**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.

- **CANBERRA** 1440 AM
- **SYDNEY** 630 AM
- **NEWCASTLE** 1458 AM
- **BRISBANE** 936 AM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 729 AM
- **DARWIN** 102.5 FM
SENATE CONTENTS

TUESDAY, 22 OCTOBER

Ministerial Arrangements ................................................................. 5577
Questions Without Notice—
  Indonesia: Terrorist Attacks .......................................................... 5577
  Indonesia: Terrorist Attacks .......................................................... 5577
  Defence: Dr Allan Hawke .............................................................. 5578
Distinguished Visitors ........................................................................ 5579
Questions Without Notice—
  Economy: Performance ................................................................. 5579
  Information Technology: Security .................................................. 5580
  Law Enforcement: Firearms Control .............................................. 5581
  Taxation: OECD Survey ............................................................... 5582
  Defence: Military Techniques ....................................................... 5583
  Agriculture: Agricultural Development Partnership Program ....... 5584
  Small Business: Government Support .......................................... 5584
  Economy: Household Debt ........................................................... 5585
  International Criminal Court ....................................................... 5586
  Business: Executive Remuneration ................................................. 5587
  Family and Community Services: Centrelink ............................... 5587
  Science: Nuclear Waste Storage Facility ....................................... 5588
Questions Without Notice: Additional Answers—
  Taxation: Family Payments ........................................................... 5590
  Immigration: Border Protection ..................................................... 5590
  Indonesia: Terrorist Attacks .......................................................... 5590
  Agriculture: Grain Shortage ........................................................... 5592
Questions Without Notice: Take Note of Answers—
  Answers to Questions .................................................................... 5592
  International Criminal Court ....................................................... 5597
Petitions—
  Foreign Affairs: Iraq ................................................................. 5598
Notices—
  Presentation .................................................................................. 5598
  Postponement ............................................................................... 5601
Committees—
  Environment, Communications, Information Technology and the Arts
    Legislation Committee—Meeting .................................................. 5601
  Rural and Regional Affairs and Transport Legislation Committee—
    Extension of Time ....................................................................... 5601
  Foreign Affairs: Iraq ....................................................................... 5601
Committees—
  Privileges Committee—Report ....................................................... 5602
Budget—
  Consideration by Legislation Committees—Additional Information...... 5603
Committees—
  Environment, Communications, Information Technology and the Arts
    References Committee—Extension of Time ..................................... 5603
Disability Services (Disability Employment and Rehabilitation Program)
  Standards 2002—
    Motion for Disallowance ........................................................... 5603
Notices—
  Postponement ............................................................................... 5610
Committees—
  Economics References Committee—Report .................................... 5611
Excise Tariff Amendment Bill (No. 1) 2002 and Customs Tariff Amendment Bill (No. 2) 2002—
Report of Economics Legislation Committee........................................................ 5620

Business—
Rearrangement....................................................................................................... 5620

Vocational Education and Training Funding Amendment Bill 2002—
Second Reading...................................................................................................... 5621
Third Reading......................................................................................................... 5640

Documents—
Land and Water Australia.................................................................................... 5640
Human Rights and Equal Opportunity Commission ........................................ 5641
National Library of Australia............................................................................... 5642
Consideration.......................................................................................................... 5643

Adjournment—
Australian Breast Cancer Day ............................................................................ 5645
Grocery Industry: Australian Competition and Consumer Commission
Report.................................................................................................................... 5647
Telstra: Communications Infrastructure.............................................................. 5649
Insurance: Public and Professional Liability...................................................... 5650
Science: Nuclear Waste Storage Facility............................................................ 5652
Battle of El Alamein............................................................................................... 5654

Documents—
Tabling.................................................................................................................... 5656
Tuesday, 22 October 2002

The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 2.00 p.m., and read prayers.

MINISTERIAL ARRANGEMENTS

Senator HILL (South Australia—Leader of the Government in the Senate) (2.01 p.m.)—by leave—I advise the Senate that Senator Patterson is away again today visiting those in Australian hospitals who were injured in the Bali bombing. During her absence, questions addressed to her and her health portfolio will be answered by Senator Vanstone.

