator COONAN—I thank Senator Murray for the question. As I was indicating in my answer to the previous question, and as Senator Murray would know, this matter of entity taxation was in fact brought forward in a draft bill that did have some considerable difficulties attached to it. I think Senator Murray would be the first to acknowledge that there were some difficulties in allowing that bill to proceed. They were well-known difficulties and were mentioned at the time. In fact, what happened is that the bill and the question of entity taxation and taxation of trusts were then referred for the Board of Taxation to undertake consultation with business so that these matters could be more completely consulted on with industry to indicate where there may be some need for tightening up in relation to trusts.

But, obviously, taxing trusts and treating trusts the same way as companies was a flawed way to proceed. That has in fact been conceded by the Board of Taxation. As I understand it, the Board of Taxation has now completed a round of consultations that have been very extensive. The Board of Taxation has not yet reported to the government. In those circumstances it would hardly be appropriate for me to pre-empt either what the board might recommend for the government or indeed what recommendations of the Board of Taxation the government might take up. However, what I said in answer to the previous question holds true for this question: there is no doubt that, if there are some targeted measures that need to be brought forward that look at a more narrow and focused range of the ways in which trusts are used inappropriately—because we say that the trusts are also used appropriately—in those circumstances the government will obviously be prepared to look very carefully at the recommendations of the Board of Taxation and to act accordingly.

Senator MURRAY—Mr President, I ask a supplementary question and thank the minister for her answer. Does this decision by the Board of Taxation, in your opinion, represent the interests of the business sector, and do you intend to research what the community instead might think of such a decision? At the time the government announced its Ralph review package, Labor supported it, but their shadow Treasurer said that if the government welched on the deal, he would be after them like ‘a rat up a drainpipe.’

Senator Faulkner—I wouldn’t talk about rats up drainpipes!

Senator MURRAY—What will you do, Assistant Treasurer, if the Senate loses patience and gives effect to taxing trusts—

Honourable senators interjecting—

The PRESIDENT—Order! Senators on both sides will come to order so that Senator Murray can complete his question.

Senator MURRAY—it was a good crack, though, I must say. What will you do, Assistant Treasurer, if the Senate loses patience and gives effect to taxing trusts, in light of that commitment by Labor and the Democrats?

Senator COONAN—I am sorry. I did not hear part of the question. I will do my best to cover it.

Honourable senators interjecting—

Senator COONAN—You are not answering it. He can ask it again, if he likes. Insofar as I could hear what Senator Murray was asking, it appeared to be implying that somehow or other this government is lenient towards the taxation of trusts while otherwise being harsh towards families. That is an imputation, if indeed that is what was intended by Senator Murray’s question, that is entirely rejected.

Senator Murray—Mr President, on a point of order: the Assistant Treasurer must not have heard the supplementary question. Do you want me to repeat it?

Senator Faulkner—Yes!

The PRESIDENT—I will listen to what Senator Coonan has to say. There was a lot
of noise in the chamber at the time, as there has been most of the day.

Senator COONAN—In relation to the earlier question that Senator Murray asked, as well as the supplementary question, there certainly was a tone suggesting that somehow or other this government is harsh on families and not on the use of trusts. (Time expired)

Finance: Credit Card Schemes

Senator CONROY (2.32 p.m.)—My question is to Senator Coonan, representing the Treasurer. Is the minister aware that in answer to a question about the Reserve Bank’s credit card reforms in the House on Tuesday, the Treasurer said:

I call on the Australian banks to accept that decision and, as a consequence, to allow the users of credit cards the value of that reduction in their fees, which is estimated at $300 million to $400 million once the reforms take effect.

Has the Assistant Treasurer also seen yesterday’s Age, which reports that the ANZ will only pass one-third of the savings resulting from the RBA’s reforms on to consumers and will make up the revenue by cutting services and increasing fees? Why will the government not give special transitional powers to the ACCC to ensure that these benefits flow to consumers?

Senator COONAN—I thank Senator Conroy for his question. If I recall what the Treasurer said in relation to monitoring of fees, it was that the RBA would monitor these reforms. The reform of credit cards is aimed at ensuring that the costs of credit card services are borne by those who use them, rather than being borne disproportionately by credit card holders who use revolving lines of credit, merchants who accept credit cards for payment and the community as a whole, including consumers who do not use credit. The Treasurer said that the RBA would monitor these reforms and it would deliver the introduction of a transparent and cost based system for setting interchange fees, and that should result in nearly a 40 per cent reduction in average interchange fees in Australia. If the RBA were to do nothing, the cost of providing the card placement system would be around $1 billion per annum—more after five years than would be the case if the reforms are implemented.

Consumers should ultimately benefit from these changes through a reduction in the general level of prices. The Australian Competition and Consumer Commission and the Australian Securities and Investments Commission are both keeping a watching brief over issues to ensure that there is adequate information disclosure for both consumers and merchants. This is to ensure that merchants are fully informed of their responsibilities and do not abuse their power, that consumers’ rights remain fully protected and that there is no collusion between merchants regarding the level of surcharge that applies. The RBA also believes that it would be desirable if the reform of interchange fees on debit cards used in EFTPOS transactions were to take place at the same time as that of credit cards. This is a key reform of the Australian payments system including credit cards. It was a key recommendation of the Wallis report. The government supported this recommendation and provided the RBA with legislative powers to ensure the stability, efficiency and competitiveness of the payment system, such as credit cards. There is absolutely no reason to think that the RBA will not be able to adequately monitor how this reform is implemented and how all of the players involved, including the ANZ, behave.

Senator CONROY—Mr President, I ask a supplementary question. Minister, isn’t it the case that page 2 of the Reserve Bank’s credit card reform report explicitly says that it does not deal with the relationship between individual scheme members and their customers, the setting of credit card fees and charges to cardholders and merchants or interest rates on credit card borrowings? Why then did the Treasurer yesterday, and you yourself today, claim that the RBA has put the reforms in place and will be expected to monitor bank compliance? They have specifically rejected that.

Senator COONAN—I thank Senator Conroy for his supplementary question. In response to concerns by participants in credit card schemes that compliance with the Reserve Bank’s standards could put them at
risk, in any way, of not otherwise getting some benefits, there is no reason to believe that the RBA will not adequately monitor the implementation of the reforms that they have proposed. The Treasurer has in fact said that, as the RBA consulted widely in relation to these credit fees and consulted with all parties and made this recommendation, and as it has pretty well stuck to the report that it put out months ago, there is no reason to think that the RBA will not be able to adequately monitor—and will monitor—the fees and the implementation of the reforms that it has proposed.

Environment: Murray-Darling River System

Senator LEES (2.37 p.m.)—My question is to Senator Hill, the Minister representing the Minister for the Environment and Heritage. I refer the minister to his answer to my question last week on the Murray-Darling Basin, when he said the Commonwealth was not interested in supporting the dredging of the Murray mouth and would:

... prefer to be working step by step towards a long-term solution ...

Does this involve immediately beginning the process of buying back and negotiating back substantial amounts of water so that, in the long term, we can keep this river system healthy? Does this involve specifically ensuring that there is an adequate allocation of water to the Coorong—enough to ensure that the wetlands survive and that the Murray mouth does not close in the future? Finally, will the Commonwealth take responsibility for the rehabilitation of the Coorong that will be necessary under the Ramsar agreement if the mouth of the Murray does close?

Senator HILL—I think I have been slightly misrepresented in that question. It was not that the government was not interested in the issue of artificially reopening the mouth; the way I expressed it was that, if there is a choice between investing in the longer term or the shorter term, I would take the investment in the longer term. Basically, we need to address the causes of the problem rather than try and apply a bandaid solution. Having said that, the situation may be so critical that a bandaid solution has to be applied because there is simply not the time. It is not just a question of money to restore the health of the Murray system; it is also a question of complexity and time. If there is not the time, maybe the bandaid will have to be applied.

But, as I have said, if there were the option, I would prefer to see the public investment going into overcoming the causes of the problem. The causes of the problem have been overallocation of water; insufficient water flowing through the system to keep the natural system healthy; inappropriate land use; and overclearing of land in certain places, particularly across the western side of the Great Dividing Range. A whole range of different reasons have culminated in the outcome that we are now experiencing. As I recall, the results of the last ministerial meeting of the Murray-Darling Basin Commission did include allocations for water that would have a beneficial effect upon flow in the lower parts of the river, but that has to be implemented. It is one thing to make a policy decision but it requires the cooperation of all of the eastern states and the Commonwealth to be implemented in practice.

There also has to be sufficient time to enable it to work in practice. Whose responsibility is it? I think that, whilst natural resource management is primarily the responsibility of the states, this is a national problem. The Commonwealth has accepted its responsibility and would be part of a national solution. It has done so in terms of providing leadership and the scientific input that is necessary for identifying the causes of the problem; it has done so in terms of better practices in agricultural management; and in many ways it will continue to be a contributor towards a better outcome.

Senator LEES—Mr President, I ask a supplementary question. Is the Commonwealth prepared to take the lead in actually finding—buying back and negotiating back—the additional water that everyone, including the states, agrees must be left in the river? On specific South Australian issues, is the Commonwealth, under its obligations to the Ramsar convention, prepared to ensure that the South Australian government responds immediately to the Hindmarsh Island management plan that was for-
warded to them by the Alexandrina Council in February this year? Are you prepared to insist that the South Australian government quickly appoint a task force to oversee the implementation of the Ramsar management plan that was launched back in December 2000?

Senator HILL—Under the Ramsar convention, the primary responsibility is that of the Commonwealth; in terms of our Federation, the primary responsibility is that of the state. Therein lies the problem and the best solution to the problem is cooperation.

Senator Ian Macdonald—Get rid of the states then!

Senator Carr—Get that on the record.

Senator Faulkner—That is a good way of getting rid of the Senate.

Senator HILL—Don’t invite me! Where leadership is necessary, I think the Commonwealth should provide that lead. I will consult with Minister Kemp when he returns from the Earth Summit, but I do believe that the Commonwealth should be putting pressure upon the state to do its share. You mentioned the implementation of the management plan—that is one thing. The minister has been down there making press statements and the like but is not actually delivering the better outcomes that we need. So I do agree with the honourable senator that translating these good intentions into better outcomes on the ground is the principal challenge, and we must all accept that. (Time expired)

Distinguished Visitors

The President—Order! I draw the attention of honourable senators to the presence in the President’s gallery of a delegation from the Taiwan-Australia Amity Association. I hope your visit to the Senate is both enjoyable and educational and we wish you a happy stay in Australia.

Honourable senators—Hear, hear!

Questions Without Notice

Banking: Fees

Senator Marshall (2.43 p.m.)—My question is addressed to Senator Coonan, representing the Treasurer. Is the minister aware that the Reserve Bank’s statement on monetary policy contained analysis showing that bank margins have risen over the last three years, putting paid to the banks’ claims that lower margins have offset higher bank fees? Will the Assistant Treasurer continue to defend the banks’ imposition of higher fees on consumers and small business or will the Howard government finally empower the ACCC to monitor bank fees?

Senator Coonan—I thank the senator for the question. This government is committed to enhancing competition and information disclosure in the financial sector to ensure that bank fees and charges are kept to the absolute minimum necessary and that consumers are able to make well-informed decisions. That is what it is all about. Through the Financial Services Reform Act, the government introduced a both harmonised and improved regulatory regime for consumer protection and disclosure in the financial services industry. As you would all know, the reforms have been in place since March this year and they ensure effective disclosure to consumers at the point of sale of a financial product, as well as ongoing product disclosure, so that consumers can make comparisons and make up their own minds about what financial institution they are going to do business with.

RBA figures released in a bulletin last year found that, while aggregate bank fees have continued to grow strongly, reductions in net interest margins in recent years have exceeded the increases in the banks’ fee income. There are a number of initiatives under way that have been examining bank fee disclosure issues. That is in marked contrast, of course, to Labor’s policy on banks. The policy that Senator Conroy took to the election seemed to be to bundle up something from the ABA and to run out and release it about three hours before the ABA released their policy. It seemed to be a great exercise in plagiarism, as best I could tell.

On 26 June this year, ASIC released a disclosure guide on what constitutes good fee disclosure practices on transaction accounts offered by banks, credit unions and building societies, and on 26 March 2001 the ABA announced a proposed industry standard for a basic banking account, specifying the
minimum basic level of service fee for the holders of Commonwealth government pensioner, health care and seniors concession cards. In addition, the RBA recently reported that most banks provide a basic account with low or no fees. The Parliamentary Joint Statutory Committee on Corporations and Securities has released a report on bank fees on both electronic and telephone transactions.

Of course, the government will continue to work with banks and to encourage competition in the financial services sector. As we previously said, and as the Treasurer has said, we will consider acting if there is any evidence of anticompetitive practices by the banks in their dealings either with the small business sector or indeed with other consumers. To date the government have not received any evidence to warrant an ASIC investigation into the lending practices of banks towards small business. The government will continue to work with the industry sector to ensure that bank fees are transparent, that consumers have choice and that banks continue to offer a range of products so that consumers can choose where they want to bank.

**Senator MARSHALL**—Mr President, I ask a supplementary question. Is the minister aware of the Prime Minister’s statement: I’d like to see a bit more analysis of what they [the banks] claim and that is that the additional fees have been more than wiped out by the erosion of their mortgage margins. I haven’t had that analysis done yet and until I do have that done I’m not going to suggest what should happen in relation to the charges.

Given the analysis by the Reserve Bank, how can the Howard government justify refusing to empower the ACCC to monitor bank fees and protect consumers from bank greed?

**Senator COONAN**—I thank the senator for the supplementary question. The opposition seem to have one note on this topic, with everything to do with regulation: it is ‘regulate more’, ‘impose more compliance’, ‘impose more red tape’ and ‘impose more compliance costs for business’, and it seems that it is also ‘we want to regulate bank fees’ and ‘we want to regulate exit fees, entry fees and superannuation’. The Labor Party have no ability to analyse any problem and seek only to impose greater regulation.

**Health: Pathology Services**

**Senator TCHEN** (2.49 p.m.)—My question is to my great Victorian colleague the Minister for Health and Ageing, Senator the Hon. Kay Patterson. Will the minister update the Senate on actions taken by the Howard government to ensure that all Australians can be confident in pathology services provided under Medicare? Will the minister further advise the Senate on what action she has taken to ensure that women can have confidence in the quality and standard of pap smear testing?

**Senator PATTERSON**—I thank the honourable Tsebin Tchen for his great question. Earlier this year, I took the unprecedented step of naming in parliament three pathology laboratories that had not been performing to standard. I did not take that decision lightly. I was very concerned about it, but I was equally concerned that I thought the balance of natural justice was a bit tilted or skewed towards the handful of pathology laboratories that were not maintaining standards, as opposed to the patients and doctors using those services. I made a commitment when I did that that I would ensure that we had reforms that tightened up the system to deal with the very small minority of pathology laboratories which were failing to meet standards. This morning I announced a package of measures for pathology laboratories which will improve the current system and offer better public protection for health and safety.

We have a world-class system. We spend over $1 billion in pathology services through Medicare each year, and tests are performed through 500 accredited laboratories; we are only talking about a handful of three or so laboratories that are not performing to standard.

**Opposition senators interjecting**—

**Senator PATTERSON**—I note that my colleagues on the other side do not seem to care about this but I know that my colleagues on this side care very deeply that we maintain gold-standard pathology testing. As I said, Australia has a robust, world-class pathology testing laboratory service which of-
fers quality and assurance and of which we should all be very proud. But, as I said, I was very concerned about those few that were not performing to standard. I asked that a report be done by Corrs Chambers Westgarth. That was done and we have responded to that report in conjunction with the Royal College of Pathologists of Australasia, the Australian Association of Pathology Practices and the National Association of Testing Authorities. I want to put on the public record my appreciation of those three groups in working with the government to achieve an appropriate response to the report.

Today I announced that over the coming months we will be making changes to legislation through regulation that establishes the framework of pathology laboratory accreditation. Some of these changes will include the establishment of an improved early warning system to identify a poorly performing laboratory as soon as problems arise. The current review, action and appeal processes will be speeded up while still providing for natural justice so that laboratories can continue to be eligible for Medicare benefits while they are appealing an adverse decision by the National Association of Testing Authorities. The changes will enable spot checks of laboratories, whereas before NATA or the HIC had to give a week’s notice. We thought that it was important that we had spot checks, especially for laboratories where there was concern. Finally, we will establish a public notification system on the Internet to record the accreditation status of pathology laboratories so that doctors will have access to information to know whether a laboratory is under question. These reforms will ensure that we maintain our place as a world leader in quality assurance in our pathology laboratories. I reiterate: it was a handful of pathology tests, especially pap smear tests?

Senator PATTERSON—One of the areas that was of most concern was pathology screening for cervical cancer. My concern was—I want to thank the press; I talked to them about my concern—that if we had this story beaten up it would undermine Australian women’s confidence in cervical screening. The press understood that and I think they dealt with it in a very appropriate and professional way. One of the things that we are sure of is that our cervical screening program has resulted in a 40 per cent reduction in deaths from 1986 to 1998. Irrespective of who was in power—Labor or Liberal—that is a very good public health news story for screening programs. It was vital that we did not make a case that only three laboratories were affecting the rest. *(Time expired)*

**Education: Funding**

Senator CARR (2.56 p.m.)—My question without notice is to Senator Alston, representing the Minister for Education, Science and Training. Can the minister confirm that, as a result of the current indexation arrangements for universities, the Commonwealth government is providing approximately $70 million in indexation per annum to universities? Can the minister also confirm that, as a result of the current indexation arrangements for schools, the Commonwealth is providing $235 million in indexation per annum to non-government schools? How can the minister justify a funding situation where, over the next three years, non-government schools will receive an additional $705 million while universities will be limited to $210 million indexation to their base funding?

Senator ALSTON—It sounds like the class war is about to reignite here. Senator Carr has always been vigorously opposed to state aid for private institutions, so you can pretty much see where he is going on this one. I do not have the precise details—and you would not expect me to have them—and I certainly do not for a moment want to take any figures that Senator Carr—

*Opposition senators interjecting—*

Senator ALSTON—You should have been here this morning; you would have seen
Senator Carr’s total lack of understanding of concepts like implicit rate subsidies and underlying cash balances. It was just pathetic to watch. If there are any re-education courses available I will certainly be in favour of the government providing substantial assistance to Senator Carr to go back to college and try to understand some of these issues. If his point is that somehow we are being too generous to non-government schools then I take it that means he is in favour of a cut to non-government schools. If, on the other hand, he is arguing for additional funding for universities then presumably he will be putting that in his detailed submission to the Crossroads review. So far I have not heard that he has any inclination to do that but one would hope that he will finally get around to it. He will probably get the Parliamentary Library to do the work for him but it can go in under his name.

The fact is that Australian university students are getting very good value for money at the moment. Not only are they getting access in record numbers but the level of unmet demand has decreased enormously since the revision of HECS and now PELS, which of course the Labor Party seem to be quite unsure whether they are in favour of. Senator Carr grudgingly concedes that they voted for the bill but he spent the entire morning basically bagging the system. It is hard to know whether they are in favour of increased assistance for university students. The fact is that students have done very well.

The contribution that Australian students make to the cost of their education has risen by 85 per cent, according to the Deputy Leader of the Opposition. That sort of assertion is absolutely ridiculous and wrong. The actual student contribution as a proportion of university operating grant funding in Australia was 18 per cent, increasing to 26 per cent in 2001. They are not in favour of students making any additional contribution to their own education; they are all in favour of the government paying out money. They would rather it be us, presumably, because we have not yet heard what Labor’s thoughts are on that subject. I think that Senator Carr needs to clarify where he wants the debate to go, and I suggest that the best place to do that is in his submission to the Crossroads review.

Senator CARR—Mr President, I ask a supplementary question. If Senator Alston had spent more time at the Senate estimates he would know that those figures came directly from departmental officers. The policy question that he should be able to address today though is: can the minister now confirm that next year, under the policy settings of this government, this government will in fact be spending more money on non-government schools than it is on universities?

Senator ALSTON—I will check the forward estimates but again we ask ourselves the question: is Senator Carr saying that too much is going to non-government schools? Is that his essential proposition? There are always going to be some disparities in numbers. Is he really objecting strongly, and therefore wants a cutback in funding for schools? If he is, let us hear about it. If he is saying that there ought to be more money for universities then, presumably, given his ideological bent, it is all going to have to come from government funding—in other words, from taxpayers—because he is no doubt opposed to any other ways in which students might be encouraged, such as loans. We take the view that as long as sufficient funds are available to maintain the university sector then that sector will continue to prosper. The review process, I think, is predicated on the basis that the current arrangements are probably unsustainable in the longer term and now is a very appropriate time to review them. But it has been made quite clear today by the Labor Party that they are all in favour of the government giving money to particular preference groups and of course punishing those that they disapprove of. (Time expired)

**Immigration: Detention Centres**

Senator BARTLETT (3.01 p.m.)—My question is to Senator Ellison, the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs. Is the minister aware of reports that the heating system at Maribyrnong immigration detention centre in Melbourne has been out of order for at least three weeks in the last five? Is
it true that, with temperatures averaging five degrees and falling as low as 0.2 degrees, detainees have had to rely on donations of blankets from charities to cope with the cold? Given that the government charges people around $150 per day to be detained in this centre, how can the minister justify such failures in relation to the basic conditions which detainees are forced to endure?

Senator ELLISON—I can confirm that there have been several faults with the heating system at the Maribyrnong IDC over the past week. All detainees were offered additional blankets. I understand that the department of immigration’s contracted repairer has been working on the heating system and that the system has returned to normal operation. The department is currently considering the most effective method of providing a reliable heating system and this is being closely monitored.

Senator BARTLETT—Mr President, I ask a supplementary question. I thank the minister for his answer. Minister, given that asylum seekers are compulsorily held in detention centres across Australia, many for prolonged periods of time against their will without having been charged with any offence or having committed any crime or having been convicted of any crime, why is it that they are charged such enormous amounts of money for such prolonged periods of time, ending up with such enormous debts purely for the supposedly pleasant experience of being kept in detention by the government? Why can the government not allow people when they are released from detention to get on with their lives without having such an enormous debt put over their heads through no fault of their own?

Senator ELLISON—I make it clear that people who are found to be refugees are not charged. I am aware that there is a charging system in place. There is a great cost to run these centres. We have just mentioned one aspect of providing adequate services. It does not help when some of the detainees damage and destroy property, as we have seen recently. That adds to the cost.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Education: University Funding

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (3.04 p.m.)—On 27 August Senator Carr asked me a question without notice and I undertook to provide further information. I seek leave to incorporate that additional information in Hansard.

Leave granted.

The answer read as follows—

The Minister for Education, Science and Training has provided the following additional information in relation to the question asked by Senator Carr. The Minister has initiated a review of higher education to examine ways in which we can enhance Australian higher education and build on its strengths and increase diversity. The Minister has made no secret of the fact that there are challenges facing the higher education sector. While the Government does not agree that there is a crisis in the sector, it recognizes that there are areas where reform is necessary. It’s just a shame that the Opposition does not want to be part of this review process.

Operating result of the sector

The financial position of the higher education sector remains strong. The sector operating result has been improving in the past two years. The figures quoted by Senator Carr are no secret—these are publicly available in a number of forms, through institutions’ annual reports and the Higher Education Triennium Report. After declining from $555 million in 1997 to $287 million in 1999, the aggregate operating result has increased remarkably with figures of $320 million in 2000 and preliminary figures of $464 million in 2001.

It should be noted that the comparison of four year averages of the operating result to that of a single year can be very misleading. Universities, like any other organisations, may report operating deficits from time to time, and comparing the operating result for one year with another or even with averages do not provide adequate information of a university’s financial health. The Department uses a range of financial indicators for monitoring the financial health of public universities and relying on one or two indicators to draw conclusions about the financial health does not provide the whole story.
Operating revenues and expenses of the sector
Between 1991 and 2000, the revenue rose by 71 per cent and the expenses (before adjustments) rose by 89 per cent, not the 91 per cent quoted by Senator Carr. The question of removing capital funding as a revenue source is irrelevant as the capital funding was fully rolled into the operating grants in 1996 and treated as a recurrent funding.

The invitation to the Labor Party to constructively participate in the current debate is still open. We are yet to see any reasonable contribution from the Opposition on these matters and Senator Carr’s performance would indicate that things aren’t likely to change.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Answers to Questions
Senator FORSHAW (New South Wales) (3.05 p.m.)—I move:
That the Senate take note of the answers given by ministers to questions without notice asked today.

The Prime Minister has now acknowledged that the family payments system is undergoing a major crisis. Of course, right in the middle of that crisis is the Minister for Family and Community Services, Senator Vanstone. Today in question time, as she has tried to do in every other question time, she sought to defend the family payments system which the government introduced as part of the GST. What sort of a system is it that slugs families with significant debts when those families do the right thing and immediately advise Centrelink of their changed earnings? Centrelink requires people receiving family payments to advise them when their circumstances change. Many families are doing that; they are complying with those requirements, yet they are incurring large debts at the end of the financial year—amounts which are being taken out of their tax refunds without any notice.

The minister might adopt the approach of smearing individuals who find themselves in these situations through no fault of their own, but the fact remains that these families do everything the government asks of them—they follow the advice of the government and Centrelink—and they are still facing financial difficulties. This would not be a problem, Mr Deputy President—and I congratulate you on your appointment to the position; I think this is the first opportunity I have had to do so—if the minister actually understood the system and then took steps to fix it. But Senator Vanstone does not understand the system and she has no willingness really to fix it.

Let us ask the question: who designed the system? You would think that it was designed by officials of the department administered by the minister, the Department of Family and Community Services, who are people—you would think—who would understand what is happening in the international arena with regard to family policy. But, of course, that was not the case. This system was designed by the Treasury boffins who were responsible for putting together the GST and the ANTS package. The Treasurer’s tax reform task force dreamed up and developed this system. Belatedly, one person was seconded to that task force from the Department of Family and Community Services to have an input, but it was too little too late. We now have a situation where this policy suits the budgetary and financial interests of this government and makes the families pay the price. Currently, as we know, there are some 650,000 families in this country who have incurred debt.

The average debt per family is $850. We have a total of half a billion dollars of debt just for this year alone. The minister says that this is not really a significant problem. But I remind the minister that this is more than one in every three families. Surely the minister is not trying to suggest that all of these families are trying to manipulate or defraud the system. Of course they are not. But this minister, in answers to questions in this chamber, paints pictures of people who may deliberately delay informing Centrelink of their changed circumstances and who are somehow seeking to gain some benefit upfront and then pay it off at a slower rate.

The system is not working, and it is not working because—notwithstanding the requirements on families to provide the information to Centrelink, which they do—Centrelink and this minister cannot get their act together and administer the system properly. The compliance figures provided by Centre-
link show, for instance, in comparing this system with that of the previous family allowance system, that in 1999-2000 only 51,832 debts were detected. That compares with some 757,000 under this current system.

(Time expired)

Senator BRANDIS (Queensland) (3.10 p.m.)—Mr Deputy President, I also have not had the opportunity to address you in your new capacity, so may I lend my congratulations to you on your election. I wish to take note of the answers given by the Minister for Revenue and Assistant Treasurer, Senator Coonan, to the questions asked of her by Senator Conroy concerning entity taxation.

The proposition asserted by Senator Conroy’s questions in criticism of the government’s policy on entity taxation could hardly have been more misconceived. The government, after an extensive process of consultation with small business, with tax experts and, in particular, with the government’s own Board of Taxation, withdrew its original exposure draft bill on entity taxation so as to enable the Board of Taxation to have another look at the matter and to recommend approaches to the taxation of trusts that did not have a deleterious effect on small businesses and on other commercial entities which operate through trust structures.

Senator Conroy, as the shadow minister for financial services and regulations, should perhaps have known better. But the fact is that the vast majority of Australian small businesses, in particular—though not exclusively—businesses in primary industries, conduct their affairs through trusts, and there is absolutely nothing invidious about that. But Senator Conroy comfortably settled back into the old class war rhetoric in his question suggesting that any business that carries on its business through a trust structure was involved in some sort of tax avoidance.

As you know, the most common way in which small businesses in this country are financed is by families that borrow against their own assets, against the family home, in order to provide the working capital for that business, and then they conduct that business through a corporate trustee. Commonly the members of the family are the directors of the corporate trustee on behalf of the business is then distributed to shareholders and to family members. That is the way in which family businesses have conducted their affairs in Australia from time immemorial. It is almost universally the structure through which family farms and primary producers conduct their small businesses, and it is very commonly—although not universally—the way in which small businesses operated by tradespeople and small retailers and small venture capitalists conduct their business.

Yet to hear Senator Conroy and the tone of his question to the Minister for Revenue and Assistant Treasurer, you would think that it is a mode of tax avoidance. It is nothing of the sort. It has never been suggested by the Commissioner of Taxation or by the Board of Taxation that that is otherwise than an entirely legitimate way to structure a business, an entirely legitimate way in which to distribute income received by that business to those concerned and, in particular, where it is a family business, to distribute income to family members.

Where is the proposal at the moment? Let me tell you. After the original exposure draft was reviewed the stakeholders had a look at it and it was not proceeded with. The matter went back to the Board of Taxation. The Board of Taxation, having recommended that the bill not proceed in its then existing form, is currently engaged on a report to the government on the taxation of trusts, and that report will be received soon. The main point of the report, we expect, is that it will recommend a crackdown on specific species of avoidance that may be engaged in by corporate trustees that conduct businesses and are the point at which taxation is levied rather than adopt a one size fits all model which will impact adversely on all forms of small businesses which conduct their affairs through a corporate trustee.

(Time expired)

Senator MARSHALL (Victoria) (3.15 p.m.)—I rise to take note of the answers given by the Minister for Family and Community Services, Senator Vanstone. One thing that concerns me about this debate as it has unfolded is the way the government, and the minister in particular, seem to believe the propaganda which they have been running
along this line. They would like to have us think that the people who are in receipt of this benefit are wallowing in money and are receiving this benefit so that they can save money to take overseas holidays or buy a second house or a second car. The recipients of this benefit need this money to meet their day-to-day living commitments. They are people who live from day to day and week to week. They need this benefit to meet the most basic of bills and to survive in our community on the most basic of living standards. We have a system which deprives people, at the one time in a year when they get their tax cheque, of an opportunity to use that money to pay for some of the things that they need, whether it be the payment of school fees or whether it be to replace household appliances. Attempts to justify this stripping are clearly false.

Last year, the minister argued that there ought not to be this stripping of tax returns. In fact, the minister waived up to $1,000 per recipient if there was an incorrect calculation of the benefit—and, of course, at that time there was an election in the wind. So what has happened in 12 months? What was happening then was clearly a 'cash for votes' situation where the government saw the need to be generous in their terms. They wanted to be reasonable and they thought that it was proper for people not to have their tax cheques stripped in this manner at that time. But the election comes and goes and what we see then is a government returning to their mean policies and trying to, again, take this money from some of the people who need it.