QUESTIONS WITHOUT NOTICE

Indonesia: Terrorist Attacks

Senator CHRIS EVANS (2.01 p.m.)—My question is directed to Senator Hill, the Minister for Defence. I refer the minister to the email that he acknowledged in his answer to a question yesterday. The email was reported in the weekend Herald Sun as being sent from a principal security adviser in Defence to military personnel intending to travel to Indonesia. Can the minister confirm that this email, whether or not he characterises it as an alert, was sent on or around 27 August to all military staff in Victoria and Tasmania who were contemplating official travel to Indonesia? Would the minister also confirm that the email from the principal security adviser contained a specific reference to Bali? I am asking the minister to confirm the date, to whom it was sent and whether or not there was a specific reference to Bali.

Senator HILL—I provided detail through the additional answer to my question at the conclusion of question time yesterday. I am not sure of the date of the email. I now will have to go back and check that. I repeat what I said yesterday: it is my understanding that it was a response to Defence staff who had sought advice in relation to Defence travel, and in their request for advice at least some had made mention of Bali. Therefore, the response was couched in terms of a request that had been received for travel advice to Indonesia, including Bali. That was the way in which the reference to Bali was included. I do not think that is any different to what I said yesterday.

Senator CHRIS EVANS—Mr President, I ask a supplementary question. I thank the minister for his answer. I would appreciate it if he could get back to me on the details of the date and how widely that email advice was targeted. Can the minister also advise what action the department undertook in response to these queries from personnel and, specifically, what consultations Defence undertook with any other Commonwealth agencies in compiling the advice to personnel about travel to Indonesia?

Senator HILL—I said yesterday that they took into account the advice from other agencies, which is what has been talked about in recent days. In the response, the security adviser suggested to travellers that they consult the DFAT travel advisory. The content of that DFAT travel advisory is now well known because it has been spoken about in great detail in recent days.

Indonesia: Terrorist Attacks

Senator SANDY MACDONALD (2.04 p.m.)—My question is to Senator Ellison, the Minister for Justice and Customs, and it concerns the AFP Bali bombing investigation update. I appreciate, as I am sure we all do, the daily operational updates from the AFP. However, can the minister inform the Senate about the cooperative efforts between Indonesia and Australia relating to the Bali bombing? Will the minister also advise the Senate about the action that the Australian agencies are taking to track the terrorists responsible for this atrocity through identifying the financing of terrorism?

Senator ELLISON—I have outlined to the Senate previously the ongoing work between the Australian Federal Police and the Indonesian police. Of course, there are now daily operational updates from the Australian Federal Police which are concerned with more operational matters. I thank Senator Macdonald for his question, which really relates to a wider context, and that is in relation to the ongoing cooperation that is needed between Indonesia and Australia with regard to counter-terrorism. We welcomed last Friday’s announcement that the Indone-
sian President, President Megawati Sukarnoputri, had issued two presidential decrees in relation to counter-terrorism. That effectively incorporated counter-terrorism legislation which was before the Indonesian parliament. This presents further opportunity for cooperation between Indonesia and Australia.

One aspect which especially concerns my portfolio is the question of extradition. Dual criminality is the basis of any extradition, and now that those decrees have been brought into place we are exploring the question of extradition arrangements between Indonesia and Australia in relation to anyone who has been engaged in terrorist activities.

Another aspect relating to this issue is the question of the financing of terrorism. There have been numerous press reports in relation to the financing of terrorist groups in our region and indeed the relationship of that to the attack in Bali. When I met with my counterpart, the Minister for Justice, Mr Mahendra, I indicated to him that Australia would do everything it could to assist Indonesia on the question of tracking the terrorist financing. To that end, AUSTRAC—which is our own agency that deals with that—is an excellent agency and is well placed to offer that assistance. The indication that I had from the Indonesian government was that it wanted to work with Australia in relation to that.

Prior to the attack in Bali, an announcement had been made that Indonesia and Australia would cohost the conference in Jakarta on 11 and 12 December this year which will deal with the financing of terrorism. That is a very important conference, especially so in view of what has happened in Bali. The conference will be cohosted by Indonesia and Australia, and we anticipate that there will be a number of countries attending from the region. This will offer a great opportunity for enhancing cooperation between countries in our region in relation to tracking the financing of terrorist groups and terrorist activities. This is, of course, the lifeblood of any terrorist activity. We have seen with Operation Greenquest in the United States the extent to which funds can be involved in alleged terrorist activities, and large amounts of money have been frozen there as a result of that.