It is extraordinary that the minister would suggest—as she did on Lateline on Tuesday night—that $500 is really not that much money for a family. How out of touch can the minister possibly be? It may not be much money to the minister but to many families who live day to day it is an enormous amount of money. It can put petrol in the car for a number of months; it can pay their car registration. The system punishes people who in fact follow the rules. It is a flawed system and a system that fails to recognise the realities of life for low-income families. People find it very difficult to calculate in advance their total income for the year. It is a difficult process when we have in our community increasing part-time employment and the casualisation of labour. It is immensely difficult for people at the low-income end to determine what their income is going to be for the whole year. As Senator Collins rightly pointed out yesterday, under a Labor government there was the ability to have a variation of 10 per cent when calculating those amounts. That took a lot of people out of the unfortunate situation in which people are forced to be at the present time.

The minister’s own department has admitted that only 77,000 families claim these payments through the tax system. The other 1.9 million claim it as a fortnightly benefit through Centrelink. Why do they do this? Because they need the money on a fortnightly basis to raise their kids. This point was made amply clear by Ms Helene Weston-Davey on ABC news last night—and she was right. The system punishes families even when they follow the rules. It does not give support to families when they need it. As Ms Weston-Davey said, what was she supposed to do—ring the minister and ask for $50 a week when she wasn’t working at the start of the year and needed the money to feed her kids? This government expects these families to have a psychic ability that allows them to predict future increases in income due to overtime or increases in their base salary. It is simply not good enough. This system should be designed to provide welfare, not work against people as is happening now.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (3.20 p.m.)—What we have seen today in question time and during question time on previous days is ample evidence of the lack of leadership in the Australian Labor Party and an absolute lack of any policies from the Australian Labor Party—in fact, not only a lack of policies but total confusion. In relation to the taxation of trusts, the Australian Labor Party did nothing about trusts for 13 years, did virtually nothing about tax avoidance. In fact, it did very little about tax reform at all during its 13 years.

Senator Cook—Don’t be ridiculous! Tell us about the bottom-of-the-harbour scheme
that John Howard presided over as Treasurer under Fraser.

Senator IAN CAMPBELL—Of course, you can always get a bite from Senator Cook when you reflect on the appalling economic management record of the Keating government of which he was a member. I always enjoy baiting Senator Cook. You just have to talk about the Keating government’s failures in tax policy. The previous Prime Minister when he was Treasurer did not even put his own tax return in for a number of years. That is how much he cared about compliance with the tax system! So this government, which has done more to reform the tax system than any government in the history of Australia, is attacked by the hypocrites opposite—

The DEPUTY PRESIDENT—Senator Ian Campbell, I think you should withdraw that remark. That was an imputation.

Senator IAN CAMPBELL—Mr Deputy President, I withdraw. Those opposite who do one thing one day and the opposite the next seek to accuse the government of not taking action. This government got rid of the massive tax rorting and abuse of the R&D syndication scheme, which Senator Cook was so proud of—one of the greatest tax rorts in Australian history. Billions of dollars were rorted through that system. In 1997, the government brought in a range of other anti-avoidance measures. In 1998 and 1999 we moved against trust losses and non-commercial loans to shareholders, artificially created capital losses and introduced the final package of measures to prevent trading and franking credits and dividend streaming.

We introduced the biggest tax reform in Australian history with the implementation of the new tax system—opposed root and branch by this mob opposite, who would not know a policy if they fell over it. Of course, Mr Deputy President, as you know, in the seat of Kalgoorlie, the candidate was working out of Senator Cook’s office. The candidate was running around, stirring up the mass marketed scheme participants. The former Assistant Treasurer, George Gear, while campaigning for Labor candidates, was saying that participants in the mass marketed schemes were being treated harshly by this mean-spirited government. Of course, after the election, what did they do? They came in here and called them all tax cheats. This government will be tough on people who cheat the tax system, and we will be tough on people who cheat the welfare system. We will treat them with equal force under the law. If you want to cheat the tax system, whether you have got a white collar or a blue collar, this government will be tough on you, because we will stand up for the average Australians in the PAYG system who pay their taxes day in and day out, and ensure that the tax system has integrity.

We have seen hypocrisy on trusts and tax avoidance from those opposite, and hypocrisy and double standards on mass marketed schemes. We have seen the same sort of hypocrisy again this week in relation to bank fees. This government gave the Reserve Bank of Australia the power and the policy tools to take action in relation to interchange fees and credit card fees. And what is Labor doing now? It is carping and criticising again. The only policy we have seen on banking from Labor Party members was a policy that was stolen and plagiarised from the Australian Banking Association at about this time last year. Their shadow spokesman had a private briefing from the ABA; he stole and plagiarised large chunks of that policy, republished it as ALP policy and passed it off as his own.

Senator Mackay—Mr Deputy President, I raise a point of order. I think that may be a reflection on another senator. I would ask him to withdraw it.

The DEPUTY PRESIDENT—I ask you to withdraw that, Senator Campbell. An imputation of theft should not be made as it reflects on a senator.

Senator IAN CAMPBELL—I withdraw. Quite frankly, when you plagiarise and take large chunks of someone else’s document, pass it off as Australian Labor Party banking policy and then choose to release it the day before the Banking Association release their own policy, it is tantamount to theft. (Time expired)

Senator CHRIS EVANS (Western Australia) (3.25 p.m.)—I want to note Senator Hill’s response to a question I asked him to-
day about the Seasprite helicopter project. It was very helpful that the minister was able to provide some further information. The first point to make is that we now know that the oldest of the helicopters will be arriving after its 40th birthday. We won’t be able to have the 40th birthday celebration for the helicopter next year because it won’t be delivered until 2005. It will have completed more than 30 years service in the US Navy but it will be taken on board by us as a new helicopter.

We knew already that this project was going to cost us in excess of $1 billion and that delivery would be five years late. Most of the $1 billion has already been paid over to the supplier but we won’t be getting the helicopters until five years later, in the years 2005 and 2006. So $900 million of taxpayers’ money has already been paid over to the Kaman Aerospace Corporation for the supply of the helicopter but we have not as yet been able to take delivery of those helicopters because of problems with the contracts.

The minister today added to the *Yes, Minister* farce. When the minister was asked about this, his defence of the contract was, ‘But the contract will be completed within budget.’

**Senator Hill**—Go and have a look at the helicopters.

**Senator CHRIS EVANS**—Your answer today was that it will be completed within budget. Five years late, $900 million of Australian taxpayers’ money paid over for nothing, yet you dare to say, ‘But it’s within budget.’ Yes, it is within budget; we have received nothing for it, but we have not paid one cent more than we should have! We paid $900 million for nothing but it is totally within budget! That is a very good point to make, Minister, and I am sure the producers of *Yes, Minister* will want you on the show, because it was like a classic scene from the show.

Another classic scene: we now have a fully crewed service centre at Nowra. We have mechanics, buildings—a beautiful service centre. We also learnt today that we have the 805 Squadron—a whole squadron of the Air Force—dedicated to this task of flying the helicopters. So, in a classic scene from *Yes, Minister*, the minister says, ‘Yes, we’ve got a squadron down there ready to go. We’ve got the service centre. We’ve paid out more than $900 million for it. What haven’t we got? We haven’t got the helicopters. We’ve got the blokes to fly them, we’ve got the service centre; it’s all running perfectly. It’s within budget. It’s running perfectly because we’ve got a perfectly good helicopter squadron and service centre and we’ve paid perfectly good Australian taxpayers’ money. There’s only one thing missing; I don’t know why you quibble about it: we haven’t got the helicopters.’

We decided to purchase 40-year-old helicopters, pulled out of the desert store because nobody else wanted them, and for which we paid a cool $1 billion of taxpayers’ money. And the minister says, ‘It’ll be completed within budget. It’s all going marvelously. The only problem is we don’t have the helicopters.’ We have a helicopter squadron, a helicopter service centre—a system that is running perfectly. The *Yes, Minister* hospital episode does come to mind—a classic *Yes, Minister* episode concerning a hospital without patients. What we have here is the Australian equivalent. We have the helicopter squadron without helicopters. We have new hangars and all sorts of things, but we do not have the helicopters. If it were not for the expenditure of $900 million of taxpayers’ money, it would be funny.

**Senator Hill**—We have got the helicopters. Go and look at them.

**Senator CHRIS EVANS**—You told me you would not take delivery of the helicopters but, if that has changed, I would be interested to see them. So $900 million of taxpayers’ money has been spent, and the minister says it is within budget. What about the opportunity cost? What could we have done with that $900 million during the last five years? What about the schools, hospitals and disability services that we could have paid for? This American contractor has had our money for the last five years while we sit and look at the beautiful squadron, beautiful hangars and beautiful service centres.

The other point I would like to refer the minister to is the Kaman calendar. I got a
copy of the 2002 Kaman calendar the other day. In January they have a photo of the New Zealand helicopters, which were bought at the same time as Australia’s helicopters and are in service. Guess what is in April? In April there is the nonexistent Australian helicopter. Why is it in April? It is an April 1st joke. The Australian helicopter: $900 million—paid for, not delivered. The Egyptians have got theirs. The New Zealanders have got theirs. We are the only ones who cannot buy a helicopter. We pay out good money but we cannot buy a helicopter. We deserve better answers as to why we have got a squadron and a service facility but we do not have helicopters. The minister might sit there and smile, but I think Australians are pretty angry about this; they want some answers. (Time expired)

Senator HILL (South Australia—Minister for Defence) (3.30 p.m.)—I want to reextend my invitation to Senator Evans to go down to Nowra to inspect the Super Seespriate helicopters. All but one of the fleet are there in their hangar being worked on in terms of, as I said in question time today, the completion of the systems and preparation for their operational roles by, in effect, about half a squadron of naval personnel. They are there for the specific purpose of ensuring that, when the full system capability is completed and they can be taken by Navy, they can become immediately operational. In fact, we are hopeful—I know senators would want to know this—that we will be able to take them at an earlier date and commence training without their full capabilities. That will depend upon the next critical assessment of the systems integration, which will take place in about March of next year.

What Senator Evans did not say is that what went wrong with this contract was basically that a major subcontractor responsible for the systems integration failed to deliver. I do not know what Senator Evans would want the government to do. I suspect he thinks we should spend years and years in the courts and give away the capability. The government were more interested in ensuring that the contract got put back in order with new subcontractors in order that the full capability would be delivered.

We recognise that it will be delivered late, which is actually not all that unusual with military contracts, but we still want the helicopters with their full capabilities, because that is what is needed to enhance the Anzac frigates. As Senator Evans knows, they will be equipped with both Penguin missiles and torpedoes, they will have state-of-the-art capabilities and, in effect, they will be new aircraft. They certainly have some parts of the original aircraft structure but they have been substantially rebuilt with all new systems, new engines and so on, which is also not unusual for procurement of military assets.

They are an aircraft that are smaller than the Seahawks. They have advantages that the Seahawks do not have. They will have armaments that the Seahawks do not have. They will be an extremely capable aircraft and Navy is still enthusiastic about the prospect of including them within the fleet. The government ensured that new subcontractors were put in place to overcome the systems problems. It renegotiated the contract so that payments now better reflect the state of development of the asset. As I said, all but one of the aircraft have been delivered to Nowra and are being worked on by the Navy squadron that has been put down there for that specific purpose.

Senator Chris Evans—Have you or have you not taken delivery of them?

Senator HILL—Navy people are working on those aircraft as we sit here in this chamber.

Senator Chris Evans—Who owns the helicopters?

Senator HILL—We have paid quite a lot of money.

Senator Chris Evans—You said you had not taken delivery of them.

Senator HILL—There are a number of formal steps that are still to be taken and the Navy is in the process of further development of the assets.

Senator Chris Evans—You said you had not taken delivery of them; now you are saying you have. Which is it?
Senator Ellison—Calm down. He is answering the question.

Senator Hill—He is having a bit of fun and I can understand that. When you are in opposition, it gets depressing and you look for any opportunity to have a laugh; and it is possible to have a laugh at a contract that has had four or five years delay—that is not a good story in itself—but what is more important is that the aircraft are delivered with full capability and meet the task for which they were designed.

Senator Chris Evans—You are obviously going to take them without full capability; that is what you are saying.

Senator Hill—The aircraft taken by New Zealand is not the same aircraft taken by Australia. The Australian aircraft has vastly improved capabilities. Yes, Australia could have taken a less capable aircraft and got it earlier, but Australia actually wanted a more capable aircraft and that is what we will be delivered. I think that the important thing is that the government has been prepared to face up to this contract, get it back in order so that it will deliver the full capability and sort out the financial aspects, which I believe had shortcomings, and the outcome can still be a good one for the defence of Australia. (Time expired)

Question agreed to.

PERSONAL EXPLANATIONS

Senator O'Brien (Tasmania) (3.35 p.m.)—I seek leave to make a personal explanation as I claim to have been misrepresented.

Leave granted.

Senator O'Brien—Yesterday the Deputy Prime Minister issued a press release in which he said a number of things, including that I and others were seeking to make political mileage out of the tragic loss of the lives of three Tasmanian fishermen. Amongst other things, he said:

... Senator O'Brien is insisting upon pushing ahead with an ill-timed Senate inquiry next month into the sinking of the fishing boat. It is nothing more than a political exercise for him—that is, me—to attack AusSAR.

As to the circumstances which surround this matter, I moved a motion, which was approved by the Senate, to refer to a committee the actions of AusSAR in the search for the missing men from the Margaret J last year. The Senate committee took a decision to defer that inquiry and, with the concurrence of the Senate, to extend the reporting time for the inquiry so that the coroner’s inquest could take place without the Senate inquiry having preceded it or running at the same time, because it was felt that there was some possible prejudice. Last Tuesday morning the Senate committee made a decision, following the coroner’s handing down of a decision in his matter, to reinitiate the inquiry. Senator Heffernan is reported in the Burnie Advocate of 28 August as saying that the committee:

... had met privately yesterday—that is, Tuesday—and would be likely to hold a hearing at a yet to be determined location in the near future.

And:

... it would be up to the committee to decide how far to take its inquiries.

Naturally, my comment was recorded as this, as reported in the minister’s press release:

It is intended from discussions I’ve had so far—including discussions with the committee’s secretariat and the chair—that hearings will commence with an examination of AusSAR.

That is a statement of fact. The fact of the matter is that in relation to the coroner’s inquest, the coroner, Mr Jones, said:

What their deaths have done is highlight deficiencies in our system of search and rescue and the need for them to be modified so that those deficiencies do not contribute to a death in the future.

Yesterdays statement by the Deputy Prime Minister sought to use the coroner’s findings to attack me, presumably to gain some tawdry advantage over Labor. Despite the minister’s responsibility for AusSAR, he did not seek to provide any sort of response to the identified deficiencies in the Commonwealth’s search and rescue effort. It took nine paragraphs for Mr Anderson to acknowledge the coroner’s findings in respect of his agency’s failings, and he did so in two dis-
missive sentences. He is the minister responsible for AusSAR and was so at the time the crew of the Margaret J lost their lives, and he is the minister now responsible for improving AusSAR’s internal performance and its relationship with state search and rescue agencies. I concur with the coroner when he says deficiencies in search and rescue management must not contribute to future loss of life. This is a serious matter, one that deserves more than a few cheap lines in a media release from the Deputy Prime Minister.

That is why I propose to pursue this matter until I am satisfied that the failings identified by the coroner are addressed, and it is obviously why the Senate Rural and Regional Affairs and Transport Legislation Committee will complete its inquiry into the role of AusSAR in relation to the search for the Margaret J. I remind the Senate that the committee comprises senators from three parties represented in this chamber and is chaired by Senator Heffernan, the senior government member on the committee. I believe all members of the committee are serious about improving the integrity of Australia’s search and rescue effort, and I wish that the Minister for Transport and Regional Services, the minister responsible for AusSAR, shared that commitment.

UNITED STATES OF AMERICA: TERRORIST ATTACKS

Senator HILL (South Australia—Minister for Defence) (3.41 p.m.)—by leave—I move:

That the Senate:

(a) affirms the imperative for all people to enjoy peace and security in their day-to-day lives;
(b) expresses its repugnance of those who employ terror and violence against innocent people;
(c) conveys to the Government and people of the United States of America the sympathy of the Government and people of Australia, on the first anniversary of the horrific terrorist attacks of September 11;
(d) extends condolences to the families and other loved ones of those Australians who lost their lives in the attacks;
(e) confirms Australia’s continued commitment to the war against terrorism;
(f) reiterates its support for the comprehensive range of enhancements to domestic counter-terrorism arrangements enacted by this Parliament; and
(g) endorses the Australian Government’s continuing efforts to improve cooperation on counter-terrorism with other governments in our region.

It was the view of the government, supported by the opposition, that it was appropriate for the parliament to today pass a motion in remembrance of September 11, 2001. It was not our intention in the Senate to enter into debate upon it, because we assumed that it would have the unanimous support of the chamber and what was important was the message it conveyed; in other words, it was not the sort of motion that required an argument to support it. That is still my view. However, an amendment has been circulated by the Australian Democrats, arguing that the last three paragraphs should be removed. In other words, the Australian Democrats are not prepared to confirm Australia’s ‘continued commitment to the war against terrorism’, are not prepared to reiterate support ‘for the comprehensive range of enhancements to domestic counter-terrorist arrangements enacted by this Parliament’ and are not prepared to endorse ‘the Australian government’s continuing efforts to improve cooperation on counter-terrorism with other governments in our region’. I have to say that I do find that response extraordinary. I know that the Australian Democrats are going through a difficult period, but that they would come in here and seek to send a different message on those three critical elements I really do find amazing. I hope that at least the position as formally put by the Australian Democrats is not supported by the sensible half of the Australian Democrats.

It is an event that changed the world. It was a horrific event, as I said. Its enormity was overwhelming. The huge loss of innocent life; the heroic rescue efforts—all those events have had a profound effect upon the international community as a whole. What has also been extraordinary is the way in which the international community has come together to respond as effectively as possible in an effort to avoid a recurrence of that event. Australia, along with other countries,
has been prepared to stand and take the risk, to contribute to the fight against those who would bring terror, and to contribute to a safer world and, therefore, to a safer Australia. I take this opportunity to commend all the Australian forces who have served, and who continue to serve, in the war against terrorism. It is unfortunately the case that we now know that the networks of terrorism have spread more widely than was appreciated a year ago, and that therefore the war to defeat terrorism will be both long and difficult. Nevertheless, it is a challenge that we have no choice but to take up in order, as I said, to provide for the safety of our people. Today we express our condolences again to the families of all those who lost their lives and recommit ourselves to the challenge of contributing to a safer world by effectively responding to this scourge until it is ultimately defeated.

Senator Faulkner (New South Wales—Leader of the Opposition in the Senate) (3.46 p.m.)—I rise to support the motion before the chair on behalf of the opposition. As I understand it, this motion is in identical form to the one that is being supported in the House of Representatives by both the Prime Minister, Mr Howard, and the Leader of the Opposition, Mr Crean. We appreciate the fact that the government has agreed to Mr Crean’s suggestion that the significance of the tragedy of September 11 be marked by parliament before the passing of the anniversary on Wednesday next week.

In our view, it is appropriate that we recall those who lost their lives in that premeditated and cowardly terrorist attack that took place on September 11. It is appropriate that we again use this opportunity to extend our sympathy to the families of the victims of that attack. It is important that we steel our determination to stand together in the fight on the war on terror because, as so many in this parliament said after that attack, it was not simply an attack on New York or the United States of America but an attack on the whole world; it was an attack on freedom and democratic values everywhere in the world.

In responding to this attack—and we say that we must respond to it—it is important, of course, that we take care not to damage the democratic freedoms that the terrorists are threatening. The opposition’s position has been clear and principled. We are determined to ensure that Australia and the international community are safeguarded from terrorism. In doing that, we note that the right balance must be struck between taking effective measures against terrorists and preserving Australia’s hard-won democratic rights and freedoms. I do not forget, and I hope no-one in this parliament and in this country forgets, that on September 11 ordinary people going about their ordinary daily lives were killed. It is appropriate that we remember them, especially the 10 Australians who were amongst those who were killed on September 11. I, too, am disappointed that this motion cannot find unanimous support in the Senate today, but I can say that on behalf of the opposition I commend the motion. I indicate to the Senate that we will be supporting it in its entirety.

Senator Greig (Western Australia) (3.50 p.m.)—I move the following amendment to the motion:

Omit paragraphs (e), (f) and (g)

In other words, the Democrats seek to delete the last three points of the broader motion and, in that context, I say the following. We Democrats agree wholeheartedly that all people should enjoy peace and security in their days and in their lives. We express our repugnance for those who employ terror and violence against innocent people and we convey our genuine sympathy to the government and people of the United States for the horrific attacks last year on September 11. These are sentiments that we have expressed both inside and outside the chamber, and we urge the Senate to support these first four points of the motion to that effect.

In moving this amendment, we are doing what we believe should happen, and that is that we should allow this motion to express our sympathies and commit to peace and, in doing so, it ought to be passed unanimously. The amendment simply asks the Senate to omit from the motion the last three points that ought not to have been included. We are very disappointed that the government has tacked onto this motion of remembrance an
endorsement of their own domestic counter-terrorist legislation, which has been and remains highly contentious, and much of which the Democrats opposed at the time.

For we Democrats, the motion as it stands now is provocative. Putting forward a motion asking us to express sympathy and at the same time to express support for legislation which the government knows full well that we have opposed places us in an invidious situation. The Security Legislation Amendment (Terrorism) Bill 2002 was opposed by us, largely because it created a proscription regime and criminalised certain activity in relation to terrorist organisations. The Suppression of the Financing of Terrorism Bill 2002 was also opposed by us. It created an offence directed at those who provide or collect funds with the intention that they be used to facilitate terrorist activities, and we expressed concern at the time about the definition of terrorism which was being used. We supported the Criminal Code Amendment (Suppression of Terrorist Bombings) Bill 2002.

We opposed the Border Security Legislation Amendment Bill 2002. That bill amends the Customs Act 1901 and four other acts to increase Customs’ powers at airports by allowing Customs officers to patrol airports, increasing restricted areas and allowing Customs officers to remove people from those areas. We argued strongly in committee, and through the committee process, why we were opposed to that. The Telecommunications Interception Legislation Amendment Bill 2002 is also highly contentious, and the government still proposes to address the issue of email, voice mail and SMS messaging to be accessed by authorities without warrant. This is highly controversial legislation and it is well known by the government that we do not and will not support that. So, while it is absolutely appropriate to express our commitment to peace, our sadness and our sympathy to the US over the attacks of September 11—that is fine—to include in that a pat on the back for the Australian government is unnecessary and in poor taste. It is the equivalent of sending a sympathy card to someone that says, ‘We’re very sorry about your loss—and, by the way, the Howard government’s doing a great job.’ The Australian Democrats support the motion in remembrance of September 11, certainly, but we oppose the inclusion of the sections endorsing the government’s actions and containing words that speak of a continued commitment to war.

Senator NETTLE (New South Wales) (3.54 p.m.)—I rise to put on the record the Greens’ support for the amendment that is currently before the chamber. The Australian Greens, as other members of this chamber have expressed themselves to be, were appalled by the events of September 11 and we wholeheartedly lend our support to the first four points of the motion put forward by the government today. We are not, however, in a position to be able to support points (e), (f) and (g) of the government’s motion. We see point (e), confirming Australia’s continued commitment to the war against terrorism, as a potential backdoor avenue for this government to support any extension of the war on terrorism that we know is currently controlled by the United States. We see this as a step backward from the government’s commitment to have public debate within this chamber about any involvement of Australian troops in any war in Iraq as part of an extension of this so-called war on terrorism.

We are also surprised that the Australian Labor Party has chosen to support point (f) of this motion which seeks to reiterate: ... support for the comprehensive range of enhancements to domestic counter-terrorist arrangements enacted by this Parliament …

We have noted recently with pleasure the comments that have come from the Australian Labor Party to say that they will be blocking the ASIO legislation when it comes before this Senate, so we are somewhat surprised to hear the Australian Labor Party supporting the comprehensive range of enhancements being proposed by this government to deal with counter-terrorism measures.

We are also unable to support point (g) of this motion, which looks to improving cooperation on counter-terrorism with other governments in the region. Clearly, we need to work with other governments in the region on a range of issues, but when we look at
pieces of legislation like Malaysia’s Internal Security Act and compare that with the antiterrorism measures that this government has put in place, we see that our own government has been prepared to go further than the Malaysian Internal Security Act. That act in fact allows people detained under it to have access to a lawyer and to have the right to silence, which are elements not contained in the government’s ASIO legislation which is yet to come before this chamber. So, whilst the Greens are able to give our wholehearted support to points (a) to (d) of this motion, and we commend the government for bringing on a motion which commemorates, and sends our condolences to the victims of, September 11, we are not in a position to be able to support the further extension of the war on terrorism or the government’s own ASIO legislation. I support the amendment that is currently before the chamber.

Senator MURRAY (Western Australia) (3.57 p.m.)—I wish to put the following on record. I regret that the government failed to properly consult with all parties about the wording of this condolence motion. I know that the government will be aware of just how contentious the civil liberties aspects of its terrorism legislation were. It is a matter of regret that the sentiments in points (a) to (d), which I am sure every senator—even those who have not spoken—supports, would be affected one way or another by a different view on the remaining points. Speaking for myself—as opposed to speaking for my party—I had hoped that my party, if they were unable to get (e), (f) and (g) excised, would have at least amended item (f). I would like to go briefly through those three points. Personally, I do not have much objection to (e). As one of the few—and I think it is a fortunate few, and, frankly, the fewer the better—people left in parliament who have experienced war, I do not like the beating of war drums. I am really nervous about it and I am nervous of the climate of warmongering, which we have addressed elsewhere. I might have quarrelled with the use of the word ‘war’—I might have asked for ‘the strong campaign against terrorism’—but I do not have much problem with (e).

I have no problem with (g). I think that that is the government’s job and the government should do its very best. But I recognise the remarks made by Senator Nettle. We should be leaders taking the moral high ground on that, and never those who might be considered to be less acquainted with civil liberties. Frankly, (f) is extremely offensive. I laud the members of the Liberal Party, the Labor Party, our own party and others in the Senate for the wonderful fight they put up to make those antiterrorism bills less offensive on the civil libertarian front. I would have preferred that item (f) was qualified to recognise that kind of approach. However, I expect this amendment to go down. I want the Senate to be aware that, in the event of the amendment being lost, I will give my full support to the full motion, because I believe that condolence and respect for what happened is greater than the points I will make about domestic politics. However, I sincerely regret the government introducing domestic politics into this motion.

Senator MURPHY (Tasmania) (4.01 p.m.)—Mr Deputy President, this is my first opportunity to congratulate you on your election to the deputy presidency, and I offer my congratulations. I also want to express my concern, as Senator Murray has, about the government’s lack of consultation on this matter. There are problems with the way this has been approached, particularly as it goes to points (e), (f) and (g), although I likewise do not have too much difficulty with (g). I am just not sure that this is the right time to propose these three points. This is a condolence motion, and it is one that we should definitely be proposing in respect of September 11. That is where it ought to have been left. In terms of confirming Australia’s continued commitment to war against terrorism, I also express concern regarding the use of the word ‘war’. I am sure that all Australians would want to express a commitment to the fight against terrorism, and I think that that is fundamentally important, but I do not believe that this is the time to be dealing with those issues.
In respect of (f), I am totally opposed to what the government has been trying to do with the ASIO bills, yet with no consultation I am being almost forced, by way of the backdoor, to support what the government is proposing. That is very difficult because I want to support the first aspects of this motion. I would have hoped that the government would have had the decency to take that into account and not try to entrap people into supporting things that they may not want to support. Frankly, the last three parts of this motion are not relevant to the motion in its real context. I hope that the government might consider this very seriously and maybe have the decency to withdraw the last three parts of the motion and let this parliament put forward a motion that is really about what it should be about. Of course, like others, I will probably have to support the motion if the government does not have the decency to withdraw the last three parts or is not prepared to accept an amendment. However, I hope that it does, because it would be the common, decent thing to do.

Senator ALLISON (Victoria) (4.04 p.m.)—I heartily concur with all of the comments made about this motion from this end of the chamber. It is disingenuous and provocative of the government to combine the motion in this way. Senator Hill accuses us of being uncooperative. I would like to put on the record the fact that this motion came through to us at one o’clock today. It was then walked around just before question time. There has been very little opportunity for us to look at it and make representation to the government to suggest changes that we would have liked to have made. Furthermore, the government and the opposition have agreed that there should not be a debate, and the government, at least, is showing some annoyance that there is one on this important issue. I find that somewhat reprehensible as well.

In this place we are accustomed to working together, and the Democrats are always prepared to be cooperative, but we do like to be asked if there is not to be a debate. It would have been quite good of the government to have told us that that was what they wished and given us an opportunity to indicate what was wrong with this motion. I recall that last year much the same kind of motion was put to us. It was an impossible choice in a condolence motion which we all very much wanted to support. I remember that debate being highly emotional and of great difficulty for people like myself who could never support a motion in this place that calls for going to war against anything or anyone. Australia is not at war, and I very much hope that it does not find itself in that position.

Does (e) confirm Australia’s continued commitment to the war in Iraq? Is that a war against terrorism? I am not quite sure. Was the war in Afghanistan a war against terrorism? I did not support that either. For that reason, there is no chance of my supporting this motion, even though I very much want to extend my condolences to the people who were so affected by the events of September 11. Again, it has been said at this end of the chamber that we were presented with a fait accompli. You should not be surprised that this end of the chamber would wish to debate a matter. It is not exactly a gag, but it is important. The government should expect us to complain when it tries to put up a motion which we can only half support. I join with my colleagues in urging the government to withdraw (e), (f) and (g). Let us have that vote separately. I think that that would be a fair and honourable way to proceed. As Senator Murphy says, (e), (f) and (g) are not relevant to (a), (b), (c) and (d). Let us deal with those two matters separately so that those of us in this chamber who want to extend our condolences and remember, 12 months on, the events of September 11, can do so.

Question put:
That the amendment (Senator Greig’s) be agreed to.

The Senate divided. [4.12 p.m.]
(The President—Senator the Hon. Paul Calvert)
Ayes…………. 9
Noes…………. 41
Majority……. 32
AYES

NOES

* denotes teller.

Question negatived.

Original question agreed to.

SUPERANNUATION: COMMERCIAL NOMINEES OF AUSTRALIA LTD

Return to Order

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.17 p.m.)—by leave—At the request of Senator Coonan, I will read a short statement from her relating to notice of motion No. 126 standing in the name of Senator Sherry, proposing an order for the production of documents relating to applications for financial assistance for superannuation funds where Commercial Nominees of Australia Ltd was trustee. The response from Senator Sherry reads:

On 2 August 2002, the government released for public consultation an issues paper titled ‘Options for Improving the Safety of Superannuation’. The paper identifies various measures that might be implemented to ensure that the prudential framework for superannuation is as effective as it should be and provides the level of safety expected for the superannuation savings of Australians.

The Superannuation Working Group was requested by cabinet to undertake the consultation process in relation to the issues paper and to report to government by the end of March 2002. The report has been received by the government and is being examined and considered. The report itself and any measures the government may propose to implement to improve prudential safety of superannuation will be considered by cabinet. At this stage, the report is clearly part of the deliberative process of government.

I accept the need for the Senate to access certain information if it is to perform its proper functions. I understand and believe in the important principles of transparent democracy and accountability. I am also aware of my responsibilities as a minister and the need to consider whether disclosure of information would be contrary to the public interest. There is a balance to be struck which properly addresses the tension between these competing principles.
Having considered these principles and responsibilities in the circumstances at hand, I have determined, on balance, that it is not in the public interest for the Superannuation Working Group report to be laid on the table at this time. However, I can inform the Senate that I expect to make the Superannuation Working Group report, as well as the government’s response, publicly available after the deliberative processes of the government are complete.

Governments of different persuasions have sought many times in this parliament, in the interest of good governance, to protect the confidentiality of documents that form part of the deliberative process of government. As former Senator Gareth Evans told this chamber in December 1993: ‘The truth of the matter is that executive governments from time immemorial have claimed some degree—not a complete degree—of immunity from scrutiny of their internal processes in order to enable decision making to take place in an orderly way, and allow communications to pass between ministers and policy issues to be addressed in a way that is not necessarily the subject of intense public scrutiny at the time that that decision making process is still under way.’ After careful consideration, I believe that it is not appropriate for the report of the Superannuation Working Group to be released at this stage, prior to its consideration by the cabinet.

The government is committed to and encourages consultation and debate. Good policy making benefits from input from those with a genuine interest in achieving good outcomes. The original issues paper was released by the government and underwent a comprehensive consultation process. Submissions to the Superannuation Working Group were also made public. When the deliberative processes of the government are complete, it is, as I said, my expectation that the report will be released. I believe my decision in this matter is consistent with the past practices of this government and the conduct of the previous Labor government.

REPORTS: GOVERNMENT RESPONSES

The reports read as follows—

GOVERNMENT RESPONSE TO THE REPORT OF THE SENATE ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS REFERENCES COMMITTEE INQUIRY INTO ABC BOARD APPOINTMENTS

The final report of the Senate Environment, Communications, Information Technology and the Arts References Committee Inquiry into ABC Board appointments, entitled Above Board? Methods of Appointment to the ABC Board was tabled on 25 September 2001.

Report by the Chair

Recommendation 1

The Chair recommends that the method of Board appointments be altered to embrace a system characterised by the principles of merit and transparency, in order to deal with the widespread public perception that appointments to the ABC Board are made on the basis of political affiliation rather than on merit alone.

Not agreed.

The process of selecting ABC Board members is in accordance with the requirements of the Australian Broadcasting Corporation Act 1983. The Government does not consider there is any compelling reason to alter it.

The ABC Act requires non-executive Directors other than the staff-elected director to be appointed by the Governor-General for a period not exceeding 5 years. Under section 12(5) of the ABC Act, a person may not be appointed to the Board:

“unless he or she appears to the Governor-General to be suitable for appointment because of having had experience in connection with the provision of broadcasting services or in communications or management, because of having expertise in financial or technical matters, or because of having cultural or other interests relevant to the oversight of a public organization engaged in the provision of broadcasting services.”

The Chair’s report fails to support the statement that there is a “widespread public perception” that ABC Board appointments are made on the basis of political affiliations. The Government notes that the majority of submissions to the inquiry were form letters from members of the Friends of the ABC and may not be representative of the wider community.
Recommendation 2
The Chair strongly recommends the retention of the staff-elected director
Agreed.
There has been no consideration of the removal of the position of staff-elected director.

Recommendation 3
The Chair recommends that appointees to the ABC Board should have a demonstrated commitment to the principles of public broadcasting.
Not agreed.
Under section 12(5) of the ABC Act, a person may not be appointed to the Board:
“unless he or she appears to the Governor-General to be suitable for appointment because of having had experience in connection with the provision of broadcasting services or in communications or management, because of having expertise in financial or technical matters, or because of having cultural or other interests relevant to the oversight of a public organization engaged in the provision of broadcasting services.”

It is not clear from the Chair’s recommendation how a “demonstrated commitment to the principles of public broadcasting” would be satisfied. The willingness to serve on the ABC Board is in itself demonstration of a commitment to public broadcasting.

Recommendation 4
The Chair recommends, in relation to the ABC National Advisory Council:
• that the Board appoint a member to perform a National Advisory Council liaison function.
• That the ABC Advisory Council shall meet four times per year at times which reflect the schedule of the ABC Board
Not agreed.
Under section 11(9) of the ABC Act, the ABC Board determines the manner in which an Advisory Council is to perform its functions and the procedure relating to meetings of that Advisory Council. Section 11(12) states that the Board must have regard to any advice received from the ABC Advisory Council (ABCAC).
The Government believes that it is appropriate for the ABC Board to determine the functions of the ABCAP as well as the manner in which communications between the Board and the ABCAC occur.

Recommendation 5
The Chair recommends that formal selection criteria be developed for positions on the ABC Board and reflect the criteria already established under the ABC Act. The selection criteria should be drafted by an independent agency such as the Public Service Merit Protection Commission.
Not agreed.
Section 12(5) of the ABC Act specifies the criteria for appointment as an ABC Board Director. The Government cannot see the benefit in having another agency draft the selection criteria, particularly when, as the recommendation states, they would be based on those already in the ABC Act.

Recommendation 6
The Chair recommends that vacancies on the ABC Board should be advertised through the national press, and through ABC services, including radio, television and online.

Recommendation 7
The Chair recommends that the Minister cannot approve the appointment of a member to the ABC Board if the person has not made a formal application.

Recommendation 8
The Chair recommends that all applicants, as part of their formal application, make clear their political affiliation.
Not agreed.
Information on the ABC Board and expiration dates of members is currently available from the ABC website. The Minister receives letters recommending potential Board members on a year-round basis and therefore is aware of a wide field of potential candidates.
The Minister seeks agreement from potential Directors to be nominated for appointment before they are recommended to the Governor-General. Requiring the Minister to approve only those who have put forward formal applications may exclude some excellent candidates.
Requiring Board members to disclose political affiliations presents a privacy issue, especially as section 12(5) of the ABC Act does not make political affiliations a relevant criterion for appointments. It is also not clear how “political affiliations” is defined nor what period of time should be covered by a disclosure. The declaration of political affiliations may have the reverse effect to that predicted by the Chair, by bringing the issue of affiliation to the fore in the consideration of any candidate for the Board and providing a basis to discriminate against candidates.
Advertising ABC Board vacancies and requiring applications would lead to a large number of applications and would require a significant commitment of resources to process and assess. The Government believes this commitment of resources to be unnecessary, considering the processes described above which are currently in place. The Minister has the option of advertising for candidates if he or she feels that there is not a sufficient pool of candidates.

**Recommendation 9**

The Chair recommends that:

- an independent selection panel shortlist applications, and forward a list of at least two candidates to the Minister, together with the candidates’ applications and declarations of political affiliation.
- the shortlist of candidates, together with a summary of their qualifications against the selection criteria and their statement of political affiliation, be public.
- the Minister should not be obliged to select any of the candidates recommended by the selection panel. However, the Minister must not select a candidate who has not first been scrutinised by the independent selection panel.

**Not agreed.**

The Government believes that this recommendation would create a cumbersome process which, as discussed in the Labor Senators’ minority report, undermines the concept of Ministerial accountability to Parliament. A number of issues surrounding this recommendation are not clear, for example the manner in which the “independent selection panel” would be convened or how privacy issues regarding the publication of candidates’ applications would be addressed.

This recommendation would implement a selection process significantly different from that for other Government bodies. There is no convincing rationale for this difference in the report.

**Recommendation 10**

The Chair recommends that:

- at the first meeting of the ABC Board every year, the Board shall elect a Chair and Deputy Chair.
- the ABC Board shall hold a public Annual General Meeting, at which all Board members shall be present.
- The ABC Board shall publish greater information in relation to their activities, including summaries of Board Minutes. This may be achieved via publication on the ABC Board website.

**Not agreed.**

The first part of this recommendation develops an unworkable and potentially damaging model for the operation of the ABC Board. The requirement for an annual election of the Chair is potentially divisive and destabilising, with no clear benefits.

The Government has committed to encouraging the ABC to be more responsive to the needs and views of its audiences, particularly in relation to content and programming matters. However, the ABC is already accountable to Parliament through its annual reports and appearances before Senate Committees and the Senate Estimates process. The Government does not consider the introduction of another layer of accountability, as outlined in the second part of the recommendation, through an annual general meeting, would enhance the transparency and accountability of the ABC beyond its current level.

The publication of ABC Board minutes, even in summary form, as suggested in the third part of the recommendation, has the potential to be damaging to the ABC. Given the ABC operates in a highly competitive broadcasting environment, commercial confidentiality is at times necessary and, in particular, in relation to commercial links with external parties.

**Recommendation 11**

This recommendation covers the legislative changes required to give effect to a model implementing the previous recommendations.

**Not agreed.**

As the Government does not support any of the recommendations made by the Chair, it does not believe there is any requirement for legislative change.

**Report by Government Senators**

The Government supports the views expressed in the Government Senators’ report. In particular the Government supports the view that the inquiry has not clearly established that there is a problem with the current approach to Board appointments, nor that there is a strong argument for differentiating the method of appointing ABC Board Directors from the approach taken for other Commonwealth agencies.

The Government also agrees with the doubts expressed by the Government Senators regarding the representative nature of most of the submissions received by the inquiry.
Report by Labor Senators
The Government notes that the Labor Senators have pointed out that it is not clear that any changes to the appointment system would remove the perceived problem of politicisation. The Government does not agree with the Labor Senators’ assertion that more investigation of options is required, as no clear case for the need for change is put forward.

The Government agrees with a number of the criticisms of the Chair’s report which are advanced by the Labor Senators, although it disagrees with the need for the establishment of selection criteria. The criteria suggested by the Labor Senators, such as “breadth of vision”, are vague and subjective and their use would not, in the Government’s opinion, enhance the selection process for ABC Board members.

Additional Comments by Senator Bob Brown, Australian Greens
Most of the recommendations in Senator Brown’s comments are dealt with above.

With respect to Senator Brown’s recommendation that the British model of appointment should be adopted to appoint ABC Board Directors, the Government notes that there continues to be criticism of the politicisation of the BBC Board. The Government does not consider that the UK model offers particular advantages to the ABC.

The Government also does not see any reason to change the current staff representation on the ABC Board.

GOVERNMENT RESPONSE TO REPORT 42 OF THE JOINT STANDING COMMITTEE ON TREATIES
“Who’s Afraid of the WTO? Australia and the World Trade Organization”

The Government thanks the Joint Standing Committee on Treaties for its consideration of Australia’s engagement with the WTO reviewed in the 42nd Report. The Report makes twenty-one recommendations relating to Australia’s interaction with the WTO. The Government response to these recommendations is provided below.

Recommendation 1
EVALUATION OF SOCIO-ECONOMIC IMPACTS OF TRADE
The Committee recommends that the Commonwealth Government commission multidisciplinary research to evaluate the socio-economic impact of trade liberalisation in Australia since the conclusion of the Uruguay Round in 1994 (paragraph 1.96).

The Government shares the Committee’s view that it is important to provide assessments of the actual results of trade liberalisation in explaining to the wider community the benefits of these policies.

As noted in the Committee’s Report, the Government has undertaken studies that demonstrate how trade generates wealth, creates employment, raises living standards, provides consumers with access to high quality products and provides business with a source of new ideas and innovation. Those analyses have, for example, estimated the proportion of jobs in Australia as a whole, and in regional areas, that depend on trade; and demonstrated that exporting firms on average afford their employees significantly better wages and conditions than non-exporting firms.

The Government will continue to explore ways of undertaking such evaluations to enable the public to make better informed assessments of the benefits of trade and the impact of trade liberalisation. As part of this effort, ABARE and other relevant Government agencies will continue to use their economic modelling tools to analyse trade liberalisation initiatives, including sector specific initiatives such as agricultural trade reform.

However, it should be noted that retrospective quantitative analyses isolating the total economic impact of trade liberalisation over a given period would be a complex matter. To attempt to differentiate the impact of trade liberalisation since 1994 from other factors, such as currency movements, ongoing structural reforms to the Australian economy and the Asian economic crisis would be both difficult and expensive. This notwithstanding, the overall consensus of most studies is that removing trade barriers globally, including in Australia, lifts living standards and delivers gains for Australia and the world economy. This conclusion holds across a wide range of assumptions about national economic behaviour and model types.

Recommendation 2
STRUCTURAL ADJUSTMENT
The Committee recommends that prior to entering any future WTO commitments, the Commonwealth Government assess whether structural adjustment measures are available and appropriate to alleviate any adverse socio-economic impacts of such actions (paragraph 1.115).

Structural adjustment considerations are a key part of the Government’s economic and employment policies. In addition, industry consultations are an important element of the Government’s approach to trade negotiations and the implica-
tions on Australian industry of any new WTO commitments would be fully taken into account in establishing negotiating objectives. In this context, the need for any structural assistance measures would be fully assessed by the Government.

Changes flowing from multilateral trade negotiations, such as phased tariff reductions, are by their nature unlikely to lead to rapid adjustment consequences. Changes have generally occurred over a period of time, allowing industry adjustment to take place gradually rather than rapidly and unexpectedly. Also, it is important to consider the net benefits from trade agreements in terms of increased access to export markets that may offset any negative impacts on particular sectors.

It should also be noted that, in recognition of the fact that increased trade liberalisation necessitates economic change, WTO rules do not limit a government’s capacity to provide genuine structural adjustment support.

The Government has introduced sector specific programs to assist with structural adjustment associated with tariff reductions and other changes to border protection. The $750 million Post-2000 Assistance Package for the Textile Clothing and Footwear (TCF) industry, for example, is aimed at increasing the international competitiveness of Australia’s TCF industry and includes support for restructuring activities in TCF-dependent regional communities. In agriculture also, Australia provides structural adjustment assistance. Such programs include Farmbis, Farm Help (formerly the Farm Family Restart Program) and the Dairy Industry Adjustment Package (DIAP). One program within the DIAP is the Dairy Regional Adjustment Programme (Dairy RAP), which assists dairy-dependent communities by supporting business investment and community infrastructure development.

More broadly, the government addresses labour market disadvantage through funding Job Network, a network of community, private and public providers which deliver employment services in Australia in areas such as job matching, job-search training, intensive assistance for the most disadvantaged unemployed, and the New Enterprise Incentive Scheme. The Government also funds a number of other general labour market and regional assistance programs which assist the unemployed and other disadvantaged people, including Work for the Dole projects, Community Development Employment Projects and the Regional Assistance Programme.

**Recommendation 3**
COMMUNITY INFORMATION

The Committee recommends that the Minister for Trade review all existing Commonwealth Government community information programs about international trade to ensure that the facts of trade liberalisation and the World Trade Organisation are addressed in a coordinated and well-targeted manner. Specifically, the Minister should:

- ensure that such programs present consistent messages across the whole of government;
- ensure that such programs are delivered in a way that reaches their target audiences;
- work with State and Territory governments and industry groups to develop complementary programs and to maximise the impact and reach of such programs; and
- encourage industry sectors to undertake their own education programs in coordination with government trade information initiatives (paragraph 2.83).

The Department of Foreign Affairs and Trade (DFAT) has been assessing ways of enhancing coordination of information activities on international trade, and to improving the targeting of messages. An important step in this direction has been the establishment in the Department’s Trade Development Division of a new Trade Advocacy and Outreach Section to strengthen and sharpen the focus of the Government’s promotion of the benefits of trade to the Australian community. The Minister for Trade announced the creation of this new unit on 29 November 2001 as one of a number of measures to strengthen and sharpen the resources dedicated to trade policy within DFAT. The Trade Advocacy and Outreach Section will address the issues raised in the recommendation and report to the Minister on further steps to enhance community information programs.

The Government already consults extensively with State and Territory governments and with industry groups on promoting the benefits of trade. Enhanced cooperation in this area has been discussed both in the National Trade Consultations and at meetings of the Trade Policy Advisory Council. The Government will continue to develop information programs cooperatively with State and Territory governments and with business.

**Recommendation 4**
AUDIT OF INTERNET SITE

The Committee recommends that the Minister for Trade ensure that the Department of Foreign Affairs and Trade undertake an audit of its WTO
internet site, with a view to improving access to information about the benefits of trade liberalisation, the role of the WTO system, dispute cases, and ongoing negotiations (paragraph 2.91).

These recommendations are consistent with recent changes already implemented by the DFAT. The Department undertook a thorough audit and updating of the trade related information on the DFAT website in the first half of 2001. The trade material was enhanced and revamped through the design of a new ‘trade portal’, which has made the site considerably easier to access. The portal provides a single entry point on trade issues from the website’s home page. It arranges material according to integrated and readily comprehensible themes (e.g. country, industry sector, issue). The section on the WTO, explaining its role as well as the state of negotiations and dispute cases, has also been streamlined. There is a wide array of material on the benefits of trade liberalisation under the section on trade policy and the benefits of trade, including a sub-section on trade and regional Australia.

Recommendation 5
COMMUNITY REPRESENTATION AT WTO MINISTERIAL MEETINGS
The Committee recommends that the Commonwealth Government invite NGO members of the WTO Advisory Group to participate as community representatives on the official Australian delegation to the WTO Ministerial Meeting in Doha in November 2001 (paragraph 2.118).

Prior to the release of the Committee’s report, the Minister for Trade, Mr Vaile, extended an invitation to all WTO Advisory Group members to join Australia’s official delegation for Doha in June 2001. In response to Mr Vaile’s invitation, the following members attended: Ms Maureen Barron, Chair, Australian Film Commission; Mr Mitchell Hooke, Chief Executive, Australian Food and Grocery Council; Mrs Cathy McGowan, Australian Women in Agriculture; Mr Mark Paterson, Chief Executive, Australian Chamber of Commerce and Industry (ACCI); Mr Leigh Purnell, Executive Director, Australian Industry Group (AIG); and Mr Jim Redden, Policy Director, Australian Council for Overseas Aid (ACFOA).

Recommendation 6
PARLIAMENTARY SCRUTINY
The Committee recommends that the Commonwealth Government propose the establishment of a Parliamentary Joint Standing Committee on Trade Liberalisation to monitor and review the impact of trade agreements on Australia, opportunities for trade expansion, and trade negotiation positions developed by the Government (paragraph 2.129).

While it is a matter for the Parliament to decide what Committees it wishes to establish, the Government is not convinced that the establishment of a separate Parliamentary Joint Standing Committee on Trade Liberalisation is necessary. The Joint Standing Committee on Foreign Affairs, Defence and Trade and its Trade Sub-Committee already has a mandate to review and examine developments in the international trade environment and Australia’s trade policies. The Government would welcome increased scrutiny by the JSCFADT of its trade policy priorities, including the WTO.

It should also be noted that the Minister for Trade reports annually to Parliament on trade policy through the Trade Objectives and Outcomes Statement (TOOS). The Statement presents a comprehensive account of the Government’s trade efforts affecting all markets and sectors over the past year and its objectives for the coming year. This includes its approach to new trade agreements and initiatives, opportunities for trade expansion, and trade negotiation positions developed by the Government. The Government would welcome more discussion in Parliament, including by relevant Committees, of the policies and programs outlined in the Statement.

Recommendation 7
ANNUAL REVIEW OF WTO POLICY
The Committee recommends that the proposed Joint Standing Committee on Trade Liberalisation undertake an annual review of Australia’s WTO policy, including negotiating positions, current or proposed dispute cases, compliance, and structural adjustment (paragraph 2.130).

The same considerations would apply as for recommendation 6. The Government would welcome regular debate on and scrutiny of Australia’s policy towards the WTO either by the JSCFADT or otherwise in Parliament, but does not believe creation of a separate Committee is necessary for this purpose.

Recommendation 8
OFFICE OF TRADE ADVOCATE
The Committee recommends that an Office of Trade Advocate be established within the portfolio of Foreign Affairs and Trade. The Office of Trade Advocate should have responsibility for:

• community education programs about trade liberalisation and the WTO;
• supporting the development of proposed WTO negotiating positions, including
consultation with Sectoral Advisory Committees (recommendation 9);

- management of Australia’s participation in WTO dispute cases, including the use of private sector legal practitioners where appropriate (recommendation 10);
- promoting access for small and medium-sized Australian industries to the Government’s WTO disputes enquiry point;
- consultation mechanisms with State/Territory governments (recommendation 16); and
- assessment of new structural adjustment and other industry assistance programs to ensure their compliance with WTO Agreements (paragraph 2.181).

DFAT recently strengthened and restructured the resources within the Department dedicated to trade policy and negotiations. The measures announced by the Minister for Trade, Mr Vaile, on 29 November 2001, noted above in response to Recommendation 3, included the establishment of an Office of Trade Negotiations with responsibility for all aspects of Australia’s trade negotiations including the recently launched round of WTO multilateral trade negotiations and bilateral trade initiatives such as the ongoing free trade agreement negotiations with Singapore.

This initiative is in line with broader efforts to strengthen overall staff resources devoted to trade policy work in the Department, which have been boosted by 27 per cent over the last three years. The consolidation of strengthened staff resources in an integrated Office of Trade Negotiations with responsibility for the full range of Australia’s trade negotiating agenda will increase the effectiveness of Australia’s work in this important area. The number of senior level negotiators in Canberra and Geneva has also been boosted substantially.

The Office of Trade Negotiations will also continue to pursue vigorously Australia’s trade rights through the WTO dispute settlement system. DFAT strengthened its capacity to handle dispute settlement activity through the creation of a WTO Trade Law Branch at the beginning of 2001. The WTO Trade Law Branch is part of the new Office of Trade Negotiations.

The WTO Trade Law Branch, and the Department more generally, engage very actively in dialogue with exporters and industry groups to ensure they are aware of their WTO rights as well as the full range of WTO issues. For example, Meat and Livestock Australia—which was closely involved in both the US/lamb and ROK/beef disputes in the WTO—endorsed the Department’s approach of creating and leading task forces for the management of disputes as an effective way of bringing together the specialised WTO expertise of the Department with the market knowledge of the industry to advance Australian interests. The WTO Trade Law Branch will also continue to seek to raise awareness among small and medium-sized enterprises of the opportunity they have to access WTO remedies for market access difficulties. The Department is examining ways to make the WTO disputes enquiry point more accessible to SMEs, and will continue to highlight that there are no fees for officials’ services when accessing the enquiry point.

The Minister for Trade also announced on 29 November 2001 the establishment of the Trade Development Division within DFAT. This division will be responsible for Australia’s regional trade strategy through APEC, the development of a closer economic partnership with ASEAN, trade finance and economic issues, and the development of new bilateral and regional trade initiatives such as the recently commenced scoping study on a free trade agreement with Thailand. As noted in response to Recommendation 3, Trade Development Division will include the new Trade Advocacy and Outreach Section, which will strengthen and sharpen the focus of the Government’s promotion of the benefits of trade to the Australian community, including community education programs about trade liberalisation and the WTO.

Both the Office of Trade Negotiations and Trade Development Division will be closely involved in consultative mechanisms with the States and Territories and with industry groups. This includes the Trade Policy Advisory Committee, the National Trade Consultations and the WTO Advisory Group. In addition, the Government will be seeking to enhance consultative mechanisms with specific industry sectors that have an interest in the WTO or bilateral trade negotiations.

In addition to the trade policy work undertaken by the Office of Trade Negotiations and the Trade Development Division, the Department’s four geographic divisions and global network of overseas posts will continue to place a high priority on trade policy issues including pursuing vigorously bilateral market access initiatives on behalf of Australian business.

**Recommendation 9**

**SECTORAL ADVISORY COMMITTEES**

The Committee recommends that the Minister for Trade establish a series of sectoral advisory committees on multilateral trade, to include
representatives from all major Australian exporting industries.

The committees should also provide for consultations with representatives of environment, labour, human rights and community groups, when such issues are material to their deliberations.

The sectoral advisory committees should meet at least biannually and prepare reports to the Trade Minister on sectoral priorities for Australia's trade policy, WTO negotiations and issues of WTO compliance (paragraph 2.226). The Government recognises that, now a new WTO Round has been agreed, enhanced consultation with industry, other community groups and State Governments is a key priority. Active consideration is being given to the most appropriate structure. As noted in response to Recommendation 8, the Government will be seeking to enhance consultative mechanisms with specific industry sectors that have an interest in the WTO or bilateral trade negotiations. Some of these mechanisms are already in place (e.g. with respect to agriculture), and the Government will be engaging with the relevant sectoral bodies to examine whether or how to strengthen existing consultative processes. There may be a need to establish new bodies for other sectors, now that the WTO round is under way. Such consultative bodies will perform the role of sectoral advisory committees of the kind outlined in the Committee’s recommendation.

As noted above, the Government already has a range of formal and informal consultation channels on WTO-related issues, notably the Trade Policy Advisory Council, the Agricultural Trade Consultative Group and the WTO Advisory Group. The latter includes representatives from industry, community NGOs, academics and the union movement, and is the peak industry/NGO consultative body on WTO-related matters. Its role in providing the Government with expert advice on Australia’s interests relevant to the WTO will take on new importance during the course of a round. DFAT also conducts separate regular consultations with NGO groups interested in trade issues. The National Trade Consultations also provide an opportunity for industry and States/Territories to put forward views on trade policy priorities.

The Senior Executive of DFAT also holds regular meetings with heads of industry associations to discuss trade policy issues. The Department’s Market Access Facilitators provide another channel for close contact with exporting industries.

Austrade also consults broadly with representatives from key industry sectors through its Export Advisory Panels (EAP). The Panels have provided guidance and advice to key industry players on the strategic approaches Austrade has adopted to assist Australian companies pursue international business in their industry sectors. At present there are five panels covering the industry sectors of agribusiness, automotive, ICT, infrastructure and mining.

The officials-level Standing Committee on Treaties (SCOT) provides an additional mechanism for regular Commonwealth-State consultations on trade issues.

**Recommendation 10**

**EXPERT LEGAL PANELS**

The Committee recommends that the Minister for Trade establish a WTO advisory panel of legal advisers with trade expertise from the private profession and from academia. The legal advisory panel would:

- provide advice about the WTO compliance of domestic policies and programs, associated risks and in relation to breaches and possible dispute actions by Member countries; and
- constitute a panel of legal experts in trade issues upon which the Government can draw to supplement and augment the resources of Commonwealth agencies, when required (paragraph 2.227).

The Department believes the establishment of a separate advisory panel, with the range of functions proposed by the Committee, would have a number of limitations. First, and particularly in relation to compliance issues, there is a need to avoid potential conflicts of interest and confidentiality issues, including at Cabinet and commercial level. Advice on compliance typically requires a considerable amount of detail to be provided on, for example, the financial and other aspects of specific projects in order to assess fully the WTO implications, and this requires strict confidentiality provisions.

A second, and related, point is that the provision of WTO legal advice is an ongoing process and one that is often carried out within very tight timeframes. It could be both expensive and time-consuming to have such matters referred to an external panel for consideration. In the compliance area, for example, advice is often provided in parallel with the development of a specific program or project over a lengthy period of time. The Department encourages this approach to ensure that WTO issues are addressed as part of the program/project design. The involvement of a panel of legal experts in such cases could inhibit
this process and divert Departmental resources away from core functions.

A third issue concerns the importance of ensuring that trade law services are provided within a broader policy context. A feature of the current arrangements is the integration of legal advice with policy advice and recommendations. This reflects the reality of the trade law field, including Australia’s broader policy objectives in the WTO. But the main aim in this approach is to ensure that advice to Ministers reflects fully Australia’s national interests. It would appear unlikely that an advisory panel of the kind proposed would be able to present a similar national interest perspective.

Finally, the expert panel proposal appears to have arisen in part from a perception that the Commonwealth’s trade law resources need to be augmented. This fails to recognise fully the expansion in the resources dedicated to WTO legal work in DFAT. As outlined in Recommendation 8, DFAT established the WTO Trade Law Branch at the beginning of 2001 to strengthen the Department’s legal capacity with regard to WTO dispute settlement and compliance. The WTO Trade Law Branch draws on the assistance of a wide range of agencies depending on the subject matter. That includes policy and technical expertise from agencies such as Agriculture, Fisheries and Forestry Australia and the Australian Customs Service. In addition, advice is also sought from the Attorney-General’s Department on international legal issues.

In general, the Department is supportive of other agencies, companies or industry groups engaging external WTO legal expertise and will maintain its existing practice of working with such advisers to achieve outcomes that are in Australia’s overall national interest. The Department also keeps open the possibility of seeking external legal advice on a case-by-case basis.

Recommendation 11

LEGAL PROFESSIONAL PARTICIPATION

The Committee recommends that Minister for Trade examine the feasibility of a secondment program between private practice lawyers and the Department of Foreign Affairs and Trade.

The secondment program should allow at least two lawyers from private practice to spend a period of rotation in DFAT, and conversely for two DFAT officials to spend a period of rotation in private legal practice; in order to broaden their understanding of the operations of the dispute settlement system and the demand for private sector advice on WTO compliance and risk management (paragraph 2.228).

These recommendations are consistent with current practice. DFAT supports the objective of broadening and deepening understanding of the WTO dispute settlement system in the private sector. A lawyer from a private legal firm was seconded to the WTO Trade Law Branch for a short term assignment in 2001 and a DFAT officer will take up a secondment with a legal firm in 2002. The Department is looking at the possibility of further secondments.

Recommendation 12

AGRICULTURE

The Committee recommends that the Commonwealth Government take a leadership role, acting with like-minded countries, to advance agricultural trade reform through the Cairns Group and with developing countries, to push for a new negotiating round in the WTO and to seek improved market access opportunities for Australia’s agriculture and food industries (paragraph 2.273).

These recommendations are consistent with current policy practice. Australia’s leadership of the Cairns Group contributed in no small measure to the ambitious mandate on agriculture in the Ministerial Declaration agreed at the WTO Ministerial Conference in Doha. This was an excellent result for Australia. The Government fully intends that Australia continues its leadership role and expand and enhance its outreach activities with like-minded and developing countries.

The Doha Declaration committed WTO Members to ambitious negotiations in the three key areas of agricultural reform: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. Throughout the meeting in Doha, the Cairns Group, chaired by Trade Minister Vaile, performed strongly and cohesively in pushing for the inclusion of these negotiating objectives. We have worked closely with key developing countries, including Egypt, India, Pakistan and Kenya, to highlight the benefits of agricultural trade reform by conducting and participating in regional seminars, inviting influential Ministers to Cairns Group meetings and supporting our overseas missions in outreach activities. The Cairns Group also worked closely with the United States in the lead-up to Doha and US Trade Representative Zoellick and Secretary of Agriculture Veneman attended the Cairns Group Ministerial meeting in Uruguay in October 2001.

In addition to negotiating stronger rules for agricultural trade through the agriculture negotiations, the recent WTO accession negotiations for China
and Taiwan will provide new market access opportunities for Australia’s agriculture and food industries. The Government will continue to pursue market access opportunities bilaterally and through the negotiations of free trade agreements and trade and investment facilitation agreements currently under consideration.

Recommendation 13
DISPUTE SETTLEMENT UNDERSTANDING

The Committee recommends that the Commonwealth Government take a proactive role in review of the Dispute Settlement Understanding, in particular:

• to advocate a more responsive timeframe for compliance and enforcement; and
• to identify opportunities for more effective use of the mediation and conciliation provided in Article 5 of the Dispute Settlement Understanding to assist with appropriate and timely compliance with rulings (paragraph 2.293).

These recommendations are consistent with current practice. Australia is taking an active role in the review of the Dispute Settlement Understanding (DSU). The main issues relate to the authorisation, exercise and surveillance of retaliation rights and compliance. What constitutes a reasonable timeframe for compliance and enforcement will vary according to circumstances. Problems with timeframes frequently relate less to the implementation period than to the duration of the litigation period.

Australia has an interest in ensuring that timeframes for the conduct of dispute proceedings and for implementation are fair and equitable. It should be noted that in some instances, reductions in procedural timeframes for litigation could disadvantage Australian companies with an interest in a particular dispute, for example if such proposals were to deny rights of appeal or limit Australia’s capacity to pursue its interests in a case effectively. At the same time, shorter timeframes for resolution are possible if the parties to a dispute agree on a basis for settlement.

Australia supports bilateral resolution as the most expeditious means of dispute resolution. Wherever feasible, the Government will continue to seek a mutually acceptable resolution to complaints as an alternative to legally adjudicated processes in the WTO. The Government is also ready to consider the arbitration alternatives of the DSU, such as those of Article 5 and 25. Recourse to such alternatives, however, requires agreement between the parties to a dispute, which may not always be forthcoming.

Recommendation 14
QUARANTINE

The Committee recommends that the Commonwealth Government, in consultation with State and Territory governments and the community:

• develop written policy guidelines and operational procedures that describe Australia’s ‘Appropriate Level of Protection’ for quarantine; and
• that the guidelines involve benchmarks for determination of environmental factors and the application of the Precautionary Principle (paragraph 2.326).

The current Biosecurity Australia Guidelines for Import Risk Analysis provide a practical approach for AFFA officers, risk analysts and stakeholders to the application of risk management against Australia’s Appropriate Level of Protection (ALOP). This is done using a risk estimation matrix which has been adapted from the Australia-New Zealand Standard on risk management.

Although Australia’s existing ALOP statement has been confirmed by a WTO dispute settlement panel as being sufficiently detailed to meet our obligations under the SPS Agreement, the Commonwealth is examining with the State and Territory Governments the possibility of developing a more detailed statement on ALOP.

The Government believes, however, that there is no need to refer to the precautionary principle when describing Australia’s ALOP which already incorporates a cautious and highly conservative approach. The recommendation, and the discussion in the Report, does not take into account the difference between exercising precaution (as reflected in Australia’s ALOP) and invoking the precautionary principle.

Separately, the Commonwealth’s Environment Protection and Biodiversity Conservation Act and its associated regulations and administration already include guidelines on the application of the precautionary principle. Biosecurity Australia and Environment Australia work together to ensure that protection of the environment is appropriately addressed in animal and plant import risk analyses, including through shared assessments of weediness and pest potential. These issues were also the subject of considerable discussion in relation to the risk assessments undertaken by the Gene Technology Regulator (who issues licences for all uses of GMOs).
Recommendation 15
WTO COMPLIANCE
The Committee recommends that the Minister for Trade (in consultation with other relevant Ministers) devise a WTO compliance checklist to be used by all Ministers and their officials when developing new industry support programs (paragraph 2.356).

This recommendation is consistent with current practice. DFAT has provided, and makes readily available, an outline of current WTO rules relating to subsidies and investment incentives. This outline provides details on measures that would be inconsistent with WTO obligations. It also provides guidance on WTO jurisprudence and the types of factors that are typically examined by WTO dispute settlement panels in determining whether industry support measures constitute prohibited subsidies. DFAT also conducts seminars tailored to deal with issues relating to subsidies, investment incentives and other compliance issues.

Recommendation 16
COMMONWEALTH/STATE CONSULTATIONS
The Committee recommends that the Minister for Trade ensure that the Department of Foreign Affairs and Trade places a high priority on consulting with State and Territory Governments on trade related matters. The relationship between the Commonwealth and State governments should involve:
• regular, at least annual, ministerial level meetings;
• inclusion of State and Territory representatives on WTO consultation taskforces, where special understanding or expertise can be brought to bear; and
• inclusion of State and Territory representatives on official WTO delegations, where special understanding or expertise can be brought to bear and where there is a willingness on the part of the State or Territory governments to recognise over-riding international obligations (paragraph 2.370).

The high priority the Government places on consulting with State/Territory Governments is reflected by existing regular consultation on trade matters, principally through the National Trade Consultation process, where Ministers meet annually and senior officials meet twice yearly inter-essionally, as well as through ongoing bilateral discussions on specific issues. State/Territory Government representatives had the opportunity to put forward views on the WTO during consultations held in capital cities in June/July 2001. Some State/Territory agencies have established inter-departmental committees to coordinate exchanges with the Commonwealth on WTO-related issues. As part of its Parliamentary obligations, the Government consults with State/Territory Governments in preparing responses to all Parliamentary Committees, including the Joint Standing Committee on Treaties.

DFAT proposes to continue its practice of including State/Territory government representatives on WTO dispute task forces, if requested. In WTO disputes involving a complaint against a State/Territory measure, the Department would also continue to invite State/Territory government representative/s to join the official delegation to WTO dispute hearings.

The Government will examine the merits of including State and Territory representatives on official WTO delegations, in cases where special understanding or expertise can be brought to bear, and where meeting arrangements make this practical.

Recommendation 17
TRADE, ENVIRONMENT AND MULTILATERAL ENVIRONMENT AGREEMENTS
The Committee recommends that the Commonwealth Government use its position on the WTO Committee on Trade and Environment (CTE) to urge the CTE to bring forward clear proposals for resolution of the issue of potential conflicts in obligations under different multilateral agreements (paragraph 3.110).

WTO Ministers agreed at Doha to negotiations on the relationship between WTO rules and specific trade obligations in multilateral environment agreements (MEAs). Ministers also agreed to negotiate on procedures for regular information exchange between MEA Secretariats and relevant WTO committees. Australia will be participating in these negotiations with a view to supporting practical measures for advancing trade and environmental policy priorities, while guarding against outcomes that could lead to trade protectionist measures.

The question of the coherence between the provisions of MEAs and WTO obligations is a complex one. The exceptions language in the GATT/WTO (Article XX of GATT 1994), which applies to environmental measures, has been interpreted by a number of dispute settlement panels and the Appellate Body. Overall, the WTO dispute settlement system has shown itself capable of taking into account appropriate environmental concerns.
Recommendation 18
REGIONAL TRADE AGREEMENTS
The Committee recommends that the Commonwealth Government ensure that Australia continues to actively participate on the WTO Committee on Regional Trade Agreements, and pursue Regional Trade Agreements that will result in enhanced market access and broader economic gains for Australia if those benefits cannot be advanced expeditiously through other mechanisms (paragraph 3.134).

These recommendations are consistent with current policy. The Government will continue to participate actively in the WTO’s Committee on Regional Trade Agreements (CRTA). The CRTA has a key role to play in ensuring the transparency of regional trade agreements (RTAs) and promoting their strict adherence to WTO rules. This function is likely to grow in importance with the proliferation of RTAs around the world and it is in Australia’s interest that the potential for trade diversion arising from these agreements be kept to a minimum. The Government welcomes the decision taken by WTO Ministers in Doha to undertake negotiations aimed at clarifying and improving disciplines and procedures under the WTO rules on RTAs. The Government will take an active part in these negotiations.

The Government also agrees with the Committee’s recommendation that Australia pursue RTAs that result in better market access for Australia. The Government pursues an integrated multilateral, regional and bilateral approach to trade policy and it is the Government’s policy to consider RTAs if they would deliver substantial gains to Australia that could not be achieved in a similar timeframe by other means. Furthermore, the Government believes that RTAs that are comprehensive in scope and coverage can complement our wider multilateral objectives. Consistent with this policy, the Government is currently pursuing a number of regional trade initiatives including negotiations with Singapore for an FTA, a joint scoping study on a possible FTA with Thailand, a possible FTA with the US, continuing work on a Closer Economic Partnership between AFTA and CER, and separate initiatives with Korea and Japan to strengthen economic relations.

Recommendation 19
DEVELOPING COUNTRIES
The Committee recommends that the Commonwealth Government through its membership of the Cairns Group identify barriers to participation of developing countries in the WTO, and develop strategies as appropriate to assist developing countries to make full use of the WTO and the DSU to further their trading interests (paragraph 3.178).

This recommendation is consistent with current policy. Australia, as chair of the Cairns Group, has been leading the Group’s outreach activities to developing countries. The Cairns Group, 14 members of which are developing countries, has assisted other developing countries enhance their participation in the WTO agriculture negotiations, and further their trading interests through the agricultural reform agenda. This has been done through technical assistance, seminars and information-sharing.

Australia is also active in discussions within the WTO to ensure that the needs of developing countries are adequately addressed and is involved in a range of initiatives providing technical assistance and capacity building to developing countries to support their participation in the WTO and to gain benefits from trade. In 2000-01, Australia provided approximately $A25 million in trade-related technical assistance for developing countries.

In addition, Australia has taken a leading role in APEC on WTO capacity building, most notably through the development of programs designed to increase the ability of APEC developing economy members to participate in WTO negotiations.

Recommendation 20
ASIA-PACIFIC WTO CENTRE
The Committee recommends that at the Doha WTO Ministerial Meeting, and at future WTO meetings, the Commonwealth Government advocate the establishment of an Asia-Pacific Regional Centre of the WTO.

The Asia-Pacific Regional Centre would serve as a venue for WTO negotiations and dispute hearings, and as a training centre for developing countries within the region to build their capacity for WTO advocacy (paragraph 3.182).

The Government does not perceive a need for a separate Asia-Pacific regional centre for the WTO. WTO Member countries in the Asia/Pacific region have been active participants in the WTO dispute settlement system since its establishment in 1995. These countries have not shown any unwillingness to participate in disputes because of the need to travel to Geneva. Creation of a separate WTO regional centre could also duplicate a substantial range of training and capacity building programs to assist developing countries provided through APEC and bilateral and multilateral aid programs, including through Asia-Pacific Economic Cooperation (APEC), the Association of South East Asian Nations...
(ASEAN) and the Commonwealth Trade and Investment Access Facility (TIAF).

In response to the needs of developing countries, and particularly non-resident members, the WTO has enhanced the design and delivery of its technical assistance and capacity building programs. At the 4th Ministerial Conference, members also agreed to develop work programs to examine issues relating to the trade of small economies. Economic and technical cooperation activities in APEC also assist members address structural, policy and administrative bottlenecks and establish the conditions for growth and development. For example, through the APEC Support Program, Australia has supported small, high-impact activities by Australian Government departments and statutory authorities aimed at enhancing developing member economy participation in APEC. An example of country specific activities is the training Australia has provided for Chinese officials, focusing on APEC issues and international policy on trade and investment liberalisation and facilitation, and economic cooperation.

Through the ASEAN-Australia Development Cooperation Program, Australia is assisting the ASEAN Secretariat provide regional economic policy advice to ASEAN members and supported a workshop on competition policy for ASEAN countries to enhance operational capacity in competition policy development and implementation, and explore the viability of a regional resource centre on competition policy.

Through the Commonwealth Trade and Investment Access Facility, Commonwealth countries are being assisted to identify and manage the potential economic and social impacts of trade and investment liberalisation and participate in the WTO and other key international trade and investment agreements.

A separate WTO regional centre would seem to provide little additional benefit. The Government would prefer to see additional funds used for expanded technical capacity building managed through the WTO in Geneva.

Recommendation 21

HUMAN RIGHTS AND LABOUR ISSUES

The Committee recommends that the Commonwealth Government continue to seek support to establish a forum outside the World Trade Organisation to discuss means to promote core labour standards, comprising key international organisations including the WTO, the International Labour Organisation, the World Bank and the United Nations (paragraph 3.202).

Australia has consistently supported the International Labour Organisation (ILO) as the pre-eminent international body to promote labour standards. In that regard, it has indicated broad support for an ILO proposal for the formation of a World Commission of Eminent Persons, under the aegis of the UN Secretary-General, which would prepare a major report on the social dimensions of globalisation with a view to setting out appropriate policies.

The recent Doha Ministerial Declaration reaffirmed the declaration made at the WTO Singapore Ministerial Conference regarding internationally recognised core labour standards, and took note of work underway in the International Labour Organisation on the social dimension of globalisation.

Senator CHERRY (Queensland) (4.23 p.m.)—by leave—I move:

That the Senate take note of the document.

I seek leave to speak on the government’s response to the report of the Senate Environment, Communications, Information Technology and the Arts References Committee inquiry into ABC board appointments, entitled Above Board? Methods of appointment to the ABC board.

Leave granted.

Senator CHERRY—The minister’s response to the Senate committee report on methods of appointments to the ABC board is as disappointing as it is late. This committee reported in September last year and it has taken the minister a year to decide to reject all of its recommendations for change. The Democrats initiated this inquiry into ABC board appointments because of the serious concern about the politicisation of ABC board appointments. During Labor’s 13 years in office, they made 26 board appointments, which included a former Labor Premier, a former disendorsed Liberal senator and minister, four trade union activists, four advisers to Labor governments and the Labor Party’s former party pollster. These appointments were so blatant that the then shadow minister, one Senator Alston, in 1994 said:

That will come as a great disappointment to all those who are looking to the government to take this opportunity to make appointments to the board on the basis of merit and to boost the community standing and reputation of the ABC ... This blatant board stacking exercise endangers the independence and integrity of the ABC and
has the potential to do grave danger to Australia’s international reputation.

My, how things change. The ABC’s historian, Professor Ken Ingliss, has told this committee:

Most of the directors appointed since the Howard government took office have been formally or informally identifiable as supporters of the Coalition. In the narrow sense of party political appointments of people known to be close or sympathetic to the government of the day, I think there is more of that now than there has been at any time between 1983 and 1995.

It is worth noting that the current ABC board includes Michael Kroger, a former Victorian Liberal president; Ross McLean, a former Liberal federal MP; Donald McDonald, a friend of the Prime Minister; Judith Sloan, a long-time conservative adviser to Liberal governments; and Leith Boully, a former Country Liberal Party member. Until recently, its managing director was a former Young Liberals president, Jonathan Shier. In anyone’s language it is hard to describe such a board as ‘genuine and impartial’, to use Senator Alston’s 1994 benchmark.

The committee chair’s report made some excellent recommendations to overcome the bias inherent in ABC appointments. It recommends that board appointments be based on merit and transparency, that directors be expected to have a commitment to public broadcasting, that formal selection criteria be developed, that vacancies be advertised, that an independent selection panel shortlist applicants, that political affiliations be declared and that the chair be elected by the board rather than be appointed by the minister. This package of reforms broadly follows a practice put in place by the British government.

Unbelievably, the minister has rejected all of these recommendations, arguing that it would create a ‘cumbersome process’ and that ‘there is no compelling reason to alter it’. Yes, I agree: it will be a more cumbersome process than a minister getting on the phone to some Liberal Party hack and offering an ABC board sinecure. But it will be a better process. Yes, of course, the minister would see no compelling reason to change the process when he has done more than any other minister in history to stack the ABC board with political mates. This government has also, remember, cut the ABC’s funding by $55 million. It attacks its independence at every opportunity and it stacks its board with mates just to make sure.

Where does Labor stand in all this? Senator Bishop’s report saw merit in selection criteria and the advertising of vacancies, he called for further investigation into the merits of alternative processes for selecting appointments and he called for an increase of funding as ‘the most important means of ensuring the independence of the ABC’. More recently in May, shadow minister Lindsay Tanner said, ‘Labor will be exploring means of improving the ABC board appointments process to end the appointment of political stooges to the ABC board.’ Let us hope that, unlike Senator Alston, Labor’s spokesman carries that commitment into government. The ABC is an Australian institution and it needs the best possible leaders to fulfil its role impartially and in the public interest. The Democrats will continue to agitate for an ABC that represents all of us, not just the Liberal Party’s chosen few.

Senator LUDWIG (Queensland) (4.27 p.m.)—I seek leave to continue my remarks later in relation to the government’s response to the Environment, Communications, Information Technology and the Arts References Committee report entitled Above Board? Methods of appointment to the ABC board.

Leave granted.

Senator LUDWIG (Queensland) (4.27 p.m.)—by leave—I move:

That the Senate take note of the document.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Appropriations and Staffing Committee Report

The ACTING DEPUTY PRESIDENT (Senator Mclucas) (4.27 p.m.)—I present the annual report for 2001-02 of the Standing Committee on Appropriations and Staffing.

Ordered that the report be printed.
**DOCUMENTS**

*Work of Committees*

**The ACTING DEPUTY PRESIDENT (Senator McLucas)** (4.27 p.m.)—I present *Work of Committees* for the period 1 January to 30 June 2002 and consolidated statistics for 1 July 2001 to 30 June 2002.

Ordered that the document be printed.

**Auditor-General's Reports**

**Report No. 6 of 2002-03**

**The ACTING DEPUTY PRESIDENT (Senator McLucas)** (4.28 p.m.)—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 6 of 2002-03—Performance Audit—Fraud control arrangements in the Department of Veterans' Affairs.

**Senator LUDWIG** (Queensland) (4.29 p.m.)—by leave—I move:

That the Senate take note of the document.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**COMMITTEES**

*Legal and Constitutional Legislation Committee*

**Additional Information**

**Senator TROETH** (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.30 p.m.)—On behalf of the Minister for Justice and Customs, I table standing operating procedures in accordance with an undertaking given by Customs at the Senate Legal and Constitutional Legislation Committee hearing in respect of the Border Security Legislation Amendment Bill 2002.

**Public Accounts and Audit Committee**

**Report**

**Senator WATSON** (Tasmania) (4.30 p.m.)—On behalf of the Joint Committee of Public Accounts and Audit, I present the 390th report of the committee on the review of Auditor-General’s reports 2001-02: first, second and third quarters. I seek leave to move a motion in relation to the report.

Leave granted.

**Senator WATSON**—I move:

That the Senate take note of the report.

I seek leave to incorporate my tabling statement in *Hansard*.

Leave granted.

*The statement read as follows—*

Mr President, on behalf of the Chairman of the Joint Committee of Public Accounts and Audit, I present the Committee's Report No. 390—Administrative of Taxation Rulings, Commonwealth Estate Property Sales, Administration of the Federation Fund Program, and Personnel Security—Management of Security Clearances. This is our Review of Auditor-General’s Reports for the first, second and third quarters of 2001–2002. Of the 38 audit reports reviewed, the Committee selected four for further examination.

Mr President, the Committee held a public hearing on Friday, 31 May 2002 to discuss these ANAO Reports with the relevant Commonwealth agencies. I will briefly discuss issues in each of the selected reports in turn.

Audit Report No. 3 focused on the operation of the Australian Taxation Office’s (ATO) administration of taxation rulings. The audit found that the processes for the production of public rulings of high technical quality operated effectively overall but the collection, analysis and use of performance information could be enhanced in some areas. The audit also noted that the administrative processes for private rulings had operated poorly in many respects.

The Committee acknowledges the complex taxation matters dealt with and the rigorous review and approval processes employed by the ATO in issuing its public rulings. The Committee encourages the ATO to continue to improve its processes to enhance the clarity and content of public rulings.

The Committee considers that the ATO will have to monitor and assess the effectiveness and efficiency of procedures it has implemented to control the production of Private Binding Rulings and to ensure their quality.

Audit Report No 4 focussed on the sale of nine properties in seven case studies, with a total value of $619 m, and considered whether the property sale represented value for money to the Commonwealth.

While the Committee accepts that the differing views of the ANAO and DOFA as to the effectiveness of the properties sale are derived from differing policy perspectives on the matter, greater attention should have been paid to providing the Government with ongoing advice about the hurdle rate, especially as the economic
factors were changing rapidly. In addition, DOFA should be considering the whole-of-life costs and benefits for each property to ensure that the Commonwealth achieves best value for money and actions taken are in its best interests.

The Committee endorses the audit suggestion that sale management better practices identified in Audit Report No. 4 should be applied to future Commonwealth property sales, including the forthcoming scheduled major sales at CSIRO and in the Defence portfolio.

When examining ANAO’s Report No. 30, 1999-2000 Examination of the Federation Cultural and Heritage Projects Program, the Committee made two recommendations regarding grant programs. In particular the Committee recommended that all applicants, successful or otherwise, should be notified of the decision as soon as possible in writing and that those who were unsuccessful should be advised of relevant appeal processes and provided with guidance for improving subsequent applications.

The Committee was therefore concerned to find, when reviewing Audit Report No. 11, Administration of the Federation Fund Program, 2001-2002, that the time gap between decisions and announcements in the Major Projects program varied markedly. Having reviewed the audit report and considered the evidence presented, the Committee believes that the Federation Fund program would have been better managed from the start if a Commonwealth agency had been formally assigned a coordinating role and given monitoring responsibilities before actual applications were sought. Such coordination would have facilitated better sharing of experience and expertise across administering departments for the Federation Fund program.

Audit Report No 22 reviewed a number of agencies to determine whether organisations were managing security clearance and vetting processes effectively and efficiently and in accordance with Commonwealth policy and the Protective Security Manual (PSM) 2000.

The audit found considerable scope for improvement. All but one of the organisations reviewed had a large number of security clearances overdue for review; few organisations had an up-to-date protective security risk management assessment and none had effectively integrated risk assessments into personnel security arrangements. The audit also found that effective information management systems were not in place to support personnel security in some organisations, and in most organisations, insufficient resources were allocated to the personnel security function to maintain new clearance requirements as well as clearance reviews.

The Committee recommends that all agencies allocate the resources necessary to bring their security clearance processes in line with the requirements of the Protective Security Manual, and that all agencies make the necessary changes to the Human Resource Management Information System to support management reporting in relation to security clearances and appropriate access to security clearance information.

May I conclude, Mr President, by thanking on behalf of the Committee, the witnesses who contributed their time and expertise to the Committee’s review process.

I am also indebted to my colleagues on the Committee who have dedicated their time and effort to reviewing these Auditor-General’s reports. As well, I would like to thank the members of the secretariat who were involved in the inquiries.

Mr President, I commend the Report to the Senate.

Question agreed to.

Membership

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

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.31 p.m.)—by leave—I move:

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

Community Affairs Legislation Committee—
Participating members: Senators Buckland and Collins

Foreign Affairs, Defence and Trade References Committee—
Substitute member: Senator Bartlett to replace Senator Ridgeway for the committee’s inquiry into materiel acquisition and management in Defence

Senators’ Interests—Standing Committee—
Appointed: Senator Reid
Discharged: Senator Barnett.

Question agreed to.
Senator FORSHA W
(New South Wales)
(4.31 p.m.)—At the request of Senator Evans, I move:

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.

I have read the motion that was originally put on notice by Senator Evans in full because it details the very serious problems that are currently facing the health industry in this country with regard to the decline in the level of bulk-billing. This issue has been raised by the opposition on a number of occasions in question time this week.

We are aware that the Minister for Health and Ageing has been provided with the figures for the June 2002 quarter in relation to the level of bulk-billing of GP services. We understand that the minister has indeed had that information for some time. The minister has not taken any steps at all prior to question time this week, or indeed during this week’s sitting of the parliament, to publicly release those figures. The minister has not taken any opportunity—opportunities that have been given to her on a number of occasions in question time in this Senate—to make a statement about what is happening with bulk-billing in this country. Of course, we ask: why not? Why hasn’t the minister been prepared to go public, either through this parliament or in the public arena through the media, with a media release or a press conference? Why hasn’t the minister been prepared to tell the people the facts about bulk-billing?

There are two possibilities. The first possibility is that she is not, or has not been, aware of what has been happening with bulk-billing rates. The second possibility is that she has been aware, or she has now become aware during the last couple of days, since the opposition has been able to raise this in question time, but is so ashamed of what those figures will reveal that she does not have the courage to take the step publicly of releasing those figures and commenting upon them.

Let me deal with the first scenario—that is, the minister has not been aware of the situation. In question time on Tuesday of this week, Senator Patterson was asked specific questions as to whether or not she had seen the bulk-billing statistics for the June quarter of this year. Further, she was asked why they still had not been released. Senator Patterson, in what has become her standard approach to answering questions in question time, refused to answer the question. She stood up in this chamber and waffled on about the health industry, Medicare and bulk-billing—but she never answered the specific questions as to whether she had seen the figures, which apparently were in her office, and as to why she had not released them. When you read in the Hansard the minister’s answers to the questions we asked on Tuesday, you can only come to the conclusion that at that stage she really was not sure whether or not she had seen the figures. She frankly either did not know or could not remember.

In answer to a subsequent question which she was asked on Tuesday during question time, the minister stated that the figures would be released at the end of this month. In her answer she said that the figures come
from the Health Insurance Commission about six weeks after the end of the quarter, but in the June quarter—presumably because it is the end of the financial year—it may take up to eight weeks and therefore the figures are going to come out at the end of this month. The end of this month is this Saturday.

So, in the period between the first questions, which were asked of the minister by Senator Collins, and the second questions, which were asked by Senator Crossin, the minister must have suddenly remembered something or obtained some advice from her office or department because she was able to at least try to provide some information to the Senate about what had happened to these figures. But, of course, she did not specifically answer the question as to whether she had seen the figures. I will quote what the minister actually said in answer to the supplementary question from Senator Crossin on Tuesday, who asked:

Can the minister confirm that she has seen the June figures?

Senator Patterson replied:

Senator Crossin would not know—and most probably will never know ...

I interpose here to say that this is the sort of smear and insult that you get from the minister when she cannot answer a question: she attacks the person asking the question. She went on:

... the amount of material that comes into a minister’s office. I cannot tell her every single brief that has come in. I am not going to mislead parliament and say that I have not seen those figures yet, but I believe that I have not seen those figures or that minute.

Here is a minister who does not know what is going on in her own office; she does not know what papers are going across her desk. As she said, she did not want to mislead parliament, and she earns a tick for that—of course she should never mislead the parliament—but she said she could not say whether she had seen the figures or not. She said ‘I believe that I have not seen those figures’.

On the next day, Wednesday, further questions were asked of Senator Patterson. By this time she had had 24 hours to try and get her act together and no doubt, correctly assuming that she would get some further questions on this very important issue, she had tried to do a bit of homework. On Wednesday, in answer to questions about this issue, she ran the line that she did not think it was really her role to release the figures. Her response was that those figures are collected by the Health Insurance Commission and they may be provided to her as the minister—obviously they have to be provided to her as the minister; it just goes without saying, as it is part of the responsibility of the minister and part of the obligation of the Health Insurance Commission. The minister’s attitude was that she might get the figures but all she had to do was just note them and have a look at them. On the previous day, she did not know whether she had actually seen them or not or whether she had had a look at them, but by Wednesday she was saying that her role as minister is to just note them and that it is really up to the Health Insurance Commission to release the figures at some point in time.

But then she had a brain explosion. She tried to go on the offensive and attacked me in response to a speech that I had made following question time on Tuesday. She was no doubt thinking that the best form of defence, particularly when you cannot defend yourself, is to try and go on the attack. I will quote directly from Hansard the minister’s response to specific questions from Senator Crossin as to why the minister had not released the figures:

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.

So she quoted me, and she went on to say:

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.

What sort of irrational response is this from a minister of the government in this important area of health? She attacked me and asked if I had been in her office. She does not know!
Of course the minister does not know. I can assure the minister I have not been in her office. I cannot get into her office because former Minister Wooldridge is probably in her office sitting at her desk and using her computer! This is a minister who did not know that the disgraced former Minister for Health and Aged Care, Michael Wooldridge, who took a retainer from an organisation that he tried to give money to just before he finished his stint as minister for health in the parliament, had been accessing her office and accessing his own emails in the minister’s office.

The one thing that was true about the minister’s response was that she does not know what is going on her office. The people of this country know what is going on with Medicare and bulk-billing, and they know that the government is trying by stealth to implement the strategy that it has always had, which is to undermine Medicare. As I stated in my speech the other day, it was the current Prime Minister who, back in 1987 when he was in the opposition, said:

We will be proposing changes to Medicare which amount to its de facto dismantling ... we’ll pull it right apart.

And I emphasis the words ‘de facto dismantling’, because that is what is happening. This is an under-the-table attempt to undermine and destroy Medicare. John Howard in 1987 also said:

The second thing we’ll do is get rid of the bulk-billing system. It’s an absolute rort.

What an attitude! The current Prime Minister, Mr Howard, the Liberal Party and the National Party woke up one day, after having lost a few elections, to the fact that Medicare is well liked by the Australian community and that they will never vote for a political party that sets out to destroy it. So when the Liberal Party and the National Party finally got desperate enough they ditched their opposition to Medicare—at least publicly. They said, ‘We understand the people support Medicare, so we will now support Medicare.’ I am not sure whether they ever said, ‘We will never, ever get rid of Medicare,’ but they certainly made it clear to the people that they supported Medicare. But since they achieved office in 1996 their policies have led to the decline of bulk-billing and to a threat to the public health system in this country, particularly to Medicare.

Bulk-billing is a central part of Medicare. It is fundamental to it, and it is overwhelmingly supported by Australians. When Labor introduced Medicare in 1984 the percentage of bulk-billing by GPs started in the low 50s. Over time, as doctors came to appreciate that patients supported the bulk-billing system, the proportion of GP services which were bulk-billed increased steadily. However, since 1996 it has become harder for a person in the community to see a bulk-billing doctor and it has become more expensive for individual Australians and their families to see a doctor who does not bulk-bill. The rate of bulk-billing by GPs peaked at more than 80 per cent around the time the Howard government came to office. Under Labor, when it was first introduced in 1983 by the Hawke government, bulk-billing had gone from around 50 per cent initially through to around 80 per cent. Currently, 74.5 per cent of GP services are bulk-billed. That is a decline of six percentage points, and it is trending downwards.

In some electorates there have been substantial declines in bulk-billing, particularly in the last couple of years. At the same time, we have a huge increase in the average copayment for a person visiting a GP. It has increased from $8.32 in 1996 to $11.80 today. That is an increase of 41.8 per cent. In recent times, due to the crisis in indemnity health insurance, GPs’ and doctors’ fees have gone up substantially. Because of the way the bulk-billing system works, until the scheduled fee is increased the Medicare rebate does not increase. So the copayment that has to be paid by a patient visiting a doctor who does not bulk-bill is getting higher and higher. This is affecting many families—families on low incomes and particularly families in rural and regional Australia—and it is a double whammy, because not only are the numbers of doctors who are prepared to bulk-bill decreasing but also the costs that people have to pay to GPs are increasing.

As I said earlier, the two options were either that the minister did not know what
these figures were or that the minister did know what these figures were but was too ashamed to release them. It could be both. It does not really matter, because what is clear is that the minister is incompetent. I guarantee that if these figures had shown an increase in bulk-billing this minister would have been out there taking every opportunity to claim that the government’s health policies were working. Minister Patterson would have been out there like former Minister Herron—who I notice is in the chamber today, probably to make his final speech—trying to claim credit for some increase in bulk-billing. But of course it has not occurred. It is trending the other way. So the minister has taken the step of shutting up and hoping that nobody would notice the problem.

The government has done nothing about trying to deal with the problem of the reduction in bulk-billing and the increase in GP costs. At the same time, they have thrown $2 billion into the private health insurance industry to try and increase the level of private health insurance. Minister Herron will probably get up and claim credit for that. Day after day we had to listen to those speeches, and we did see a small increase in private health insurance. But it has come at a massive financial cost: $2 billion through the rebate for private health insurance. It has not stopped the private health insurance premiums going up, and as they go up the level of the rebate goes up. The dollar figure goes up because it is a fixed 30 per cent. This does not happen with bulk-billing. It is about time this government focused back on public health, focused back on endeavouring to support Medicare, support bulk-billing, and focused on doing something to address this crisis. This minister will not; it is about time the Prime Minister appointed a minister who will.

Senator Herron (Queensland) (4.51 p.m.)—Madam Acting Deputy President, you will forgive me if I have a case of deja vu in the sense that when I was on the other side of the chamber I delivered a speech almost identical to that of Senator Forshaw—I think I was 12 years younger and about the same age as Senator Forshaw might be now.

Senator Forshaw—It was a great speech.

Senator Herron—He gave me an in because he said, ‘It was a great speech.’ Madam Acting Deputy President, that leads me to read from my speech for a few minutes, if you will allow me to indulge myself. On that occasion in September 1990, this was part of what I said:

With increasing community demands and static government spending, standards must decline. The result is a public hospital system that is overcrowded and underfunded, while resources in private hospitals are under-used. Waiting lists for elective surgery—particularly in Victoria and New South Wales—have lengthened dramatically. On top of this, many privately insured patients occupy public beds. In 1989 privately insured patients occupied 25 per cent of the total acute patient bed days in public hospitals. Inevitably, this has affected all public hospital patients and those waiting to be public hospital patients.

Under Medicare, health insurance has become a luxury. Rates have rocketed and tax concessions have gone. Immediately before the introduction of Medicare, 61.5 per cent of the population had private health insurance. In March last year—that is of course 1989—it was only 45.8 per cent—a drop of 30 per cent in the proportion of the population holding health insurance. Today—that is 1990—only 30 per cent of our people in Queensland have private insurance.

……

We have a worrying set of new problems. The first is Australia’s ageing population. Well, I am testament to that. One hundred years ago the population was one million with an average age of 20. Today—that is 1990—it is 17 million, with an average age of 31. In 10 years time—which is now of course—it will be 20 million, with an average age of 36. By the year 2000 it is estimated that two in every seven Australians will be over the age of 50. We now have the greying of Australia. We have the ‘whiting’, I suppose. Two-thirds of health expenditure is on the over 60s; one-quarter of health expenditure is directed towards the 3.8 per cent of the population aged 75
and over. Even without these changes, the cost of national health care will escalate dramatically.

Secondly, we must appreciate the continuing impact of changes in medical technology. Just as members of this Senate have experienced in their own lifetimes the significant advances in communication, television, computers, facsimile machines and satellites, we in medicine have seen even more dramatic advances—computerised tomography (CT) x-ray, ultrasound scanning, magnetic resonance imaging, renal, liver and cardiac transplantation, ear implants, joint and lens replacement and coronary artery surgery, to name but a few.

And this I found prophetic:

Genetic engineering is on track for the future. While the increase in life expectancy has primarily come from the virtual elimination of infectious diseases and alteration in lifestyle, there is no doubt that the quality of life has been enormously enhanced by these procedures. The effect on health care expenditure has been dramatic. The use of ultrasound and CT scanning has doubled every two years. In 1983 there were 75 CT units in Australia. Today there are 230. That was in 1990. I checked the figures today and, in 2002, there are approximately 400 CT units and 120 MRI scanners in Australia. So the prophecy has come true.

As I mentioned, 12 years ago I gave a similar sort of speech to Senator Forshaw's. What has happened? Let us look at what has happened in the intervening six years that we have been in government. We have improved Medicare. I was sorry to hear Senator Forshaw talk about former Minister Wooldridge, because there will be one great monument to Michael Wooldridge—the increase in the immunisation rate of Australia's children. In 1995, 53 per cent of Australia's children were fully immunised, and it is now over 90 per cent. The increase was entirely due to the direct action of Michael Wooldridge. It was an incredible thing for him to do because it was achieved at his own urging. I pay tribute to him. It will be a memorial to him, whatever else might have occurred.

That rate of immunisation occurred due to the inaction of the former Labor government. They were talking this rhetoric about figures and numbers without understanding what was occurring on the ground, without having a real appreciation of what was more important than talking about bulk-billing and Medicare, but I will come to that in a moment. I want to continue, so I will revert to my speech and read out, in response to Senator Forshaw, a final point that I want to speak about this afternoon. I said then:

... the continuing cost burden of pharmaceuticals must be addressed. The high price of some of the life saving wonder drugs of the 1940s led Australian governments of both political parties to develop schemes to provide free or subsidised drugs. The pharmaceutical benefits scheme (PBS) was the final version. In 1982 total expenditure was $688m. In 1990-91 it is estimated that the cost will exceed $1.5 billion ...

If we could only see what has occurred since then. I said then:

The recent Budget announcements do not address the long-term consequences of these cost increases.

We then had six long years of Labor's inactivity. What was Labor's record in that six years? It failed to deliver meaningful solutions to rural health. It allowed a decline in rural health services and an exodus of GPs from rural and regional Australia. Labor failed to immunise Australia's children, as I mentioned, and that immunisation rate of 53 per cent was well below that of China, Algeria, Laos and Vietnam under Labor. What a record. You cannot be proud of that, Senator Forshaw. Labor failed to adequately fund the public hospital system. In its 13 years in government, there were these long public hospital lists that I alluded to—an ever-increasing pressure on the Medicare system.

Labor failed to improve Indigenous health, which is one of the things that I helped Michael Wooldridge tackle. In 1996, the National Aboriginal Health Strategy had collapsed and the health of Indigenous Australians was poorer than it had been in 1983. I am not blaming the Labor Party for that; I would not pretend that it was entirely due to that. I see Senator McLucas is here, and she is aware of the fact that it is something that has been taken up by Noel Pearson and, I understand, Patrick Dodson and Peter Yu. The symbolism of all that stuff is not doing anything about Aboriginal health. Until Aboriginal people understand that they must stop smoking, that they must stop drinking to excess and that they must exercise, we will not
see fundamental improvements. Those three Indigenous leaders that I mentioned are recognising that too, rather than talking about other things.

I think it was Noel Pearson who said, ‘Genocide is occurring today in the Aboriginal people because of the social consequences of the past.’ I do not disagree with that. Back in 1996, when I went to over 300 communities and asked what was occurring there, before I even tackled anything, I enunciated what the Aboriginal people in the communities were telling me—not the people who were living off the cause rather than for it. It is interesting that what has now become the cry from the Aboriginal communities themselves by these so-called leaders was not recognised at the time. I recall—and I am sorry for waxing lyrical about this—when I went to the first ATSIC board meeting and asked them what they were doing about family violence. It was not called ‘domestic violence’ in Aboriginal communities: it was ‘family violence’ because it affected the uncles and the aunties and the grandparents as well. The response from the ATSIC board of commissioners was, ‘What family violence?’ I just found that incredible. I pointed out to them that at that time I was actually treating, at the Mater Hospital in Brisbane where we looked after the Aboriginal people of Brisbane, three women in one ward who had been smashed up, one who was later murdered and another who died on the operating table—and I was told that it did not exist.

But that is behind us, and I am pleased to see that the issue is now being taken up and addressed by the community leaders themselves. I am pleased to tell you that this Friday night, in Brisbane, Bonnie Robertson—who has had no recognition from any other group in the Australian community—will be awarded the inaugural Bennelong Society Medal for her contribution to bringing to the forefront the status of violence against women in Aboriginal communities in her groundbreaking report, and we will be awarding certificates of appreciation from the Bennelong Society to the 42 women who contributed to that report.

**Senator McLucas**—And are you funding them to come down from Cape York Peninsula? You should be.

**Senator Herron**—They have received no recognition, Senator McLucas, from the Queensland state government. They have received no recognition, and if there is one thing Aboriginal people appreciate it is recognition.

I revert now to the private health system. As I mentioned before, for the 13 years that Labor was in government, 65 per cent of Australians were covered by private health insurance. By March 1996, this proportion had plummeted to below 34 per cent, even though former health minister Graham Richardson had warned in 1993 that, if private coverage fell below 40 per cent, the entire health system would be in danger of collapsing. In Labor’s last five years in office, private health insurance premiums were increasing by an average of eight per cent per year.

The decline in private health insurance coverage placed unsustainable pressures on the public system and, if left to continue, would have required the building of two large hospitals each year solely to cope with the increase in public demand. Following the introduction of Medicare in 1984, Labor increased the Medicare levy in December 1985, again in July 1993 and once again in 1995. The Medicare levy increases achieved little for the health care system, as Australians moved away from the private sector to the public system, placing an increasing burden on the public hospitals.

We have improved Medicare, immunised Australia’s children, substantially increased funding to the states for public hospitals and taken the pressure off the system by restoring the balance through our initiatives in private health care—and we have given people choice. We have given people a choice to access the public hospital system or, alternatively, the private health care system, which is now affordable. When we were elected in 1996, we took measures that are still coming to fruition and, despite their success, we will maintain our vigilance and continue our hard work to ensure, for example, that our children are protected against other life-
threatening but preventable diseases. We are delivering on our commitment to strengthen Medicare.

Importantly, we are increasing funding to the public hospital system, and under the current Australian health care agreements with the states and territories we are investing another $32 billion in public hospitals over five years—an increase on Labor's previous agreement of 28 per cent, or a massive $7 billion. A cornerstone of our commitment to Medicare has been restoring the balance to our health care system—and we were obviously left with a broken system. Labor's ideological and senseless opposition to private health care—and they are still voicing that rhetoric against private health care—put Medicare and our public hospital system under extreme and unsustainable pressures. I will now refer to the statements about bulk-billing—as if that is going to make an enormous difference one way or the other!

Senator Forshaw interjecting—

Senator HERRON—Senator Forshaw must be aware that chanting a mantra about the percentage of bulk-billing is not going to affect things on the ground. Has he factored into the question of bulk-billing the increased cost of medical indemnity insurance? Has he factored that into the cost of running a medical practice? No—it was not even mentioned.

Senator Forshaw—I did mention it; that's a lie.

Senator HERRON—Mr Acting Deputy President, I withdraw. Senator Forshaw has accused me of lying. I have not done that, and I apologise to him if he did mention that. I may have been absent from the chamber when he did so.

Senator Forshaw—No; you were there.

Senator HERRON—Perhaps I was not listening. The bulk-billing rates have fluctuated from time to time, and I would like to detail the government's performance not only in relation to Medicare but also in relation to bulk-billing. Going back to 1995, the last full year of the Labor government, $5.7 billion was spent on Medicare services. The most recent data shows that over $7.3 billion has been invested in Medicare by this government.

In the last full year of the Labor government, only 188 million Medicare services were provided. The most recent data shows that 214 million Medicare services were provided—14 per cent more Medicare services provided to Australians each year under the coalition. Commonwealth expenditure on general practice—including Medicare rebates, the Practice Incentive Program and general practice immunisation incentives—will have increased by around 24 per cent in the four years leading up to and including 2002-03. In 1998-99 it was $2.554 billion; in 2002-03 it will be an estimated $3.174 billion, which equals a $620 million, or 24 per cent, increase.

I want to mention the emphasis that we place on the important matter of bulk-billing performance and put it in perspective. In the December 1995 quarter, under Labor, the national bulk-bill rate was 70.9 per cent. In the March 2002 quarter, under this government, the national bulk-bill rate was 70.5 per cent—a drop of 0.4 per cent. That is hardly a dramatic fall, and this is the rhetoric we are getting—as if the end of the world were nigh because we have had a drop of 0.4 per cent.

The opposition are attempting to say that this government has a secret agenda to demolish Medicare, and I suggest that they compare the facts before they speak any further. I urge the opposition to start coming up with ideas on the way forward, rather than being locked in the rhetoric of the past. That was the rhetoric that was used 12 years ago—by me, I admit, from the other side of the chamber. The Labor Party have not changed in 12 years. They have no ideas; they are chanting the mantra of bulk-billing—there has been a drop of 0.4 per cent—and they are still locked into that. The opposition made assertions, for example, that Senator Patterson's office and I were deliberately withholding information and that the June quarter Medicare performance statistics had been sitting on the desk for weeks. There must be little pixies in the health department feeding this misinformation to the opposition.
Senator Forshaw—Pixies? They’re leprechauns, mate!

Senator Herron—Maybe there are leprechauns over there in the Health Insurance Commission; who is to know. The reality is that the standard schedule of the quarterly data is released on the Health Insurance Commission’s web site and is in the department’s publication six weeks after the conclusion of the period. Similarly, the end of the financial year figures are released eight weeks after the conclusion of the period of the June quarter Medicare performance statistics. Senator Patterson, in fact, does receive a minute asking her to note the current data, and she has not received it.

Suddenly this becomes a matter of national importance. We spent a whole period of time in the Senate discussing matters of total unimportance but now, I suppose, the opposition have to talk about health care because they have nothing else to talk about. They have no policies and no ideas for the future on coping with the dramatic ageing of the population and the pressures of the cost of infrastructure. Whereas, on our side of politics, I would like to report that we are improving the focus on the very basics, which is preventative health care, particularly in the Indigenous community. Do we hear anything from the opposition in relation to the provision of doctors in the work force? They had 13 years to do something about this, and what did they do?

Senator Kemp—A wasted 13 years.

Senator Herron—A wasted 13 years. Primarily they did not understand the basics of health care. It was all ideological in the sense of talking about Medicare. I pay tribute to the originators.

Senator Forshaw—Who introduced Medicare?

Senator Herron—The bureaucrats brought it in, if you really want to know. In fact that is what stimulated me. Perhaps I will end on this note: in my maiden speech, if you look at it, you will see that the originator of Medicare at that time, as I said, was grazing on the Elysian fields of Yarralumla. Nay—not ‘neigh’ because he was learning to ride a horse at the time—he was enjoying the fruits of his devotion to the Labor Party by occupying a high office of the Crown at the time. He was the one behind it.

Senator Forshaw—You’d better start reading Robbie Burns!

Senator Herron—Scotton and Deeble are the ones I am referring to. They introduced Medicare, based on the Canadian system. That is where it came from. You did not have an original wit in the Labor Party to invent something yourselves. The Labor Party brought it from Canada, took all the worse aspects of the Canadian system and then introduced it to Australia—and we are still cleaning up the mess. It will take further years to clean up because of the dramatic changes that are occurring in the population.

(Time expired)

Senator Greig (Western Australia) (5.12 p.m.)—I note, Senator Herron, that this is one of your last speeches, if not your last speech. I understand, if I am not mistaken, that you gave your formal last speech recently. I was not able to attend; I apologise. I therefore take the opportunity to extend to you my acknowledgment of your many years of contribution to the parliament and my very best wishes to you on your new posting. I had the opportunity to meet Bob Halverson about a year and a half ago in Ireland, while on a parliamentary delegation, and I am sure you will enjoy the job as much as he does.

The Democrats are also keen to contribute to a discussion on bulk-billing and Medicare. We are increasingly concerned about the decline in the rate of bulk-billing under the current government. The Minister for Health and Ageing has acknowledged that the June quarter figures from the Health Insurance Commission show that the number of doctors who will bulk-bill continues to fall. At the same time, we are seeing a steady increase in the average copayment or cost to patient of a visit to a doctor. This cost has gone up 40 per cent since 1996. It is becoming harder to find a bulk-billing doctor and more expensive to see a doctor who does not bulk-bill. Doctors are moving out of areas where there are high numbers of disadvantaged patients.
General practitioners play a vital coordination and primary care role in Australia’s health care system. The current fee payment systems do not reward coordinated and continuing care or encourage high quality care for complex patients. GPs who practise in remote communities and in disadvantaged urban areas often face increased demands without adequate financial recognition. We Democrats believe that as a priority GPs should be adequately rewarded for their coordination work.

Why is it that fewer and fewer doctors are prepared to bulk-bill? The Medicare rebate simply is not high enough. The relative value study undertaken by the AMA and the Department of Health and Ageing in 2000 showed that clearly. As more and more doctors give up on bulk-billing, because they are not sufficiently remunerated for their long hours and responsibility, more and more patients will head to the hospital accident and emergency departments. Bulk-billing is a valuable part of an effective public health system and is one of the best ways of guaranteeing access to health care for everyone in a community. This downward trend in the rate of bulk-billing looks disturbingly like further evidence of the government’s inability or disinclination to support Medicare.

Before the 1996 election, John Howard said that he was fully committed to Medicare, including bulk-billing. However, in the intervening years various actions by his government suggest that it is moving away from a commitment to what has been regarded as one of the best public health systems in the world. Although the government continues to express support for Medicare, it is slowly moving away from the Medicare system as it was originally conceived. Instead of putting extra resources into solving the problems of the public health system, the government has put a massive amount of money, some $2.5 billion a year, into subsidising private health insurance—despite its demonstrated inefficiencies and poor value.

International experience has shown that health systems which rely predominantly on publicly funded service provision are generally more cost-effective and equitable. Public and private health systems should be complementary, with public hospitals providing a wider range of services and the private medical sector providing the majority of out-of-hospital medical services. Australia has a mixed system, but the government appears determined to shift us closer to a publicly funded private provision model. Reliance on private health insurance will not achieve the universal access and equity which should be cornerstones of our health system.

The private health insurance rebate costs taxpayers some $2 billion a year. Much of that money ends up in the pockets of the insured or of shareholders in private health funds, not anywhere near the health system. Health funds are the real winners under this system, not those most in need of improved, more appropriate and more timely health care. We must cap and means test the rebate as a high priority, and divert this money directly into the health system to address the areas of real need. While affluent Australians can get treatment within days in the private system, more and more ordinary wage earners, often with very serious conditions, wait for months for urgent appointments and treatment in the public system. Increasing pressure on both federal and state governments to minimise taxes and public expenditure is leading to pressure to reduce spending on health and to change the nature of Medicare. Increasingly it is being seen as a safety net rather than a universal health insurance system. There are calls for means testing in public hospitals, for the choice of opting out of the Medicare levy for those with private health insurance, and for lowering the income threshold above which those without private health insurance pay the extra Medicare levy. These calls are based on the notion of Medicare as a safety net.

Criticisms of Medicare undermine public confidence in the health care system. We need a well-informed public debate about the state of our current system and about what action is needed to address its weaknesses. Stephen Leeder, a former President of the Public Health Association of Australia, and Dean of the Faculty of Medicine at the University of Sydney, stated:
The centre of Medicare has always been the provision of effective care for those who need it irrespective of their capacity to pay. If we lose that plot, contemplating instead how we might sell sickness to profit-makers or list it on the stock exchange, we can bid good-bye to equity in health care. This, in turn, would be a serious threat to Australia’s standing as a civil society.

The Australian Democrats believe that Australia deserves an equitable, efficient and high-quality health care system. We are committed to working towards this goal. We are committed to strengthening Medicare and to restoring access and equity to our health care system. We have always actively promoted the principles of fairness and equity in health care and done what we could within this chamber to ensure that those in the most need were the first to benefit from our health system.

Senator McLUCAS (Queensland) (5.19 p.m.)—I would also like at the outset to acknowledge the contribution made by Senator Herron to the Senate, the Parliament of Australia and the people of Queensland, and pass on my best wishes to him and his family for his future. But I have to say that, from Senator Herron’s contribution, it is clear that Senator Herron is Liberal to the end. His contribution underlines fundamental philosophical differences between Labor, with our focus on equity and access to health services, and the Liberals’ approach. It is very clear from Senator Herron’s address that the Liberals’ approach is that we can have a two-tiered system with quality health care for those people who have long pockets and second-rate health care for those who find it harder to pay.

The Prime Minister, John Howard, and his coalition government are set on a path of consistently undermining Australia’s internationally regarded health system. This government is threatening the fabric of a system designed to provide quality health care to all Australians. Medicare, the Pharmaceutical Benefits Scheme and our public hospital system are all under attack. The Prime Minister, John Howard, has been undermining these fundamentals of our health system for years. Why? Because he does not believe in Medicare. He said so himself. In a media release in 1986 he stated:

Medicare has been an unmitigated disaster.

On radio in June 1987 he said:

The second thing we’ll do is get rid of bulk billing.

He went on to say:

We will be proposing changes to Medicare which amount to its de facto dismantling ... we’ll pull it right apart.

‘We’ll pull it right apart,’ he said. These are quotes from long ago—but we know that Mr Howard is a person with deeply held convictions. He has not changed his mind about Medicare. He still does not believe in Medicare; he is just politically wiser. As Laurie Oakes pointed out last year, Mr Howard does not say what he thinks on politically controversial issues. Instead, according to Mr Oakes, he ‘dog whistles’. As we know, the human ear cannot hear a dog whistle, but a dog can both hear and understand.

Like the dog whistler, Mr Howard communicates his message of fear in the subtext, and Mr Howard’s subtext is fear. Just read the Intergenerational Report: according to it, we cannot afford basic medicines for the elderly, we cannot afford the Pharmaceutical Benefits Scheme. Under the Howard government, Medicare is not working at its optimum. Finding a bulk-billing doctor is becoming extremely and increasingly difficult. Mr Howard and his Minister for Health and Ageing are not going to come out and say that they want to ditch Medicare and the PBS, but they are going to undermine our health system and claim that it is unsustainable. Mr Howard and a series of health ministers have been doing this since 1996. Why? Because they want a two-tiered health system and, if they cannot introduce their two-tiered health system through the front door, they will do it through the back door.

Mr Howard’s health and education policies are all about providing advantage to those who can pay. Mr Howard, as we know, does not like refugees queue jumping, but he actively promotes it to those with money when it comes to health care and education. Mr Howard promotes the private health care system at every chance he gets, while our public system continues to struggle. The 30 per cent rebate on private health insurance
actively encourages people into the private health system. The Howard government’s planned increases in pharmaceutical copayments and falling bulk-billing rates increasingly make basic health care unaffordable. This is combined with a public hospital system in crisis because the Howard government continues to cut its funding.

Information derived from the Australian Institute of Health and Welfare shows that the federal government’s share of expenditure on public hospitals has been in decline since the Howard government came to office. At the same time, the states’ share of public hospital funding has been on the increase. It is estimated that the federal government has cut $628 million out of public hospitals under the current health care agreement with the states. This does not include the extra costs the hospital system has had to bear following the introduction of the GST. During the Senate Community Affairs References Committee healing our hospitals inquiry, the states expressed concern about the impact of the GST on public hospitals. Queensland expressed the view that it would cost an estimated $1.15 million, firstly, to implement the GST in our public hospitals and $4 million a year to administer it. As every small business person would testify, no doubt the Queensland government underestimated the costs of the GST implementation. This government is saying that, if you want quality hospital care, you need private health insurance. This is the Howard way, and this is the Liberal way. You only have to briefly examine the history of health care in this country to understand this.

When Labor was elected in 1941, Chifley was determined to implement a national health service. However, the civil conscription clause in the Constitution limiting the regulation of doctors and the election of the Menzies government in 1949 prevented Labor at that time establishing a national health service. Then in 1953, Menzies—whom we all know Mr Howard idolises—established the Earl Page system. The scheme was primarily a method whereby the Commonwealth government subsidised private health insurance by meeting part of the cost of rebates for medical expenses. I am sure we can hear the similarities to systems that we have had from the Liberal Party ever since. Administered by private non-profit health funds, the scheme was voluntary. However, membership of a health fund was a necessary condition for receiving the government subsidy for medical bills. Other key planks of the Earl Page system were a limited pharmaceutical benefits scheme and a pensioners’ medical service limited to those receiving Commonwealth old age and invalid pensions.

When Labor was re-elected in 1972, Whitlam again proposed a national health service, and Medibank was eventually born. However, Labor had to fight the coalition opposition to establish Medibank. The opposition controlled the Senate and blocked the bills establishing Medibank, forcing the double dissolution election to be called in 1974. Health care was a centrepiece of the subsequent election campaign, which we know, of course, Labor won; but the coalition again blocked the legislation in the Senate. Medibank was therefore only established following a joint sitting of the Senate and the House of Representatives in August 1974. With the election of the Fraser government, of which John Howard eventually became Treasurer, the coalition once again began the process of dismantling Medibank. By 1981 there was essentially a return to the Earl Page scheme, with Commonwealth subsidies only paid to members of registered funds. Contributions to funds became eligible for taxation rebates, and eventually free treatment in hospitals was eliminated in every state except Queensland. All of us in Queensland will remember the battle that was had within the coalition for the retention of the free health system.

Liberals have always been opposed to a public health system with equal access for all Australians—and, I am afraid to say, the National Party of today is no different. With Labor in power for an extended period, from 1983 to 1996, Australia finally obtained the health system it deserves. Medicare was established, and Australia finally had a universal health system—a system where everybody would have access to quality health care. As we know, Medicare had three ob-
jectives: to make health care affordable for all Australians, to give Australians access to health care services with priority according to clinical need and to provide a high quality of care. The Liberal Party have always fought against the notion of equal access to health care. They are still opposed to that, and this brief history demonstrates that. Most Australians, however, value Medicare and understand the need for a health care system where you are treated based on your need rather than on the size of your wallet. They want a fair system and one where everybody has access to quality health care. Mr Howard, as I said earlier, understands the political consequences of openly attacking Medicare. Mr Howard campaigned against Medicare in 1984, 1987, 1990, 1993, and he lost all of those elections. He is not going to go there again.

Medicare provides free or subsidised treatment by doctors and specialists. Through Medicare, the government will pay all, or a substantial part, of your doctor’s bills. When a doctor bulk-bills, Medicare pays your entire doctor’s fee. Bulk-billing is, therefore, the centrepiece of Medicare. When Labor introduced Medicare in 1984, the percentage of bulk-billing by GPs started in the low 50s. In 1997, shortly after the Howard government took office, bulk-billing peaked at just over 80 per cent. Under Labor, bulk-billing increased from 50 per cent to 80 per cent. But, as we know, it has been in decline ever since.

Since 1996, it has become harder and harder to see a doctor who bulk-bills and more expensive for Australians and their families to see a doctor who does not bulk-bill. Figures for the March 2002 quarter show that only 74.5 per cent of GP services are bulk-billed nationally and that the average copayment for someone seeing a GP has increased from $8.32 in 1996 to $11.80 today—an increase of almost 42 per cent. The figures are worse for regional and rural Australia. In the electorate of Dawson and Kennedy, bulk-billing rates are around 65 per cent. In the twin cities of Townsville and Thuringowa, the GP bulk-billing rate has steadily declined, dropping to 59.1 per cent in March 2000—one of the worst in the country. Bulk-billing has reached a critical level in Townsville and Thuringowa, with many patients now having to travel considerable distances to see a doctor who bulk-bills. There is a significant risk that many people will put off seeing, or simply not see, a doctor, because they just cannot afford the copayment. Alternatively, and increasingly, they will end up in the public hospital emergency section, placing extra pressure on the already struggling public hospital system.

Having access to a GP is fundamental to promoting access to primary health care and preventive medicine. Treating people in hospitals is far more expensive than in general practice. We need to keep people out of our hospitals to ensure the long-term sustainability of our public health system. By forcing people into the public hospital system, the federal government is effectively shifting the cost of Medicare on to the states. We can see the impact of declining bulk-billing rates throughout North Queensland. In Cairns we have seen the closure of the Cairns after-hours GP service, because of the failure of the federal government to effectively fund Medicare. This has put an increasing strain on the Cairns Base Hospital. Emergency department attendances jumped by 6.3 per cent in Cairns between June quarter 2001 and June quarter 2002. Almost all public hospitals in Queensland are facing a similar situation due to the decline in bulk-billing and the closure of after-hours services.

There are more worrying signs for bulk-billing on the horizon. With GPs facing rising medical indemnity insurance premiums, there is a real danger that declining rates of bulk-billing could go into free fall. Unless confidence in medical indemnity is restored, premiums held at realistic levels and restoration of bulk-billing made a priority, there is a real danger that bulk-billing practices will fall further. The Howard government’s failure to address the looming medical indemnity crisis has added extra costs for GPs and other medical practitioners, further discouraging them from bulk-billing. We have seen some doctors trying to apply surcharges of between $2 and $6 to their usual fee to cover
the soaring medical indemnity insurance costs.

In the past few months I have met with divisions of general practice in Cairns, Townsville and Mackay. I was formerly a community representative of the Cairns Division of General Practice, prior to being elected to parliament. The issues raised in Cairns and Townsville related to after-hours services and indemnity. In Mackay, members expressed concerns to me about the corporatisation of their health service, mainly through the provision of the software for their computer systems. They also told me about the bowel cancer project they are undertaking, admittedly without any funds at this point in time but they are hopeful of getting some.

I also met recently with the AMA and representatives from specialist colleges. Doctors have told me about the difficulties they are facing and the concerns they have for their patients and the health care system. Doctors do not like being unable to bulk-bill. They understand that those most in need of health care, the elderly and the chronically sick, cannot afford in many cases to pay for that health care. Doctors are struggling to fund their practices under the current government’s funding arrangements. Their costs continue to increase, particularly with the current medical indemnity insurance crisis, and they have to pass these costs on to patients. Increasingly they are telling me that they cannot bulk-bill and that, if they do, it will only be in very exceptional cases.

The medical indemnity crisis has also increased pressure on the public hospital system by forcing privately insured patients to turn to that system. AMA President, Kerryn Phelps, is reported as saying that Queensland doctors were telling patients to book into the public health system until the indemnity issue is resolved. The decline in bulk-billing and the medical indemnity crisis is putting at risk our whole public health care system. In 1974 Labor established the first national public health care system. By 1981, the coalition government had effectively destroyed it. Only Queensland managed to maintain free public hospitals and only after a fight.

The Howard government is well on its way to achieving the same thing today. The coalition, and in particular Mr Howard, hate Medicare and want to destroy it. They campaigned against it in 1984, 1987, 1990 and 1993. They learned the hard way that Australians love their Medicare and respect the need for a health system that everyone can access based on need. Mr Howard the politician knows he simply cannot announce the scrapping of Medicare, so he is going to undermine and destroy it by stealth. History and his actions support this argument.

The continued decline in bulk-billing is just a continuation of the Howard government’s attacks on public health care. So what will a coalition health system look like? We need look no further than the American system, in which the quality of care you receive is determined by the size of your bank balance. Basically it is a system in which the average Australian must have private health insurance if they want quality health care. The declining rate of bulk-billing attacks Medicare’s first objective: to make health care affordable for all Australians. The proposed increases in the Pharmaceutical Benefits Scheme copayments would have a similar effect. Labor opposes these measures, because we believe in a free public health system. We will again invest in our public health care system and increase bulk-billing rates. Only Labor believes in Medicare, our public hospitals and the principle that everyone should have access to quality health care.

Senator EGGLESTON (Western Australia) (5.37 p.m.)—The implication of what we have just heard from Senator McLucas, and the general thrust of this motion, is to suggest that the coalition do not support Medicare. We do support Medicare. We do have slightly different approaches in some areas. We believe that people should have the right of choice. We believe that, if people wish to, they should be able to take out private health insurance in addition to paying the Medicare levy, and avail themselves of private services if they wish to. But fundamentally, Senator McLucas, we believe in and support the system of
universal health care which has been estab-
lished in Australia and which is known as
Medicare and which, I may say, is one of the
best health systems in the world. You have
just referred to the American system, which
has some very serious deficiencies.

Senator McLucas—A two-tiered system.

Senator EGGLESTON—Certainly, there
is a two-tiered system in America. The sto-
ries are that, when you turn up at a hospital
in America, unless you have private health
insurance, a Blue Cross card, then you get
sent off to a public hospital somewhere
else—if you can find one. It is a very differ-
ent system.

Senator McLucas—That’s where you’re
heading.

Senator Kemp—You’re being very mis-
leading.

Senator EGGLESTON—As Senator
Kemp says, you have been very misleading.
Senator McLucas. We in the coalition sup-
port the concept of universal health care. Our
system is very much like a European system,
where people have access to free treatment
and public hospitals. The Europeans have
variations on that system, of course. In Ger-
many, for example, your health care is paid
for by your employer, not by the individual,
through the taxation system, as it is in Aus-
tralia and the United Kingdom. Nevertheless,
your basic thrust was quite misleading. I
want to point out to you that, even though
there may have been a decline in bulk-
billing, which is the centre point of this mo-
tion, bulk-billing percentages remain very
high, with more than seven out of every 10
general practitioner visits being bulk-billed
across this country. For Australians over the
age of 65, the bulk-billing rate is more than
80 per cent, which is equivalent to eight out
of every 10 visits by an elderly person to the
doctor being bulk-billed. One area of medi-
cine which you have not mentioned at all is
pathology, and a very high percentage of
pathology services are bulk-billed.

Senator Kemp—Very poorly researched.

Senator EGGLESTON—Yes, poorly re-
searched, as Senator Kemp says. Again,
Senator, you have been very misleading. The
record, in the global sense, of the medical
system under the coalition government is a
very good one. The Howard government
have done a great deal on a very broad front
to improve health services in Australia. One
of the great deficiencies in health services
under the previous Labor government, which
was there for 13 years, was that medical
services in rural areas were very poor. The
Howard government have had a specific fo-
cus on improving services in rural areas. An-
other area which was of great concern under
the Labor government was aged care. You
actually cut funding to aged care. We have
substantially increased funding. We have
provided funding for improvements to nurs-
ing homes—

Senator Kemp—Wasn’t that mentioned
in Senator McLucas’s speech?

Senator EGGLESTON—No, she did not
mention it. Isn’t that very curious? You
would have thought that a Labor senator
would have been particularly concerned
about the elderly, who are often the most
vulnerable in the community. Strangely
enough, even though the coalition has done a
great deal to improve aged care facilities in
Australia, Senator McLucas failed to men-
tion aged care at all, I think, during the
whole duration of her speech, which is a
most remarkable thing. Perhaps it is some-
thing she might like to devote herself to on
another occasion. Perhaps she could praise
the outstanding record of the Howard gov-
ernment in terms of improving aged care
around this country. We look forward to your
balancing out your presentation in that way,
Senator McLucas.

Senator McLucas—Are you going to talk
about bulk-billing?

Senator EGGLESTON—We have al-
ready mentioned bulk-billing. We have said
that there is no real decline in bulk-billing.
Seven out of 10 general practitioners con-
tinue to bulk-bill. Over 80 per cent of the
services provided to the elderly are bulk-
billed. Almost all pathology services in this
country are bulk-billed.

Senator McLucas—What about the June
figures? Is there an increase or a decrease?

Senator EGGLESTON—The decreases,
such as they are, are quite minor. Nobody
denies that there is something of a decrease. There are many factors behind that decrease, one of which has been mentioned today by you and also by Senator Herron and that is the increasing costs in medical practices, such as the dramatic increases in the costs of medical indemnity insurance. Those problems are being addressed by Senator Coonan and a task force is working through them. Even though there has been some decline in bulk-billing, it is not a huge decline and it is not anything like a crisis. As I said, almost all medical services with general practitioners around this country continue to be bulk-billed. There has never been a large percentage of services bulk-billed by some categories of specialists. It is very rare, for example, to find surgeons who bulk-bill. I do not think that you would be surprised that there has not been very much change there.

Let us have a look overall at the ALP’s record in the 13 years they were in government. As I said, there was nothing very much done to improve rural medicine. In public hospitals, we had overcrowding and long waiting lists, and that occurred because private health insurance had declined. There was no incentive for people to take up private health insurance and it meant that almost everybody was attending public hospitals. Even people on high incomes were attending public hospitals, when they could well have gone to private hospitals and sought the services of private doctors.

As a result, the public hospital system simply could not cope. That is why, under the Labor government, waiting lists were often as long as two years for operations like hip and knee replacements and other more simple forms of surgery such as gall bladder and cataract operations and so on. These were very important to the individuals concerned and if the problems that needed to be remedied had been attended to it would have greatly improved their quality of life. But, because of the fact that so few people were in private health insurance and were going to public hospitals, the waiting lists were very long. Overcrowding in public hospitals was a big issue under the previous government. It is an issue that the current government has specifically addressed by encouraging people to take out private health insurance again.

That program has been remarkably successful and it has led to a huge reduction in the waiting lists of public hospitals. I will come back to that in a minute.

Another very important area of medicine that was neglected under the previous government was Indigenous health services. In its health program this government has made a focus of improving Indigenous health services. In the last budget it spent a record amount on Indigenous health programs as part of a record Indigenous Affairs budget. Indigenous health was another matter that Labor neglected and that the coalition government has done a great deal to improve.

I will come back to look in a general way at some of the other things that Labor failed to do when it was in office. Labor failed to immunise Australia’s children. In 1996, Australia’s full immunisation rate was only 53 per cent, which is well below the levels for China, Algeria, Laos and Vietnam. These are not countries that we usually like to compare ourselves with. We like to compare ourselves with the European countries and North America. When it came to the rate of immunisation of children in this country, we were below the levels of Algeria, Laos and Vietnam. This is hardly a very wonderful record. It is one of the things that this government, under the jurisdiction of Dr Michael Wooldridge when he was Minister for Health and Aged Care, undertook a specific program to improve. As a result, Australia’s immunisation rates have risen dramatically.

Most importantly, as I said, Labor ignored the private health system for 13 years. In 1983, when Labor came into office, 65 per cent of Australians were covered by private health insurance. By March 1996, this percentage had plummeted to below 34 per cent. As we all know, the former Labor health minister Graham Richardson warned in 1993 that, if private health coverage fell below 40 per cent, the entire health system was in danger of collapsing because the public hospital system simply did not have the capacity to cope with the numbers of patients that would be coming in. Labor did nothing about it.

It took another three years before there was a coalition government in office and
something was done to arrest the decline in private health insurance coverage. One of the great success stories of the coalition government is that it did arrest that decline. It offered incentives for people to take up private health insurance. As a result, the percentage of people covered by private health insurance rose dramatically. The pressure came off public hospitals and waiting lists have been reduced. Those people who really need to go to public hospitals to have their surgery done or other problems attended to can now do so and they receive a first-class level of treatment in public hospitals. People who are perhaps a little bit better off and can afford private health insurance are now treated in the private system again, and the whole system has some balance.

In general terms, this government has done a lot to support Medicare. I think that is a very important point to make, because the thrust and implication of this motion is that it has neglected Medicare in some way. Senator McLucas said quite specifically that John Howard did not believe in Medicare, that he did not support it and did not want it to continue. Given that she said that, it is very interesting that, in the 2001 budget, this government provided an extra $750 million to Medicare to improve access to GP care for all Australians, particularly those with chronic health conditions. The initiatives in that package included $300 million for increased Medicare rebates for GP visits. This particularly benefits patients with complex health conditions who need longer consultations with their doctors. Also, GPs received over $120 million to provide better outcomes in mental health care—a new Medicare item was developed to enable doctors to improve their skills, diagnosis, care planning, management and treatment of mental health problems.

Another $50 million was allocated to enable GPs to improve the management of Australians with diabetes. That included over $6 million to provide subsidised syringes under the National Diabetes Services Scheme. This is a very important thing. Far too many Australians have diabetes. They have diabetes because our lifestyle is as it is. People do not exercise enough and they eat too much carbohydrate, so we have an overweight population and a very high incidence of diabetes. It is a very important public health issue which needed to be addressed, because the complications of diabetes in its cardiovascular effects are such that the people who have end stage diabetes end up costing the health system a lot when they come into hospital with heart attacks, strokes, peripheral vascular disease and loss of vision.

In this program last year we also allocated $48.4 million over four years to help improve the management of moderate to severe asthma in general practice settings. We allocated $72 million to increase the rates of women being screened for cervical cancer—again, a very important public health measure—and that program was specifically directed at women living in regional areas; migrant women, who are often reluctant to go to the doctor and have things like pap smears done; and Indigenous women, to whom the same considerations apply. Then we allocated over $43 million to increase the availability of after-hours and emergency care services provided by general practitioners, and 32 new after-hours medical care sites were established across the country.

All of this is not the record of a government that does not believe in Medicare. It is the record of a government that seeks to improve and broaden the services offered under Medicare. It is the record of a government that particularly wants to engage in preventative medicine and help prevent some of the problems which might cause people to come into hospital, such as dealing with diabetes and asthma and screening for cancer. Far from not believing in Medicare, John Howard and his government have shown a strong commitment to Medicare. They have shown, as a government, that they believe in the concept of universal health coverage and have sought, as I have said, to greatly improve it.

One of the points Senator McLucas made in her rather long and rambling speech—as Senator Kemp has pointed out—was that in some way the Howard government were not supporting the Pharmaceutical Benefits Scheme and that we were in fact seeking to
undermine it by increasing the copayment. The Pharmaceutical Benefits Scheme of Australia is one of the great things about Australia which is envied in the rest of the world. In this country medications are remarkably cheap because they are subsidised by the federal government. Senator McLucas referred to the United States. If you walk into a chemist in America and want to buy medications, you will suddenly discover that Australia is a country where medications are very cheap. If you walk into a pharmacy in South-East Asia or the Middle East, again, you will find that medications in this country are very cheap. They are very cheap because they are subsidised by the federal government.

The Pharmaceutical Benefits Scheme—the PBS—has grown at an annual rate of some 14 per cent over the last 10 years and the budget for it has grown from just over $1 billion in 1990-91 to $5 billion in the most recent year. It seems that, with the availability of increasingly expensive medications, the budget needed to cover the Pharmaceutical Benefits Scheme is going to go up exponentially. That is why, to help offset the huge explosion of costs that is occurring with the development of new drugs, the federal government proposed in the last budget to slightly increase the copayment by no less than $1. One dollar is not a huge increase. It means that instead of paying $3 or thereabouts, people on health care cards would pay just over $4 for their prescriptions. Nevertheless, it means that they would be receiving a wonderful service and would be able to access very expensive medications—often costing hundreds of dollars—at a very low cost to them.

The broad conclusion one has to draw is that the Howard government’s record in health has been an excellent one. It has been a record of a government which has thought about our health service and seen that there was a need to achieve balance between the private and public sectors. It has provided an encouragement for those people who had the wherewithal and did not need to go to public hospitals to go back into the private sector, and broadened Medicare to include preventative and public health measures. Overall, this government has demonstrated a very strong commitment to Medicare, and Medicare includes bulk-billing. As I said, there has certainly been a small decline in bulk-billing, but nothing significant. I think that fact should be acknowledged by the opposition and I hope they will have the honesty to do that today.

(Time expired)

Senator MOORE (Queensland) (5.57 p.m.)—I rise to speak to the motion on the Notice Paper that refers specifically to bulk-billing. I have been particularly interested to hear about the wide range of issues to do with the health portfolio and I have been interested and informed by the range of issues that have been covered. But I wish to talk about bulk-billing and, in particular, the motion that talks about the decline in bulk-billing rates in our country.

In particular, I would like to talk about the impact of the reduction in the access to bulk-billing in local communities. There does not seem to be any real debate about the fact that access to bulk-billing is falling across the country. This chamber has had a series of questions and answers over the last couple of days on that particular issue, and Senator Forshaw covered all of that in great detail in his speech. Senator Crossin tabled a document yesterday evening, which set out a history of figures and talked about the history of bulk-billing in Australia. The historical record on that illustrated an increase in bulk-billing rates under Labor governments for the period until the election of the Howard government and then a decline for the period since then. Those figures are not in dispute. We have not seen the most recent figures, and I am sure we are all looking forward to see whether they follow the same trend.

But there does not seem to be a debate about the statistics. It does not matter how you see them—whether they are figures, graphs, pie charts or coloured pictures in an annual report—the final result is that bulk-billing has been falling over the last series of years. I worry about the fact that we focus so exclusively, however, on figures. Behind figures there are people, and I want to see what the real impact of the figures reveals, and it does not matter how you find them.
Debate interrupted.

DOCUMENTS
Consideration

The following orders of the day relating to government documents were considered:

Torres Strait Regional Authority—Report for 2000-01. Motion of Senator Ludwig to take note of document agreed to.


National Health and Medical Research Council—Report for 2001. Motion of Senator Wong to take note of document agreed to.

General business orders of the day nos 4-13 relating to government documents were called on but no motion was moved.

COMMITTEES
Consideration

The following orders of the day relating to committee reports and government responses were considered:

Privileges—Standing Committee—106th report—Possible improper interference with a witness before the Senate Select Committee on a Certain Maritime Incident. Motion of the chair of the committee (Senator Ray)—That the Senate endorse the finding at paragraph 1.41 of the 106th report—agreed to.

Privileges—Standing Committee—107th report—Parliamentary privilege precedents, procedures and practices in the Australian Senate 1996-2002. Motion of the chair of the committee (Senator Ray)—That the Senate take note of the 107th report—agreed to.


DOCUMENTS
Consideration

Orders of the day relating to reports of the Auditor-General were called on but no motion was moved.

COMMITTEES
Community Affairs Legislation Committee
Membership

The PRESIDENT—I have received a letter from a party leader seeking a variation to the membership of a committee.

Senator KEMP (Victoria—Minister for the Arts and Sport) (6.05 p.m.)—by leave—I move:

That Senator Boswell be appointed as a participating member of the Community Affairs Legislation Committee.

Question agreed to.

NANKERVIS, MR GRAEME
TRINDALL, MRS JANICE

The PRESIDENT (6.06 p.m.)—I wish to inform the Senate that two long-serving officers of the Senate will be retiring before the chamber sits again on 16 September. I refer to the Senate’s Director of Financial Management, Mr Graeme Nankervis, whom many of you may remember. He retires tomorrow after 39 years as a public servant. Graeme joined the public service of the territory of Papua and New Guinea in 1963 and came to the Department of the Senate in 1973. He has been a thoroughly professional and well-liked officer and we wish him very well in his retirement.

Mrs Janice Trindall retires on Monday after 21 years service to successive Presidents and Deputy Presidents. During her time in the department, Janice has served former President Sir Harold Young, former Deputy Presidents Hamer, Colston, Crichton-Browne and Reid and was, for the last six years, the excellent personal secretary to former President Senator Margaret Reid. I know that all honourable senators will join me in thanking Mrs Trindall for her service to the Senate and to the parliament. We certainly wish her well for the future.

ADJOURNMENT

The PRESIDENT—Order! There being no consideration of government documents, I propose the question:

That the Senate do now adjourn.
Drought

Senator Ferris (South Australia) (6.07 p.m.)—During the parliamentary break, I took the opportunity to have a look around Australia to see for myself the effects of the crippling drought that is affecting much of our country. On the journey from Sydney to Brisbane it was very clear that along the coast the drought has not had a particular effect, but travelling back through Broken Hill to my home state of South Australia it was very clear that in western New South Wales and in the pastoral zone of South Australia there is a very terrible drought, which is gripping many of our farm families. In fact, we have had the lowest rainfall for 100 years, and 82 per cent of the state of New South Wales is now in the grip of a worsening drought.

It is estimated that there could be an almost total wheat crop failure in New South Wales, which is one of our key grain exporting states, unless a significant amount of rain falls very soon. At this point, our thoughts are with Senator Heffernan and his family in Junee, where there has been no rain for many, many months and his family are feeling the effects of a very poor season. The winter crop failures could cost Queensland $2 billion, and Australian farmers’ incomes are actually forecast to drop by 40 per cent. GrainCorp has revised down its forecast in New South Wales by 1.5 million tonnes in the last month. In Western Australia, the receival estimates are fading rapidly because of the continuing dry conditions and they are likely to drop one million tonnes from the estimated range of just three weeks ago. In Queensland, the forecast two weeks ago was that receivals would fall below 900,000 tonnes, which is a 40 per cent drop from the historical average. In my own state of South Australia conditions are still patchy and farmers are still hoping that some rains will enable crops to be sown. But, increasingly, it now appears that large areas of my state will also fail to complete a harvest this year.

This is a time when those of us who follow the rural sector closely are thankful for the farm management deposits which were introduced by our government in 1999. I am very pleased to see that 23,000 Australian farmers have now contributed a total of $1.2 billion to those farm management deposits. I heard the Minister for Transport and Regional Services, John Anderson, describe them quite appropriately in the other place as ‘financial haystacks’. Many of those farm families will be dipping into those financial haystacks as the drought tightens its grip on this country. Queensland has the highest investment in farm management deposits—$294 million—and we are all very thankful for that. The grain industry has invested $207 million in farm management deposits, and the beef industry—which of course is feeling the effects of the drought, particularly in Queensland and northern New South Wales—has invested $188 million.

When drought strikes in our country we also think of the difficult circumstances that affect farmers when they try to apply for exceptional circumstances relief payments. This has been a very difficult issue for federal and state governments for many years. It was only a couple of years ago, I recall, that exceptional circumstances payments were refused for floods, fires, an insect plague and frost right across Australia almost at the same time, which led some of us to wonder what had to happen on a farming property for the circumstances to be considered exceptional.

One of the difficulties of exceptional circumstances, as I see it, is the very name of the program. Many farm families are currently in exceptional circumstances—they have had little rain in their area for 100 years—and yet the declaration of exceptional circumstances is still at the whim of state governments, which have to trigger the programs to start with. It is up to the state governments in the first instance to provide assistance to farmers in drought, and once they have made the declaration that the drought is an exceptional circumstance then EC will apply. But it has always been a very hoary chestnut.

One of the other things I noticed during my 8,000 kilometre drive—the sort of drive you take, Senator Macdonald—

Senator Ian Macdonald—8,000 kilometres!
Senator FERRIS—was the amount of road kill. It was extraordinary! There were pigs, goats, hundreds of emus and, of course, the usual kangaroos. This led to an even more hazardous situation where wedge-tailed eagles on the road eating road kill and unable to take off quickly provided quite a difficult road hazard. In many years of country driving I do not recall ever having seen road kill in such proportions as we unfortunately have on our highways at the moment. The inland route from Brisbane down to Adelaide via Broken Hill is littered with road kill. It is very dangerous and also very tragic—these animals seeking a little green feed on the side of the road and paying the highest price as a result.

The lowering rainfall is undoubtedly going to have an effect on our wheat prices. It was very good to see so much bunker storage, particularly in north-western New South Wales where we clearly have good stockpiles of wheat, which will stand us in good stead as the prices increase as a result of poor seasons in the United States, Canada, India and some of the other grain-producing countries. In fact, I understand that only eastern and western Europe are having a reasonable grain season. So, whilst we are going to have a difficult season, thankfully the pool prices are likely to be higher. Thankfully, also, we have a situation now where wheat is being unloaded in Iraq. The difficulties that we had in Iraq just a week or so ago appear to have been resolved and, as of last week, wheat was being unloaded and a number of other shipments were either near or in the ports. So farmers can rest assured that the very important wheat exports to Iraq will not be affected.

Tonight we are enjoying some soft early spring rain here in Canberra, but my thoughts, and I am sure those of many of my colleagues in the Senate, go out to those farm families who are living on properties where it has not rained for two years. We hope that the rain that is coming to Canberra tonight is actually spreading through the south-western area of New South Wales that is so badly hit by the worsening drought.

Indigenous Affairs: Reconciliation

Senator RIDGEWAY (New South Wales—Deputy Leader of the Australian Democrats) (6.15 p.m.)—I want to draw the Senate’s attention to an important notice of motion that was presented in this chamber earlier this week and to provide some background as to why I tabled this notice. Last Tuesday the Senate agreed to the Legal and Constitutional References Committee conducting an inquiry into progress towards national reconciliation. That decision of the Senate gave effect to two recommendations in the Social Justice Report 2001 from the Aboriginal and Torres Strait Islander Social Justice Commissioner, Dr William Jonas. Recommendation 12 of the report is particularly pertinent in this case, because it calls on the government to table a full response to the Social Justice Report 2001 in parliament within 15 days of the report being tabled. If the government failed to do so then the recommendation also called for the Senate to establish an inquiry into matters of concern that arose out of the report. As the government did fail to respond within that time frame, the Senate, as is right, has now acted to set up the inquiry. In doing so, it has once again shown leadership on the issue of reconciliation.

One of the few political issues that has enjoyed full cross-party support over a significant period of time is reconciliation. We saw it back in 1991 when the entire parliament spoke with one voice and established the Council for Aboriginal Reconciliation, thereby launching a decade-long national discussion and learning curve about how we could improve relations between Indigenous and non-Indigenous Australians. Now we are seeing the Senate agree that we need to keep the focus on reconciliation and, most importantly, we need to hold the government of the day accountable in terms of what it is doing to deliver on the reconciliation process it initiated.

We have had 10 years of grassroots work on reconciliation which was kicked off by the Royal Commission into Aboriginal Deaths in Custody in 1991. There has been the presentation of the documents for reconciliation by CAR, and the release of the six
recommendations from CAR to the parliament in 2000. There was a Senate inquiry into the stolen generations in 2000. I have put forward a private member’s bill on behalf of the Democrats to give effect to the council’s draft legislation on the framework for a national treaty debate, which I first tabled in 2001. There has been the more recent Commonwealth Grants Commission report into Indigenous funding last year and there have been successive Indigenous Social Justice reports over time, each an annual scorecard on the Australian government’s record in Indigenous affairs.

Given the long period of consultation that has occurred and the numerous reports that have been released, we have to ask what the Commonwealth government’s response has been to date. We are yet to receive a formal response from the government to the documents for reconciliation and the national strategies to progress reconciliation that were presented to the Prime Minister at Corroboree 2000 by the council. Nor has the Commonwealth responded to the six recommendations contained in the final report from the council which was tabled in December 2000, some 20 months ago. The government has also made a point of responding to not one of the social justice reports or native title reports from the Indigenous Social Justice Commissioner.

Considering the substantial amount of taxpayer funds that has been spent over the last decade to develop a strategy to move forward and to bring us closer to being reconciled as a nation, all Australians have a right to expect some feedback from the government. But, as Dr William Jonas said yesterday in Parliament House, the Commonwealth has decided to ‘shut down debate and avoid any engagement’ with the recommendations from the social justice reports and the CAR documents and instead to talk only about ‘practical reconciliation’. But this focus on practical reconciliation is really only a focus on meeting the basic citizenship rights of Indigenous Australians like health, housing, education, employment and so on. Dr Jonas said:

Practical reconciliation amounts to ‘business as usual’. It involves little innovation or change to service delivery arrangements to address Indigenous marginalisation in a holistic manner. It simply manages the inequality that Indigenous peoples experience, rather than providing a detailed, comprehensive plan for overcoming this disadvantage. It is a cruel illusion of equality that perpetuates Indigenous people’s position at the bottom rungs of our society.

In that respect it is very disappointing that the Senate now finds itself in a position where it must compel the government to provide the basic information that will indicate its true level of commitment to the reconciliation process. At the moment we simply do not know what benchmarks have been put together by COAG and some of the ministerial councils that might be working on measuring progress, because the government has not released them. Nor do we know whether government departments have engaged in any form of policy review to take into account the recommendations for change made by CAR and the social justice commissioner. We have a responsibility to capitalise on the goodwill of all those Australians who took part in the bridge walks in 2000 and very graphically showed their support for the goal of lasting reconciliation. I do not believe that it is in the nation’s interest to allow that momentum and that level of goodwill to dissipate. That cannot be as good as it gets. That is why the Senate has initiated this inquiry—not to go over old ground, not to come up with more strategies, but to gather together the evidence of what progress the government has achieved to date and to ensure the government is accountable for its actions or lack thereof.

In conclusion, the Senate is now stepping in to ensure that we keep the process moving forward and do not allow the excellent work that has been done to date to gather dust and be squandered. At the end of the day, we need to remind ourselves that there are only 410,000 Indigenous Australians in a population of 19½ million. We are living in the fastest growing Western economy where the standard of living is high. You must ask how it is possible that 410,000 people should overwhelm our imagination. How many Australians can continue to accept the stereotype of Indigenous affairs as a terminal case of public policy failure? To say that the
problems confronting Indigenous communities are insurmountable and beyond the resources of government is, in my view, just a cop-out. It is time for some accountability, some honesty and some transparency from the government in the arena of Indigenous affairs. It is time for the government to respond and act on the very considered and reasonable recommendations that it has been presented with from so many quarters. I look forward to working with the Legal and Constitutional References Committee on an inquiry that is so important to our nation’s future.

Iremonger, Mr John

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (6.23 p.m.)—John Iremonger was born in London at the height of the Blitz, which no doubt equipped him better than most for his later involvement in publishing and in politics. One early sign of the passions that would shape his life came when he chose to study history and politics at Sydney University. With his postgraduate work in history at the Australian National University, another passion that would shape his life became evident, for at the ANU he was involved in the establishment of the Australian National University Press and was the founding editor of the ANU Historical Journal.

Iremonger was there in federal Labor’s two winning campaigns of the 1970s—1972 and 1974. He helped organise the spectacular Whitlam campaign launch at the Blacktown Civic Centre in 1972—the first live nationwide telecast of a policy speech. When that election brought Labor to federal government, he joined the staff of Kep Enderby. In the 1974 election, he worked day and night at Labor’s national campaign office in Sydney. When the treachery of 1975 brought down Whitlam’s government, John Iremonger again worked tirelessly on Labor’s campaign. The candlelight vigil for democracy he organised was very typical of Iremonger: impressive, passionate and efficiently organised.

Iremonger believed in Whitlam’s Labor. He always saw Labor’s flaws but understood Labor’s promise. His understanding of Labor’s weaknesses often made him a gentle but persistent critic. His belief in Labor as the party of reform and social justice made him a passionate Labor loyalist. He brought these qualities to his work as commissioning editor of True Believers, the centenary history of the federal parliamentary Labor Party. And he gave so much time to the task. He was more than just a hands-on editor—he was a contributor in every sense. In fact, he was a chapter author. He was even a chapter author who failed to meet deadlines. I was aware how much John dreaded answering my phone calls at the time, but we were still friends when it was all over.

The publication of True Believers was only one of the many ways Iremonger worked to keep the light on the hill aflame. The sense of vision that the Whitlam government inspired comes through in the books that are John Iremonger’s legacy. He never used the excuse of objectivity to hide from his responsibility to participate in the national conversation. When people say that Australia changed forever after Whitlam, they ought to remember that there were a good number of conservative forces trying to change it back, and Iremonger was at the forefront amongst those who exerted themselves in defence of Whitlam’s new, tolerant, more just Australia.

After Labor’s 1975 defeat, Iremonger wrote The Makers and the Breakers with Richard Hall about the constitutional vandalism of November 1975. He then moved to Sydney where, with Sylvia Hale, he established the publishing house of Hale and Iremonger in 1977. His versatility and ability to perform an impressive range of the tasks of publication—an editor who could design a cover and do an index—were invaluable to a small publishing house, but most important was what Bruce Donald termed his ‘ability to encourage the right work on the crucial issue from the best writer of the time’. The quality of Hale and Iremonger’s list brought the attention of larger publishers and, in 1980, Iremonger accepted an offer to move to George Allen and Unwin. One of the first books he brought to the new firm was David Marr’s Barwick. During the 1980s he was responsible for works by Bob Connell, Pat
Troy, Stuart MacIntyre, Des Ball and Henry Reynolds.

In the early 1990s, Iremonger left Allen and Unwin for three years to be publisher at Melbourne University Press, where he expanded the audience for MUP books. His appreciation of excellence was a great contribution to Melbourne University Press. Perhaps of greater value was his never-failing scepticism and his low tolerance for claptrap. However, he was more at home in the rough and tumble of the mainstream Australian conversation, and in 1994 he returned to Allen and Unwin.

In more recent years, some of his best known books have been *Death Struggle* by Quentin Dempster, *Death in Balibo* by Hamish McDonald, Marilyn Lake’s biography of Faith Bandler, Henry Reynolds’s *This Whispering in our Hearts* and, of course, *True Believers*. The fact that he published both Gough Whitlam and Tim Fischer shows that, while Iremonger was a man of strong political conviction, he was without prejudices. Described by David Marr as a ‘patient pedant’, he drew the best from his authors.

Iremonger’s passion for the national conversation was not limited to his publishing work, though it is the books he published that are his most tangible legacy. After Labor’s return to government in 1983 he advised the Review of Australian Studies in Tertiary Education and the National Consultative Council on the United Nations International Literacy Year. In the mid-1980s he was a founding member of the National Advisory Council of the ABC, and in the second half of the 1980s he was on the board of the Australian Museum.

In the first half of the 1990s he was a member, and then deputy chairman, of the Literature Board of the Australia Council and a member of the board of the National Book Council, which publishes the *Australian Book Review*, and of the Melbourne Writers Festival. In the late 1990s he was President of the Library Society in New South Wales and was instrumental in that organisation’s presentation of an important series of debates, seminars and lectures. Last year he received a doctorate of letters from the University of Melbourne. He deserved no less, but no formal honour granted him could ever match the honour his friendship did us.

He was a publisher of books, yes, but those books were very much part of a long, enthusiastic, vigorous conversation with Australia and about Australia—a conversation he pursued through every aspect of his involvement in politics, literature and culture and through his many friendships. Iremonger himself summed up life’s great gifts as ‘books, wine and friendship’. John Iremonger died last week. At this difficult time many of us are thinking of John’s family, particularly his wife, Jane Marceau, who has herself been inspirational during John’s long illness. Australia has lost a great contributor to the public, cultural and intellectual life of this nation. Vale, comrade.

**Contributions of Celtic Australians**

**Senator TCHEN** (Victoria) (6.32 p.m.)—Mr President, I take this opportunity to congratulate you belatedly on your ascension to the presidency of the Senate. Australia today takes its place proudly in the world community as a truly successful multicultural society. It is, nevertheless, widely assumed that our mainstream culture is overwhelmingly English in nature. Contributions made by other cultures tend to be relegated to supporting roles. Tonight I wish to pay tribute to a group of Australians who, collectively and individually throughout the history of Australian settlement since the First Fleet, have made magnificent contributions to the growth and flourishing of multicultural Australia—to its society, economy, culture and communities at the grassroots and to its leadership—contributions they are continuing to make. They are the immigrant Australians who have come to this new country from those parts of the British Isles where the culture is distinct from that of Anglo-Saxon and Norman England: the Cornish, the Irish, the Manx, the Scottish and the Welsh. As an illustration—something close to home that I can demonstrate—the senators may be interested to know that, of the 159 members of Australia’s House of Representatives who were born overseas, 48 came from these Celtic nations and, of the 105 senators who were born overseas, 36 were from these Celtic nations.
I will now go through the contribution each of these groups has made. The Cornish have perhaps the best claim of the longest association with Australia, since the first person to step onshore at Sydney Cove in 1788 was a Cornish convict named James Ruse. But there was no lack of others of higher social status, including Phillip King, who was later Governor of Norfolk Island, New South Wales and Tasmania, where the city of Launceston was named after his birthplace. Another naval officer of some fame who also became Governor of New South Wales, William Bligh, was a Cornishman as well. The first major influx of Cornish people to Australia came in the late 1830s and 1840s, coinciding with the foundation of South Australia as a free colony and especially with the discovery of mineral deposits. The discovery of silver and lead at Glen Osmond in the Adelaide Hills—by two Cornishmen, incidentally—went a long way towards ensuring the continuation of the South Australian colony. By 1861 the York Peninsula, where copper mines had been established, was known as Australia’s ‘little Cornwall’, attesting to the importance of the Cornish community to South Australia.

The discovery of gold in New South Wales in 1851, which was a turning point in the development of Australia, was again made by a Cornishman, William Tom. But it was in the Victorian goldfields, where gold was to be found in deep lodes which only Cornishmen had the experience to work, that Cornish influence had the greatest impact. In the Bendigo region, where I am pleased to say I have had the opportunity to work with the local community, the area of White Hills and Long Gully was again known as ‘little Cornwall’—this time of the goldfields. By the 1870s the Victorian goldfields had become heavily capitalised, and the Cornish hard-rock miners came into their own as capitalists and people’s tribunes of the new mining industry. In 1874 Cornish miners formed the Amalgamated Miners Association, based in Creswick. The first president of the Creswick branch of the association was John Sampson, whose brand of unionism was said to be in the typical Cornish manner: liberal, moderate and oriented to ensuring the welfare of the workers—characteristics that are highly recommended to the senators opposite.

One of John Sampson’s grandsons went into politics and followed with great success his grandfather’s philosophy and example of serving the true welfare of the Australian people and building the Australian nation as a fair, prosperous and liberal society. He was Sir Robert Menzies. Other notable Australians of Cornish heritage include John Quick, a father of Federation; Thomas Blamey; Judith Wright; and Bob Hawke. I am much in debt to the information provided in the book *The Australian people: An encyclopaedia of the nation, its people and their origins*, edited by Mr James Jupp and published in 2001 by Cambridge University Press, and I thank Ms Anne Bannerman of the library for directing me to this book.

Perhaps I have allowed myself to get carried away by the history and achievements of the Cornish people in Australia, and certainly I shall be out of time before I can do justice to the other people of the Celtic nations—the Irish, the Manx, the Scottish and the Welsh—each of whom can boast an equally fascinating and productive history in Australia. I may have future chances to do so, but for now I must get to the present and the reason I wish to bring this matter to the attention of the Senate.

These Celtic communities continue to flourish in Australia. During 2001 representatives of the Irish and Scottish communities of Victoria discussed the concept of holding a Celtic nations festival to provide a forum where members of the various Celtic communities could interact and share aspects of their unique cultural backgrounds. There was such a great interest amongst the Celtic community that in early 2002 a meeting of representatives of the Cornish, Irish, Scottish and Welsh communities agreed to establish and incorporate an association called the Celtic Nations Inc. as the coordinating group for activities which impinge on the whole Celtic community in Victoria.

The aim of the group is: (1) to facilitate the achievements of the shared goals of the Celtic nations community by coordinating the use of various resources to be found within the community; (2) to help maintain
the presence of Celtic heritage within Australian life to stand with the various cultural influences on the nation; and (3) to provide representation for the Celtic community in forums and other community activities. The group hopes to promote a greater understanding between the Celtic nations to raise community awareness of the Celticity of the people. Its focus will be on recognition of the unity of these nations in multicultural Australia.

The association held its first festival on Saturday, 24 August in Melbourne appropriately in the Celtic Club. I would like to congratulate Celtic Nations Inc. for their establishment and their aims because it is very much in Australia’s interest that people from different cultural backgrounds should come together and work together actively, instead of just promoting their own culture. I congratulate the Chairman of Celtic Nations Inc., Mr Brian Shanahan, of the Irish community; the Deputy Chairperson, Mrs Gwen Phillips, of the Cornish community; the Treasurer, Mrs Dilys Greenacre, of the Welsh community; and the Secretary, Mr Bill Schrank, of the Scottish community. I wish the association the best.

Unauthorised Publication of Photograph

Senator McLUCAS (Queensland) (6.40 p.m.)—Last week in the Senate, Senator Abetz responded in the adjournment debate to my earlier call for him to apologise to a constituent of mine, a woman by the name of Thancoupie, an Indigenous artist and reconciliation activist from Napranum in North Queensland. I would like to remind the Senate of the issues surrounding my call for Senator Abetz’s apology. Senator Abetz printed a document entitled ‘A Rabbit Proof Fence Full of Holes’, in which he fundamentally questions whether the stolen generations did in fact ever exist. It is very sad to me and to Thancoupie that on the back of that document he reproduced two photographs of him with her that were taken when the Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund travelled to her traditional country at Bowchat, near Weipa, on Cape York Peninsula.

The thing that disturbs and upsets Thancoupie, me and many of her people is that Senator Abetz did this without any reference to her. He made no attempt to contact her. He did not try to gain her permission before he published them. The thing that makes Thancoupie so distressed is the content of the document. It is a document that, in my mind, questions the unquestionable: that Aboriginal children were stolen from their mothers. It is a very harmful document and it is a document that does nothing to assist the process of reconciliation. It is a document that stands for nothing that Thancoupie stands for.

On behalf of Thancoupie, I call on Senator Abetz to apologise to her for the considerable hurt that she has experienced by being associated with such a publication. I was, therefore, quite astonished at Senator Abetz’s response. Instead of acknowledging his error and apologising respectfully, Senator Abetz obviously decided that attack was the best form of defence. Senator Abetz feigned innocence. Quite clearly, he knows that his actions would have hurt Thancoupie quite considerably. Senator Abetz attacked my motivation. I put it on the record here that my motivation was simple: to represent my constituent’s views in this place. I want to go to three issues that were raised in Senator Abetz’s contribution and respond to them.

Senator Ian Macdonald—Did she write to Senator Abetz?

Senator McLUCAS—I will take that interjection, Senator Macdonald. Yes, I have a letter written by her friend. You will understand that there are some issues—

Senator Ian Macdonald—Did she write to Senator Abetz or have a letter written to Senator Abetz?

Senator McLUCAS—No, she wrote to me; just like Senator Abetz did not write to her. Let us look at the justice here: we are talking about an Indigenous woman who lives on Cape York Peninsula who does not have brilliant literacy compared with a senator from Tasmania who has three staff and everything at his disposal. And what did he do? He did nothing. He did not even try to contact Thancoupie before putting her photographs in such a publication.
I will move to the three points that I need to make. First of all, as a form of defence, Senator Abetz said that the damage would not be very great because it was a ‘very small mail-out in the second most southern electorate of Australia about someone residing in the northernmost electorate in Australia’. I am sorry, Senator Abetz, that is no defence. Distance does not absolve you from politeness or respect. Secondly, Senator Abetz said that it would have been appropriate for me to approach him to raise the matters and have a discussion. That is exactly what Thancoupie expected of him: for him to contact her before using her photographs in such—in her mind—an abhorrent piece of literature.

Senator Ian Macdonald—Two wrongs make it right, do they?

Senator McLUCAS—Two wrongs do not make it right, but he was the first who erred and, given his position in this nation, he should have respected that and respected a significant older Indigenous woman from Cape York Peninsula. The third point I want to make is that Senator Abetz suggested that he might have suggested to Thancoupie in passing that he might use these photographs in conjunction with his work as a senator and as a member of the committee. My advice from Thancoupie is that she has no recollection of that. I am sure people will recognise that English is not Thancoupie’s first language. In fact she spoke a number of Indigenous languages before she spoke English. It shows no respect for Thancoupie. If he had respected her and her work, he would have contacted her directly. All politicians know that before you use someone’s image you get their permission; we do that as a matter of course. It is neither accepted nor acceptable practice for Senator Abetz to use this photograph in this way. I repeat my request to Senator Abetz to apologise and to make amends to my constituent Thancoupie.

Senate adjourned at 6.46 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Broadcasting Services Act—
Broadcasting Services Clarification Notice 2002.
Environment Protection and Biodiversity Conservation Act—Instrument amending list of—
Key threatening processes under section 183, dated 10 July 2002.
Threatened species under section 178, dated 4 July 2002.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Austrade: Seminar and Trade Fair
(Question No. 290)

Senator Brown asked the Minister representing the Minister for Trade, upon notice, on 29 April 2002

(1) With reference to the Papua New Guinea Forest Industries Association (PNGFIA) Forest Investment Seminar held in Port Moresby in March 2002:

(2) Did Austrade contribute any funds to the sponsorship of the seminar or the trade fair held in conjunction with it; if so, how much.

(3) What was the purpose of Austrade’s involvement with the seminar and/or the trade fair.

(4) What expectations are there of the trade benefits from the involvement of Austrade in the seminar and/or trade fair.

(5) Has an Austrade officer been involved on the steering committee for the seminar and/or trade fair; if so, how many meetings did he or she participate in.

(6) What is the total estimated cost of Austrade’s involvement in the seminar, including the cost of staff time, direct sponsorship costs and any other costs.

(7) Was Austrade’s participation in the seminar and/or trade fair at the invitation of the PNGFIA: if so, why was the invitation accepted.

(8) Does Austrade expect to be involved in future PNGFIA annual seminars; if so, why.

(9) Is Austrade involved in any other projects in conjunction with the PNGFIA.

Senator Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

(1) No. It is possible however that some of the exhibitors may claim a partial reimbursement of the costs of their display under the Export Market Development Grants Scheme.

(2) To showcase Australia’s leading products and services applicable to eco-forestry i.e. small-scale environmentally sustainable forestry work.

(3) Eight Australian businesses exhibited at the forestry trade fair and Austrade is continuing to work with these companies to win business in the PNG market.

(4) Yes. A Trade Commissioner from Austrade (PNG) was present at a total of 10 meetings with representatives from the PNG’s Forest Industry.

(5) There was no net cost to Austrade as it is corporate policy not to subsidise the conduct of overseas trade promotion events.

Austrade paid no sponsorship money.

There was no staff cost, other than opportunity cost.

A total of 184 hours were spent on the PNG Forestry Exhibition:

- 120 hours (3 weeks) were spent by the Trade Commissioner in preparing for the exhibition.
- 24 person hours were spent at the event. This comprised 3 hours by the Senior Trade Commissioner, 12 hours by the Trade Commissioner, 5 hours by the Business Development Manager and 4 hours by the Marketing Assistant.
- 40 hours (1 week) were spent on follow-up activities by the Trade Commissioner.

(6) Yes. After discussions with the PNGFIA, Austrade identified the trade fair as an opportunity for Australian business to win export sales in PNG’s eco-forestry sector.

(7) Yes. Austrade’s role is to support Australian exports. Trade fairs such as this promote Australian products and services used in small-scale eco- harvesting and community-based forest projects.

(8) No.
Veterans: Legal Services
(Question No. 413)

Senator Mark Bishop asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 3 July 2002:

(1) Which legal firms have been engaged for the provision of advice or other services during each of the past 5 years.

(2) Have any veterans’ files been referred to any of these law firms; if so, how many.

(3) Is the Minister aware whether Clayton Utz was retained by Monsanto Chemicals (USA) during the Evatt Royal Commission.

Senator Hill—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) Set out below are a list of the legal firms that have been engaged for advice or other services for the Department of Veterans’ Affairs over the past 5 years. Usage data is not available on an annual basis. These legal services were not confined to matters arising under the Veterans’ Entitlements Act 1986 and involved a wide range of legal issues relating to the operations of the Department and the Repatriation Commission. This list also includes legal firms providing legal services on matters relating to the Military Rehabilitation and Compensation Service (‘MCRS’) under the Safety, Rehabilitation and Compensation Act 1988, the administration of which was transferred to the Department of Veterans’ Affairs in December 1999. All MCRS matters have been outsourced to external legal service providers who are part of the Comcare legal panel for a considerable period of time.

- Australian Government Solicitor
- Ayliss & Ayliss
- Blake Dawson Waldron
- Brophy Bridget & Mirow
- Clayton Utz
- Corrs Chambers Westgarth
- Cridells
- Deacons (formerly Bowdens)
- Dibbs Barker Gosling (formerly Barker Gosling)
- Downings Legal (agents for Barker Gosling)
- Freehill Hollingdale & Page
- Gadens
- Heiser Bailey Mortenson
- Lawson Smith
- Mackays
- Mallesons
- Marshalls & Dent
- Minter Ellison
- Norman Waterhouse (agents for Sparke Helmore)
- O’Shea Corser Wadley
- Phillips Fox
- Pizzeys
- Sparke Helmore
- Tress Cox Maddox
- Watson Stafford
- Willers & Co
(2) Documents from the files of approximately 3,500 veterans have been referred to these legal firms
over the past five years. The vast majority of these matters involve the MCRS legal panel where
the legal firm is required to prepare the section 37 statement and associated “T” documents on be-
half of the respondent in all matters before the Administrative Appeals Tribunal (‘AAT’). In rela-
tion to matters arising under the Veterans’ Entitlements Act 1986 with the exception of the market
testing that has been done on advocacy services before the AAT, it is not the usual practice for
veterans’ files to be referred to external legal service providers. Documents from a veteran’s file
will be included in the material that is provided to an external legal provider in a number of situa-
tions. First, where there is a monetary claim on the Commonwealth documents relating to the
claim will be referred for external legal advice. This is required under Appendix C to the Legal
Service Directions issued by the Attorney-General under section 55ZG of the Judiciary Act 1901.
Second, where a matter is before the Federal Court, the documents before the AAT (eg the “T”
documents) will form part of the appeal papers which will be handled by the solicitor on the rec-
cord and Counsel. Both the Department of Veterans’ Affairs and the Repatriation Commission use
external legal providers for all Federal Court work. In relation to the market testing of advocacy
services before the AAT, the files relating to 12 veterans were referred to Barker Gosling in Mel-
bourne and a similar number of matters were referred to the Australian Government Solicitor.

(3) The “Royal Commission on the Use and Effects of Chemical Agents on Australian Personnel in
Vietnam” was established by Letters Patent on 13 May 1983. The Royal Commission was not part
of the Veteran’s Affairs portfolio and was independent of the Department of Veterans’ Affairs and
the Repatriation Commission. Volume 1 of the Final Report of July 1995 refers to Monsanto Aus-
tralia Limited being represented before the Royal Commission by Mr B S J O’Keefe QC and Mr J
M Stowe. The Report does not indicate who were the instructing solicitors for these Counsel.
Monsanto Chemicals (USA) does not appear to have been a party before the Royal Commission.

Wide Bay Electorate: Program Funding

(Question Nos 424 and 443)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional
Services, and the Minister for Regional Services, Territories and Local Government, 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 Ian Macdonald—The Minister for Transport and Regional Services and the
Minister for Regional Services, Territories and Local Government have provided the follow-
ing answers to the honourable senator’s questions:

(1)—

The Department of Transport and Regional Services provides funding to the federal electorate of Wide
Bay under the following programmes:

• Black Spot Programme
• National Highways Funding
• Roads to Recovery Programme
• Rapid Route Recovery Scheme
• Payment Scheme For Airservices Australia’s Enroute Charges
• 2002 Year of the Outback
• Regional Assistance Programme
• Dairy Regional Assistance Programme
• Ex-Gratia Disaster Relief Packages
• Local Government Incentive Programme
• National Disaster Memorials
• Natural Disaster Relief Arrangements (NDRA)
• Regional Forums Australia
• Regional Flood Mitigation
• Regional Solutions Programme
• Rural Plan
• Rural Transaction Centres Programme
• Wide Bay Burnett Structural Adjustment Package

(2) —

• Black Spot Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$849,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$381,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

• National Highways Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$18,899,900</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$22,428,418</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$6,826,973</td>
</tr>
</tbody>
</table>

• Roads to Recovery Programme (Total over 4 years of Programme)

The programme commenced in 2001 and will be operational from 1 January 2001 to 30 June 2005. Total funding allocated to date to 17 local government councils in the federal electorate of Wide Bay amounts to $19,185,438.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>-</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$19,185,438</td>
</tr>
</tbody>
</table>

• Payment Scheme For Airservices Australia’s Enroute Charges

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>-</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$635,020</td>
</tr>
</tbody>
</table>

• 2002 Year of the Outback

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>-</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$3,200,000</td>
</tr>
</tbody>
</table>

• Regional Assistance Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$410,460</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$110,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$203,500</td>
</tr>
</tbody>
</table>

• Dairy Regional Assistance Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$2,464,291</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$3,705,101</td>
</tr>
</tbody>
</table>

• Ex-Gratia Disaster Relief Packages

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$17,003,866</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

• Local Government Incentive Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$535,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$712,300</td>
</tr>
</tbody>
</table>
National Disaster Memorials

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>-</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Natural Disaster Relief Arrangements (NDRA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$41,587,006</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$61,458,566</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$16,706,389</td>
</tr>
</tbody>
</table>

Regional Forums Australia

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$9,268,936</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

Regional Flood Mitigation

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$10,767</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$329,666</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

Regional Solutions Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$120,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$867,598</td>
</tr>
</tbody>
</table>

Rural Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$75,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>-</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

Rural Transaction Centres Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$10,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$8,800</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

Wide Bay Burnett Structural Adjustment Package

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>-</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$4,398,700</td>
</tr>
</tbody>
</table>

(3) (a), (b) and (c)—
A list of projects funded under each programme is outlined below. It should be noted that funding under some programmes such as the Local Government Incentive Programme are Statewide grants that may have had spin off benefits for areas such as Wide Bay.

BLACK SPOT PROGRAMME

The Federal Black Spot program funds cost-efficient safety-oriented projects that will help to reduce the road toll on State and local government roads.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>Brisbane City Council</td>
<td>Adjacent approach/parallel lanes turning/loss of control on turn - modify traffic signals/install turn pockets &amp; slip lanes (Qld, Rochedale: Rochedale Road &amp; Underwood Road).</td>
<td>$500,000</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Hervey Bay City Council</td>
<td>Adjacent approaches/install traffic signals (Qld, Hervey Bay: Boat Harbour Drive &amp; Denman Camp Road).</td>
<td>$115,000</td>
</tr>
</tbody>
</table>

A summary of each project and funding allocated in 1999-2000 and 2000-2001 is outlined below:
The Commonwealth Government is responsible for funding the development and maintenance of Australia’s National Highway network through tied grants. The Commonwealth also funds upgrading of certain Roads of National Importance jointly with the States. Other roads are the responsibility of State and local governments. The Commonwealth provides significant untied road grants annually to local government to assist in maintaining these roads.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>State Government of Queensland</td>
<td>Bruce Hwy - various widening, rehabilitation, minor realignment, overtaking lanes &amp; flood projects.</td>
<td>$4,554,250</td>
</tr>
<tr>
<td>2000-2001</td>
<td>State Government of Queensland</td>
<td>Bruce Hwy - various widening, rehabilitation, minor realignment, overtaking lanes &amp; flood projects.</td>
<td>$10,459,514</td>
</tr>
<tr>
<td>2001-2002</td>
<td>State Government of Queensland</td>
<td>Cooray to Gympie upgrading planning study</td>
<td>$32,500</td>
</tr>
<tr>
<td>2001-2002</td>
<td>State Government of Queensland</td>
<td>Bruce Hwy - Gonalda Range</td>
<td>$2,337,656</td>
</tr>
</tbody>
</table>

NATIONAL HIGHWAYS FUNDING

A summary of each project and funding allocated in 1999-2000, 2000-2001 and 2001-2002 is outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>State Government of Queensland</td>
<td>Adjacent approaches/install medians/improved street lighting (Qld, Hervey Bay: Tavistock Street &amp; Exeter Street).</td>
<td>$40,000</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Hervey Bay City Council</td>
<td>Rear end crashes/ pedestrian conflicts - medians with turn protection/ improved lighting (Qld, Hervey Bay: Charlton Esplanade &amp; Bideford Street).</td>
<td>$34,000</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Maryborough City Council</td>
<td>Adjacent approaches/install traffic lights - Qld, Maryborough: Alice Street &amp; March Street.</td>
<td>$160,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Hervey Bay City Council</td>
<td>Adjacent approaches/traffic signals (Qld, Hervey Bay: Old Maryborough Road &amp; Main Street).</td>
<td>$150,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Hervey Bay City Council</td>
<td>Vehicle hits pedestrian/medians and traffic islands (Qld, Torquay: Charlton Esplanade &amp; Bideford Street and Tavistock Street).</td>
<td>$30,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Monto Shire Council</td>
<td>Widen and seal shoulder (Qld, Wondunna: Booral Road &amp; Shore Road to Beck Road).</td>
<td>$150,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Mundubbera Shire Council</td>
<td>Improve visibility/pavement markings/turn protection (Qld, Monto: Monto Overbridge &amp; Flinders Street/Eyre Street/Lister Street).</td>
<td>$20,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Mundubbera Shire Council</td>
<td>Single vehicle rollover crashes/realign northern approach and resurface (Qld, Mundubbera: Boondooma Road &amp; Northern Approach to Coocher Creek Crossing).</td>
<td>$31,000</td>
</tr>
<tr>
<td>Year</td>
<td>Recipient</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>2001-2002</td>
<td>State Government of Queensland</td>
<td>Bruce Hwy - various widening, rehabilitation, minor realignment, overtaking lanes &amp; flood projects.*</td>
<td>$3,750,152</td>
</tr>
</tbody>
</table>

* These projects fund numerous works along the Bruce Hwy, including in other electorates

ROADS TO RECOVERY PROGRAMME

This programme provides significant Commonwealth Roads funding to local councils for projects to improve and maintain local roads. The Commonwealth has committed $1.2 billion over the four years of the programme.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>2001-2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banana Shire Council</td>
<td>$3,951,642</td>
</tr>
<tr>
<td>Biggenden Shire Council</td>
<td>$584,175</td>
</tr>
<tr>
<td>Cherbourg Community Council</td>
<td>$106,252</td>
</tr>
<tr>
<td>Cooloola Shire Council</td>
<td>$2,344,806</td>
</tr>
<tr>
<td>Eidsvold Shire Council</td>
<td>$791,537</td>
</tr>
<tr>
<td>Gayndah Shire Council</td>
<td>$754,848</td>
</tr>
<tr>
<td>Hervey Bay City Council</td>
<td>$1,968,365</td>
</tr>
<tr>
<td>Kilkivan Shire Council</td>
<td>$889,986</td>
</tr>
<tr>
<td>Kolan Shire Council</td>
<td>$939,004</td>
</tr>
<tr>
<td>Maryborough City Council</td>
<td>$1,074,980</td>
</tr>
<tr>
<td>Monto Shire Council</td>
<td>$1,307,800</td>
</tr>
<tr>
<td>Mundubbera Shire Council</td>
<td>$904,409</td>
</tr>
<tr>
<td>Murgon Shire Council</td>
<td>$494,720</td>
</tr>
<tr>
<td>Perry Shire Council</td>
<td>$419,228</td>
</tr>
<tr>
<td>Tiaro Shire Council</td>
<td>$844,934</td>
</tr>
<tr>
<td>Wondai Shire Council</td>
<td>$1,142,610</td>
</tr>
<tr>
<td>Woocoo Shire Council</td>
<td>$666,142</td>
</tr>
</tbody>
</table>

PAYMENT SCHEME FOR AIRSERVICES AUSTRALIA'S ENROUTE CHARGES

Management of the delivery of a 3.5 year programme commencing on 1 January 2002 to subsidise enroute charges incurred by around 30 small regular public transport airlines, and those providing aeromedical services. An amount of $2.9 million is being provided for the programme in the 2002 additional estimates.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>2001-2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banana Shire Council</td>
<td>$3,951,642</td>
</tr>
<tr>
<td>Biggenden Shire Council</td>
<td>$584,175</td>
</tr>
<tr>
<td>Cherbourg Community Council</td>
<td>$106,252</td>
</tr>
<tr>
<td>Cooloola Shire Council</td>
<td>$2,344,806</td>
</tr>
<tr>
<td>Eidsvold Shire Council</td>
<td>$791,537</td>
</tr>
<tr>
<td>Gayndah Shire Council</td>
<td>$754,848</td>
</tr>
<tr>
<td>Hervey Bay City Council</td>
<td>$1,968,365</td>
</tr>
<tr>
<td>Kilkivan Shire Council</td>
<td>$889,986</td>
</tr>
<tr>
<td>Kolan Shire Council</td>
<td>$939,004</td>
</tr>
<tr>
<td>Maryborough City Council</td>
<td>$1,074,980</td>
</tr>
<tr>
<td>Monto Shire Council</td>
<td>$1,307,800</td>
</tr>
<tr>
<td>Mundubbera Shire Council</td>
<td>$904,409</td>
</tr>
<tr>
<td>Murgon Shire Council</td>
<td>$494,720</td>
</tr>
<tr>
<td>Perry Shire Council</td>
<td>$419,228</td>
</tr>
<tr>
<td>Tiaro Shire Council</td>
<td>$844,934</td>
</tr>
<tr>
<td>Wondai Shire Council</td>
<td>$1,142,610</td>
</tr>
<tr>
<td>Woocoo Shire Council</td>
<td>$666,142</td>
</tr>
</tbody>
</table>

Management of the delivery of a 3.5 year programme commencing on 1 January 2002 to subsidise enroute charges incurred by around 30 small regular public transport airlines, and those providing aeromedical services. The programme is of national benefit and may assist airlines providing services within this electorate.

2002 YEAR OF THE OUTBACK

The promotion of 2002 Year of the Outback aims to raise awareness of regional Australia and its importance in the development of our culture and economic wealth.
A summary of each project and funding allocated in 2000-2001 is outlined below:

- **State-wide project Outback 2002 Ltd - $2,000,000**
  Establishment and maintenance of National Secretariat for Australia’s Year on the Outback 2002
- **Outback 2002 - $1,200,000**
  Provision of funds for promotion and marketing activities

**REGIONAL ASSISTANCE PROGRAMME (RAP)**

The fundamental purpose of the Regional Assistance Programme (RAP) is to generate employment in metropolitan, regional and remote Australia by encouraging local community action to boost business growth and create sustainable jobs. It provides seed funding for innovative, quality projects of value to the community.

A summary of each project and funding allocated in 1999-2000, 2000-2001 and 2001-2002 is outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>Capricorn Crayfish Farmers’ Association Inc</td>
<td>The main aim of the project is to develop a 5 year marketing and business development plan for the long term sustainability of the Red Claw Crayfish industry in the Central Queensland area. This project also aims to develop niche markets to best meet consumer demands and to value add to current products through processing and packaging options including the introduction of common branding.</td>
<td>$40,500.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Maryborough City Council</td>
<td>This project aims to maximise the unique opportunities presented by the developments in the Region, including a 50 seat Centrelink Call centre, a $10 million Cultural &amp; Entertainment Centre, a 500 bed Correctional facility, and a new Station Square Shopping Complex, in order to attract regional shoppers and visitors to Maryborough.</td>
<td>$31,249.76</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Dawson Agro-Forestry Group Inc</td>
<td>This project will investigate the potential for commercial planting of hardwood timber in the Dawson Valley region.</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Eidsvold Shire Council</td>
<td>The project is designed to bring new industries and employment opportunities to the region whilst building on existing assets. This project involves development of an implementation plan to enable Eidsvold to approach the economic future of the district with confidence.</td>
<td>$20,700.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Gataker’s Lane Living Craft Assoc. Inc</td>
<td>Gataker’s Lane Living Craft Association was formed in September 1998 following a feasibility study funded by OLMA in 1996 for the “Heritage City Artisans Guild”. The project is to further the development of the Living Craft Centre through the appointment of a Project Manager and Sales staff and a wholesales sales contractor.</td>
<td>$55,770.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>South Burnett Local Government Association Inc</td>
<td>This project is to assist the local Councils of Murgon, Kilkivan and Wondai to develop an economic development strategy. This will provide a vision and direction for the future development of these Shires and stimulate business activity, employment and development over the next 5 to 10 years.</td>
<td>$22,000.00</td>
</tr>
<tr>
<td>Year</td>
<td>Recipient</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Kolan Shire Council</td>
<td>This project will employ a project officer to: Identify and foster development of clusters of compatible businesses. Identify business and employment opportunities in the Shire that have the ability to generate jobs. Assist in the development of a Shire incentives scheme to attract investment into the area. Develop an Investment Opportunities document used to market business opportunities in the Shire.</td>
<td>$20,990.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Primary Industries Exhibition Inc.</td>
<td>This project involves the building an information and reception centre at the community tourism centre known as “The SILO”. The SILO is used as a tourist information centre, an education centre and as a local museum.</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Hervey Bay Tourism &amp; Development Bureau Inc</td>
<td>This project will determine the environmental, social, cultural, and economic impacts of a proposed Australian Fishing Museum. This project incorporates a “Hall of Fame” concept, assesses development time-frames, determines construction costs, a draft development strategy, and a draft marketing plan. It is anticipated this will lead to the business planning and construction of the Museum.</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Callide Dawson Herb Association Inc</td>
<td>The prime objective of the project is to establish a trial primary processing plant for developing and implementing procedures and processes which are suitable for long term sustainability of the herb and spice industry within the region. The key outcome of the project will be to have a fully operational trial processing plant established within 12 months.</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Maryborough City Whistle Stop Inc</td>
<td>This project will enable Whistle Stop Inc., a community based organisation capitalising on Maryborough’s extensive Steam Engineering Heritage, to develop a range of tourist attractions. The key initiatives are to develop an Interactive Steam Heritage Museum, revitalised Maryborough Central Station refreshment Bar, a dining Car Restaurant a Train spotters Restaurant and a back packer hostel.</td>
<td>$74,250.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Eidsvold Shire Council</td>
<td>This project will look at innovative ways in which the waste products from the hardwood mills can be used productively. The project will investigate and design a pilot machine for testing value added hardwood sawdust products.</td>
<td>$33,000.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Hervey Bay City Council</td>
<td>This project will bring together businesses in logical groupings to share in the development of the Access Tourism Strategy with an expectation that the entire Fraser Coast area will be potentially involved.</td>
<td>$33,000.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Kolan Shire Council</td>
<td>Funding is being provided to undertake planning associated with the concept of turning Gin Gin into a theme town, by development of the saga of the Wild Scotchman and the period in which he lived.</td>
<td>$44,000.00</td>
</tr>
</tbody>
</table>
Biloela’s retail and service sector will get a boost through the provision of an Economic Development Strategy. The Economic Development Strategy will focus on improving the CBD through attention to customer comfort, business access and zoning and retention of skilled people in Biloela. The Strategy will promote the business development of the town including training needs, networking and staff retention.

$49,500.00

This project aims to expand the tourism industry in the Hervey Bay region by targeting the niche visitor markets of backpackers, bird watchers and seniors. The development of an industry cluster is anticipated to bring together the local industries servicing these markets.

$44,000.00

The Maryborough Urban Renewal Project will provide new commercial energy and a modern image for Maryborough. The aim of the renewal project is to maximise the commercial use of inner city buildings and vacant space and link the Mary River, Queens Park and the Wharf Street Heritage Precinct.

$110,000.00

The Dairy Regional Assistance Programme (Dairy RAP) is part of the Commonwealth Government’s $1.94 billion Dairy Industry Adjustment Package (DIAP). Dairy RAP is designed to assist communities that have been impacted upon by the deregulation of the dairy industry. The programme facilitates long term employment by supplementing business investment and providing support for services that will lead to on-going economic and social benefits for regions affected by dairy deregulation. Under the Dairy RAP Guidelines, both community and commercial enterprises are eligible to apply for funds.

A summary of each project and funding allocated in 2000-2001 and 2001-2002 is outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>Bendele Farms Pty Ltd</td>
<td>Location – Kilkivan Shire This project will support the expansion of the Bendele Farm, an organic duck producer situated in the Kilkivan Shire. Dairy RAP funding will enable Bendele Farm to upgrade production, breeding, processing and value adding capabilities.</td>
<td>$107,250.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Biggenden Meat Works</td>
<td>Location: Biggenden Shire This project will assist the Biggenden Meatworks to expand their current operations in order to supply small, independent and community butchers in the Wide Bay Burnett region. Dairy RAP funds will support investment by the company to upgrade infrastructure at the meatworks including new killing, processing and cool room facilities.</td>
<td>$208,230.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Monto Shire Council</td>
<td>Location: Monto Shire This project enables the upgrade of infrastructure and walking tracks at Cania George, a popular tourist destination near Monto. Dairy RAP funds are complemented with contributory funding from the Queensland Government’s Community Jobs Plan.</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>Year</td>
<td>Recipient</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Wondai Shire Council</td>
<td>This project is aimed at extending the tourist facilities at the Boondooma Dam in the Wondai Shire in central Queensland, thereby attracting a greater number of tourists to the region and stimulating the local economy.</td>
<td>$236,500.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Wide Bay Burnett ACC</td>
<td>Location: Wide Bay, Sunshine Coast and Moreton Bay This project will allow two part-time field officers to be employed to assist the dairy dependent areas of Wide Bay, Sunshine Coast and Moreton Bay. The field officers will identify, encourage and assist business enterprises and ‘not-for-profit’ organisations to develop project proposals for funding under the Dairy Regional Assistance Programme (Dairy RAP) and other Commonwealth initiatives.</td>
<td>$88,770.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Amberland Exploration</td>
<td>This project will establish a quarry for local siltstone which can be made into building blocks, table tops, floor tiles, and used for sculpture. The project will develop the long term mining and manufacturing of the stone in the region. The project site is situated in Mundubbera and Monto regions which are both dairy dependent communities.</td>
<td>$99,198.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Fraser Coast-South Burnett Regional Tourism Board Ltd</td>
<td>This project seeks to address the lack of information on tourist visitors in the Fraser Coast South Burnett tourism region to enable the development of a more targeted marketing strategy and to attract investment and new businesses in the tourism industry.</td>
<td>$54,868.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Goomeri Service Centre</td>
<td>Location – Kilkivan Shire This project provides support to the Goomeri Service Centre for infrastructure expansion that will enable the company to develop a modular piggery unit. Expansion of the facility is necessary for the business to meet the existing and future opportunities in the market, both domestic and overseas.</td>
<td>$181,500.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Banana Shire Development Association</td>
<td>This project will provide information to dairy farmers in the Callide Dawson region on herb and squab growing industries. This project will involve the preparation and distribution of information through a variety of seminars targeted at dairy farmers as an alternative industry.</td>
<td>$32,000.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Monto Steel Products</td>
<td>Location: Monto Shire This project will assist a steel manufacturing company, to build a scale model and promote an innovative dairy milking system. This new product is a hydraulic rapid exit dairy milking system that displays unique hydraulic features and energy efficiencies.</td>
<td>$27,192.00</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Kilkivan Shire Council</td>
<td>Location: Kilkivan Shire This project will enable the Kilkivan Shire Council to employ a project development officer to pursue a range of economic development options for the Kilkivan District. The Australian Bureau of Agricultural and Research Economics (ABARE) have identified the shire of Kilkivan as experiencing some of the highest national adjustment pressures following deregulation. The officer will facilitate new business activity and provide business diversification advice and assistance to small businesses.</td>
<td>$55,000.00</td>
</tr>
<tr>
<td>Year</td>
<td>Recipient</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Monto Shire Council</td>
<td>Funding is being provided to employ a Community Support Worker based at Monto to provide a support service in the Monto, Mundubbera, Banana and Calliope Shires which have been significantly impacted by deregulation of the dairy industry. The service will focus on a case management approach assisting in the sourcing of financial assistance, providing crisis counselling, support, information and referral in respect of business stabilisation, and assistance with community development.</td>
<td>$103,427.50</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Monto Economic Goat Alliance (MEGA)</td>
<td>This project will facilitate the development of the production of goat milk in the Monto region. The project will provide the framework for the industry to progress from establishment stage to full production as well as the development of an export orientated industry in this dairy dependent region.</td>
<td>$36,355.00</td>
</tr>
</tbody>
</table>
| 2000-2001 | Monto Grains Cooperative Association Ltd      | Location: Monto Shire  
The project will secure an essential storage and handling facility for grain-growers in the Monto District that will facilitate the creation of employment. It will open up new value-adding opportunities through the establishment of grain cleaning, drying and bagging operations. | $154,000.00|
| 2000-2001 | Monto Shire Council                           | Location: Monto Shire  
This project will provide employment and benefit the regional tourism industry by facilitating the construction of a tourist stop-over and information area at Monto. | $200,000.00|
| 2000-2001 | Monto Shire Council                           | Location: Monto Shire  
The project will provide employment and economic benefits to the Monto region by upgrading water supply infrastructure. The upgrade will overcome reliability and quality of water supply problems to key business and community service areas of the township, as well as provide employment for workers displaced from the recent Monto butter factory closure. Dairy RAP funds are complemented with contributory funding from the Queensland Government’s Community Jobs Plan. | $350,000.00|
| 2000-2001 | Murgon Leather Co Ltd                         | Location – Murgon Shire  
This project will establish a wormcast fertilizer production plant in Murgon using commercial waste from the local abattoir.  The project, a joint venture by the Murgon Shire Council, the Murgon Leather Company and the Queensland Worm Industry Association will also assist the environment through the recycling of organic materials for agricultural use, thus reducing the amount of waste in the local landfill. | $330,000.00|
<p>| 2001-2002 | St Vincent’s Community Services                | This project will employ two Support Workers to be located in Kingaroy and Gympie to support families, individuals and communities to manage the social dislocation and structural adjustment issues arising as a result of the deregulation of the dairy industry. | $239,800.00|
| 2001-2002 | Kimber Family Trust                           | This project will help establish a free-range egg enterprise in the Biggenden Shire, which has been heavily affected by dairy deregulation. | $211,311.00|</p>
<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
</table>
| 2001-2002| Burnett Valley Olives Pty Ltd       | Location: Murgon Shire  
This project will assist in the development of the Wide Bay Burnett regional olive industry through the establishment of a processing facility. The facility is to be located in the historic Murgon Cheese Factory (as a joint development with the Clovelly Winery) in a district where some 250 people are involved in the olive-growing industry. | $220,000.00  |
| 2001-2002| Burnett Valley Stockfeeds            | This project will foster the development of a large-scale pig-breeding unit in the South Burnett region at Murgon. The operation will have an estimated capacity of up to 1200 sows and will be a source of stock for local producers. The facility will operate in conjunction with an established supply chain in the South Burnett region. | $550,000.00  |
| 2001-2002| JoJudo Pty Ltd                       | Location: Kilkivan Shire  
This project will assist the expansion of the Kilkivan Lavender Farm from trial plantings of lavender to full commercial production as a wholesale and retail nursery. As a part of the developing “Kilkivan Collection” group of tourism and value-adding operations in the district, the project will develop a tourist outlet for lavender plants and products. | $38,500.00   |
| 2001-2002| Monto Horticultural Co-operative    | Location: Monto region  
This project will establish a long-term, alternative agricultural industry in the Monto district through the growing of tomatoes and rock melons for both the domestic and export markets in this traditional dairy region. It is anticipated that that this project will be the catalyst for the development of an alternative horticultural industry in the district. | $1,500,000.00|
| 2001-2002| Monto Shire Council                 | This project will employ a Community Support Worker based at Monto to provide a support service in the Monto, Mundubbera, Banana and Calliope Shires that have been significantly impacted by deregulation of the dairy industry. | $93,044.60   |
| 2001-2002| Burnett Pork Alliance Pty Ltd       | This project will assist a pig breeding company in the Mundubbera dairy region to expand their operations. Dairy RAP funding will be used to expand existing facilities to grow sows for processing. The project is expected to create over 60 new jobs and strengthen the region that has been impacted upon by dairy deregulation. | $799,700.00  |
| 2001-2002| Wide Bay ACC                        | This project will extend funding for two part-time Dairy RAP project officers in the Wide Bay, Sunshine Coast and Moreton Bay regions. The project will build on the funding base already received from the Dairy RAP programme to date. The project officers will continue to assist dairy-dependent communities to work on initiatives to reduce the impact of dairy deregulation. | $52,745.00   |

EX-GRATIA DISASTER RELIEF PACKAGES
This is an ad-hoc arrangement that exists to provide instant relief when natural disasters, not covered by the provisions of the Natural Disaster Relief Arrangements Determination, result in ongoing hardship for communities. Decisions are made on the merits of individual situations.
A summary of each project and funding allocated in 2000-2001 is outlined below:

- Sugar Industry Assistance Package - $15,170,996 (September 2000)
  State-wide project Administered by Centrelink
- Northern NSW/Southern QLD Flood Relief Package - $1,832,870 (November 2000)
  State-wide project Administered by Centrelink

**LOCAL GOVERNMENT INCENTIVE PROGRAMME**

Funding was provided under the Local Government Incentive Programme to assist Local Councils to prepare for the implementation of the Goods and Services Tax.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>State-wide project The Local Government Association of Queensland Inc.</td>
<td>$535,000</td>
</tr>
<tr>
<td></td>
<td>Funding was allocated to assist Councils, including those in the Maranoa electorate, prepare for the implementation of the Goods and Services Tax.</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>State-wide project The Local Government Association of Queensland Inc.</td>
<td>$81,000</td>
</tr>
<tr>
<td></td>
<td>Funding was allocated for improved financial reporting and management project was funded.</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>Australian Local Government Association (LGMC)</td>
<td>$46,200</td>
</tr>
<tr>
<td></td>
<td>Funding was allocated for training local government officials and elected members.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funding was allocated for a national regional benchmarking system project was funded.</td>
<td>$100,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>State-wide project Local Government Association of Queensland</td>
<td>$36,400</td>
</tr>
<tr>
<td></td>
<td>Funding was allocated for regional training of local government officials.</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>Local Government Managers Australia</td>
<td>$44,200</td>
</tr>
<tr>
<td></td>
<td>Funding was allocated for an online network project officer.</td>
<td></td>
</tr>
</tbody>
</table>

**NATIONAL DISASTER MEMORIALS**

At the request of the Prime Minister, the Commonwealth may commit to assist in the building of a Memorial upon the site of a disaster (not necessarily ‘natural’). The decision for funding is made by PM&C but the funding control and appropriateness of the joint venture with State and Local Authorities has been delegated to DOTARS.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td></td>
</tr>
<tr>
<td>2001-2002</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

One project was funded through the programme in the Wide Bay electorate in 2001-2002 as outlined below:

- Healing Hearts Foundation Incorporated - $50,000
  Swiss Canyoning Disaster Memorial - Interlaken, Switzerland
NATURAL DISASTER RELIEF ARRANGEMENTS (NDRA)

NDRA financial assistance eases the burden that a natural disaster or a series of natural disaster events puts on State or Territory resources. It provides a mechanism that ensures individuals and communities suffering hardship because of a natural disaster receive basic and essential relief quickly and also supports the recovery of a community’s economic base.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$41,587,006</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$61,458,566</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$16,706,389</td>
</tr>
</tbody>
</table>

One project was funded through the programme in the Wide Bay electorate in 1999-2000, 2000-2001 and 2001-2002 as outlined below:

- State-wide project Queensland State Treasury
  Reimbursement of QLD NDRA expenditure
<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$41,587,006</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$61,458,566</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$16,706,389</td>
</tr>
</tbody>
</table>

REGIONAL FORUMS AUSTRALIA

The Regional Forums Australia Programme is a key strategy for the Government to achieve its objectives for regional Australia. The purpose of the forums is to bring communities together into larger regional groupings to coordinate their economic, environmental and social priorities for generating regional development.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>-</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$9,268,936</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

A summary of each project and funding allocated in 2000-2001 is outlined below:

- Committee for the Economic Development of Australia (CEDA) - $90,000
  CEDA (Committee for the Economic Development of Australia) was funded to present a series of lunchtime seminars to promote awareness of Northern Australia as an investment location. Seminars were held in Perth, Darwin, Melbourne, Brisbane and Sydney.

- Northern Australia Forum - $9,178,936
  The Northern Australia Forum was held in Katherine in the Northern Territory from 17-20 October 2000. The Forum was preceded by 21 local consultations in ten regions across northern Australia, starting in April 2000 and finishing in August 2000. Consultations were held in Cairns, Townsville, Alice Springs, Katherine, Thursday Island, Cocos (Keeling) Islands, Christmas Island, Carnarvon, Port Hedland, Kununurra, Karratha, Broome and Mt Isa.

REGIONAL FLOOD MITIGATION

The Regional Flood Mitigation Programme (RFMP) is designed to assist State and Territory governments and local agencies in reducing the economic and social costs of flooding in rural, regional and outer metropolitan areas of Australia. Funding is provided in conjunction with State/Territory governments and local agencies and is directed to priority, cost effective flood mitigation works and measures. Eligible projects include structural works (eg. flood control dams, retarding basins, levees, channel improvements, house raising), voluntary purchase of flood prone properties, community awareness programmes and flood warning systems. Since the programme was established in 1999, a number of significant flood mitigation measures have been undertaken and over $20 million in Federal Government funding has already been provided.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>$10,767</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$329,666</td>
</tr>
<tr>
<td>2001-2002</td>
<td>-</td>
</tr>
</tbody>
</table>

A summary of each project and funding allocated in 1999-2000 and 2000-2001 is outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient Name</th>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>Banana Shire Council</td>
<td>Goovigen flood mitigation levee bank</td>
<td>$10,767</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Hervey Bay City Council</td>
<td>Hervey Bay - Main Street retention basin</td>
<td>$133,333</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Hervey Bay City Council</td>
<td>Hervey Bay - Stephenson Street retention basin (design)</td>
<td>$30,000</td>
</tr>
<tr>
<td>Year</td>
<td>Recipient Name</td>
<td>Project Description</td>
<td>Amount</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Main Street Retention Basin</td>
<td>$133,333</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>Stephenson Street Retention Basin – Design</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>Maryborough Shire Council</td>
<td>CBD Flood Levee – Stage One Design</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

**REGIONAL SOLUTIONS PROGRAMME**

The Regional Solutions Programme provides funding to local communities in regional areas to identify and put into action projects that specifically meet their needs.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient Name</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>Tiaro Shire Council</td>
<td>To establish contact processes and publications and to train staff in economic development and tourism promotion.</td>
<td>$120,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Monto Shire Council</td>
<td>To employ a project development officer.</td>
<td>$20,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Hervey Bay City Musicians Inc.</td>
<td>To build music rehearsal rooms on land owned by the Hervey Bay City Council.</td>
<td>$90,273</td>
</tr>
<tr>
<td>2001-2002</td>
<td>The Hervey Bay Historical Railway Village Museum Association Inc</td>
<td>Funding for a consultant to assist the Hervey Bay Historical Railway Village.</td>
<td>$5,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Gin Gin and District Alliance Inc</td>
<td>To employ a Training Coordinator and Administrative Trainee to conduct training programs at the community centre.</td>
<td>$63,635</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Maryborough and Hervey Bay Show Society Ltd</td>
<td>To upgrade existing infrastructure at the Maryborough Showgrounds by constructing a covered arena.</td>
<td>$116,500</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Theodore Sport &amp; Recreation Association Inc</td>
<td>To provide high quality sport and recreation facilities for the residents of Theodore and District along with neighbouring towns in the Dawson Valley within the Banana Shire, with particular emphasis on the youth.</td>
<td>$178,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Eidsvold Shire Council</td>
<td>To increase Eidsvold’s regional economy, employment and skills by adding value to one of the region’s prime natural resources - native hardwood timbers.</td>
<td>$100,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Banana Shire Community Resource Centre Reference Group</td>
<td>To provide a Community Resource Centre which will provide a safe and supportive environment for people from regional, rural and remote communities.</td>
<td>$272,727</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Monduran Anglers and Stocking Association</td>
<td>To create a sustainable fishery industry by developing skills in regional youth and enhancing aquatic based tourism.</td>
<td>$29,263</td>
</tr>
</tbody>
</table>

A summary of each project and funding allocated in 2000-2001 and 2001-2002 is outlined below:
RURAL PLAN
The Rural Plan helped bring rural area communities, industries and local businesses together to examine strategic and interrelated economic, environmental and social development. Planning under the programme examined opportunities for development on both a local and regional basis.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>Dawson Valley Development Association Inc.</td>
<td>$75,000 Funding was allocated for local government, business, producer and community groups in the Dawson Valley to develop a strategic plan for the economic, social and resource development of the region. The DVDA would facilitate the project by employing a Project Manager to oversee and coordinate the development of the strategic plan.</td>
<td>$75,000</td>
</tr>
</tbody>
</table>

RURAL TRANSACTION CENTRES PROGRAMME
The Rural Transaction Centres programme is aimed at providing rural Australians with improved access to a range of private and government transaction services including personal banking, post, Medicare Easyclaim, telephone and fax.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>Kilkivan Shire Council</td>
<td>Funding was allocated for the preparation of a business plan for the town of Kilkivan and surrounding district. This will enable identification of the services required by the communities and assess the feasibility of establishing a Rural Transaction Centre.</td>
<td>$10,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>Kolan Shire Council</td>
<td>Funding was allocated for the preparation of a business plan for the town of Gin Gin and surrounding district. This will enable identification of the services required by the communities and assessment of the feasibility of establishing a Rural Transaction Centre.</td>
<td>$8,800</td>
</tr>
</tbody>
</table>

WIDE BAY BURNETT STRUCTURAL ADJUSTMENT PACKAGE
On 21 May 2001, the Prime Minister agreed to the establishment of a $4 million Structural Adjustment Package for the Wide Bay Burnett region of Queensland. The Prime Minister requested that the highest priority be given to projects that maximise employment in the region.

The Structural Adjustment Package aims to promote employment opportunities in an area that has suffered persistent long-term unemployment and significant social disadvantage. The main objective of the package is to stimulate new investment thereby creating a stronger and more diverse economic base and long-term sustainable employment in the region.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>Hervey Bay ThrillSeeker</td>
<td>Gin Gin Bakery - Eatery and Extensions. To establish an open-air covered eatery and refurbish bakery and shop.</td>
<td>$100,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Cooloola Agriculture Centre</td>
<td>Cooloola Agriculture Centre - to establish a regional produce and service centre in the region.</td>
<td>$550,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Hervey Bay ThrillSeeker</td>
<td>Hervey Bay Thrill Seeker “Bungee” Project. This is a tourist industry related initiative.</td>
<td>$170,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Kaygees Australia Pty Ltd</td>
<td>Planet B Kaygees - extension of manufacturing and marketing of specialty nut food products.</td>
<td>$247,500</td>
</tr>
<tr>
<td>Year</td>
<td>Recipient</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>2001-2002</td>
<td>MacLennan Nominees</td>
<td>MacLennan Nominees Lemon Growing Citrus Project - expansion of orchard with site preparation and planting of 1500 lemon trees.</td>
<td>$70,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>TSG Pacific Pty Ltd</td>
<td>TSG Pacific Software Engineering Centre - establishment of software engineering and development centre.</td>
<td>$240,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Farmfresh Fine Foods</td>
<td>Farmfresh Expansion Program - extensions to an existing food processing facility.</td>
<td>$294,500</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Elliott Ventilation Systems</td>
<td>Whitesnake Improved Underground Ventilation Project - production of vacuum-formed plastic products for mineshaft ventilation systems.</td>
<td>$275,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Queensland Travel Wholesalers</td>
<td>Queensland Travel Wholesalers Web Development project - marketing of the region’s tourism attractions through dedicated travel wholesalers online service.</td>
<td>$148,500</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Mike’s Industrial Coatings</td>
<td>Expansion of Mike’s Industrial Coatings - expansion to supply timber finishings, two-pak spray painted doors and paints to local industries.</td>
<td>$24,500</td>
</tr>
<tr>
<td>2001-2002</td>
<td>RWL Chrome &amp; Engineering</td>
<td>Chrome Engineering Expansion Project - expansion to allow engineering and reclamation of hydraulic rams and cylinders for open cut mining industry.</td>
<td>$450,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>DG &amp; KL Harris Pty Ltd</td>
<td>Fraser Coast Packhouse - establishment of a pineapple packhouse facility.</td>
<td>$93,500</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Organic Foods Australia</td>
<td>Organic Food Processing Plant - to establish processing and marketing facility for a range of certified, fresh, organic foods.</td>
<td>$550,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Subaxtreme</td>
<td>Subaxtreme Manufacturing Facility - to design and manufacture a range of Subaru motor accessories.</td>
<td>$90,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Kingaroy Shire Council</td>
<td>South Burnett Private Hospital - reopening of the (previously known as St Auben’s) private hospital facility.</td>
<td>$250,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Neptunes Reefworld Pty Ltd (Wolff Family Trust)</td>
<td>Neptunes Reefworld Aquarium Development - substantial redevelopment of existing Aquarium.</td>
<td>$330,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>CadCon International</td>
<td>Cadastral Survey Data Management - establishment of a cadastral survey data processing centre.</td>
<td>$115,200</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Baskim Pty Ltd</td>
<td>B&amp;S Classic Doors Expansion - expansion to supply two-pak spray painted kitchen doors.</td>
<td>$150,000</td>
</tr>
<tr>
<td>2001-2002</td>
<td>Abbotsleigh Citrus</td>
<td>Abbotsleigh Stage 2 - citrus growing expansion project. Planting of 25,000 new trees, following installation of watering and soil moisture monitoring systems.</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

Veterans: Medical Fees
(Question No. 459)

Senator Mark Bishop asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 15 July 2002:

With reference to the ‘discussions’ between the department and the Australian Medical Association (AMA) relating to fees paid to doctors for treating veterans, the department stated in estimates hearings of the Foreign Affairs, Defence and Trade Legislation Committee on 4 June 2002 that it was ‘exploring some possible approaches’ and that ‘[t]he government has not yet decided what approach we should take in concluding those discussions’:
(1) Has the Government decided on an approach to take to conclude those discussions; if so, when did it make that decision; if not, when will it make that decision.
(2) When did these discussions begin.
(3) (a) On what dates have discussions occurred over the past 2 years; and (b) who has been present at these discussions.
(4) What correspondence has been exchanged between the department and the AMA in respect of these discussions.
(5) What progress has been made in these discussions.
(6) When will the discussions be concluded.
(7) Has the AMA made any formal offer to the department.
(8) Has the department made any formal offer to the AMA.
(9) Has the Government considered any formal proposals of offers.
(10) Are the discussions in relation to all Commonwealth Medical Benefit Schedule rates, including rates for general practitioners, or do they only relate to fees for specialists.
(11) (a) When are future meetings to continue or complete these discussions proposed; and (b) what is the agenda for those meetings.
(12) Can the following information be provided: the outcomes of previous 2-yearly discussions and the dates decisions have been made and announced.

Senator Hill—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) to (12) The Government is currently considering the issues involved and it is being treated as a matter of priority. In these circumstances, the Minister is not prepared to comment further on the details of these considerations at this time.

However, the Minister points out that her Department has maintained a strong relationship over many years with the AMA and meets regularly with its representatives. Discussions over the level of fees generally occur at regular intervals. The Department of Veterans’ Affairs will continue to consult with the AMA until this matter is resolved.

Trade: Live Animal Exports

(Question No. 483)

Senator Brown asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 25 July 2002:

With reference to the economic value to Australia of the live animal export trade:

(1) From the latest statistics available to the Minister for the past 3 financial years: (a) how many: (i) sheep, and (ii) cattle, died in transit by ship to foreign destinations; and (b) what was the total dollar value of these losses, given that the price of beef and mutton to Australian purchases has risen significantly.

(2) Given the flow-on effect of employment in country towns, how many Australian abattoirs: (a) have been constructed in the past decade or are being constructed; and (b) have closed.

(3) When will the Australian Government undertake an investigation into the long-term economic and social consequences of the live export trade.

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

(1) The requested statistics on live animal exports for the last three financial years to 2001/02 are contained in the following table prepared by Livecorp.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Sheep</th>
<th>Total Exports</th>
<th>Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td>Value ($m)</td>
</tr>
<tr>
<td>2000-2001</td>
<td>6,032,507</td>
<td>264.5</td>
<td>71,426</td>
</tr>
<tr>
<td>1999-2000</td>
<td>4,948,186</td>
<td>185.5</td>
<td>56,301</td>
</tr>
</tbody>
</table>
Live Exports of Sheep and Cattle 1999/00 to 2001/02*

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Exports</th>
<th>Losses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Value ($m)</td>
<td>Number</td>
</tr>
<tr>
<td>Cattle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001-2002</td>
<td>819,400</td>
<td>561.8</td>
<td>1,209</td>
</tr>
<tr>
<td>2000-2001</td>
<td>861,132</td>
<td>497.7</td>
<td>1,472</td>
</tr>
<tr>
<td>1999-2000</td>
<td>853,809</td>
<td>439.6</td>
<td>1,698</td>
</tr>
</tbody>
</table>

* Please note that the information in this table is derived from two sources. Australian Bureau of Statistics (ABS) provides total export numbers and values. The statistics on losses are derived from the Australian Maritime Safety Authority (AMSA) and are not yet complete for the 2001/02 fiscal year. The table on cattle exports does not include some shipments in May and June 2002.

(2) In regard to export registered abattoirs, in 1992 there were ninety-one export registered establishments and over the next ten years this figure has varied both up and down with eighty-nine export establishments currently registered in 2002. The Agriculture Fisheries and Forestry portfolio does not collect statistics on new and closing domestic abattoirs.

(3) Meat and Livestock Australia Ltd and the Australian Livestock Export Corporation Ltd (Livecorp) jointly commissioned Hassall & Associates Pty Ltd to undertake such a study. The consequent report is entitled Economic contribution of the livestock export industry (dated July 2000) and is available on the web at http://www.livecorp.com.au/. As such, at present, the Australian Government does not propose to undertake a further investigation into the long-term economic and social consequences of the live export trade.

Customs: Quarantine Infringements
(Question No. 528)

Senator O’Brien asked the Minister for Justice and Customs, upon notice, on 7 August 2002:

Does the Australian Customs Service maintain a record of quarantine infringements on its intelligence data system; if so, how many quarantine infringements were recorded by Customs in the following financial years:

2000-01; (b) 1999-2000; (c) 1998-99; (d) 1997-98 and (e) 1996-97.

Senator Ellison—The answer to the honourable member’s question is as follows:

A quarantine infringement is recorded in Customs intelligence systems if the infringement is considered to be of intelligence value to Customs operations.

A total of 7447 quarantine infringements were recorded in Customs intelligence systems between 1 July 1996 and 30 June 2001 as follows:

(a) 2744 quarantine infringements were recorded in 2000-01
(b) 2012 quarantine infringements were recorded in 1999-2000
(c) 1388 quarantine infringements were recorded in 1998-99
(d) 643 quarantine infringements were recorded in 1997-98
(e) 660 quarantine infringements were recorded in 1996-97