There are other aspects, apart from the investigation into counter-terrorism measures, which are involved, one of which is disaster victim identification. As I have indicated to the Senate, CrimTrac is involved in this. We will be introducing into parliament an amendment bill to deal with CrimTrac. CrimTrac was originally designed as a criminal investigative tool. The bill, which is an urgent bill, will allow CrimTrac to be used for the purposes of disaster victim identification and will also be extended to assist the families of those foreign nationals who were victims during that attack and whom we are trying to identify. This piece of legislation is a very important one in extending the applicability of CrimTrac to the Bali tragedy. In that legislation, we are also making provision for future terrorist incidents whereby it can be determined by the minister of the day that these mechanisms can be invoked. That, of course, is subject to disallowance and provides that accountability. (Time expired)

Defence: Dr Allan Hawke

Senator HOGG (2.09 p.m.)—My question is to Senator Hill, Minister for Defence. Can the minister confirm that the former Secretary of the Department of Defence, Dr Allan Hawke, left office last Friday? Can he inform the Senate when the newly appointed secretary, Mr Ric Smith, will commence duty as secretary? Can he explain why he has left the defence department without a secretary at such an important time, when the department is playing a critical role in Australia’s response to the Bali bombings?

Senator HILL—Dr Hawke completed what might be described as active duties last Friday. He is remaining on for a period of time to clear his desk. The acting secretary at the moment is the under secretary, Mr Roche, who is very experienced and well able to carry out that function. Mr Smith was due to start mid-November. He is now staying on a little longer in Indonesia, given the current circumstances. I have not heard any suggestion that he will start later than was anticipated, but that might change in the circumstances of the role he is fulfilling so ably
in Bali at the moment. I will expect to know more on that matter next week.

Senator HOGG—Mr President, I ask a supplementary question. Did the minister ask Dr Hawke if he would be willing, given the current circumstances and given the minister’s comments that Dr Hawke is still clearing his desk, to continue in office until Mr Smith takes over? If Dr Hawke was not asked to do that, why not?

Senator HILL—I do not think that he was asked to do that because arrangements were put in place to suit him and his successor. As I said, arrangements have been put in place to ensure that there was a suitably qualified person to act as secretary. Therefore, in the circumstances, there was no need for a variation in the arrangements that had been negotiated with Dr Hawke.

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 United Kingdom, led by the Hon. Ann Taylor MP, CBE and accompanied by the British High Commissioner, Sir Alistair Goodlad. On behalf of honourable senators, I have pleasure in welcoming you to the Senate and I trust that your visit will be both enjoyable and informative.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy: Performance

Senator BRANDIS (2.12 p.m.)—My question is directed to the Minister representing the Treasurer, Senator Minchin. Will the minister advise the Senate of the results of the latest review of Australia’s credit rating and provide the Senate with an update on the Australian economy?

Senator MINCHIN—I thank Senator Brandis for his timely question, because yesterday—I think to the joy of most Australians—the credit rating agency, Moody’s, upgraded the Commonwealth of Australia to a AAA credit rating. This now places Australia at the very top of the Moody’s credit rating system, along with countries like the United States, the United Kingdom and Germany.

Honourable senators interjecting—

The PRESIDENT—Order! Senators on both sides of the chamber will come to order!

Senator MINCHIN—This upgrading restores the top credit rating that Australia lost some 16 years ago. This credit rating is very important, because it affects not only the Commonwealth but all the other key players in the Australian economy, like the state governments and our companies, who can now be re-rated, because they cannot have higher ratings than the country itself. Now that that ceiling has been lifted, they can be re-rated. That will enable them to borrow at a lower risk premium, and their financial position will be strengthened as a result. This upgrading of our credit rating after some 16 years below AAA has been warmly welcomed. The Age reported this morning:

Economists said it partly reflected a growing confidence that Australia would continue to grow solidly, with little or no risk of defaulting on its debts.

Commonwealth Bank interest rate strategist Peter Munckton said, ‘It recognises the nation’s very sound domestic fundamentals, and that is why you have seen the positive reaction in the currency and debt markets.’ The Commonwealth Bank chief economist said, ‘The move should encourage more foreign investment and allow local companies to borrow at reduced interest rates.’ I think that this credit rating upgrade is an appropriate, timely reward and recognition for the good economic management that this government has delivered since its election in 1996.

The Chief Economist of HSBC, John Edwards, this month issued a report which said that our great Australian economic growth is expected to remain strong, despite the international downturn and the very difficult conditions in other markets. His analysis not only points out that we are well placed looking into the immediate future but that the Australian economy has performed extremely well in recent years while global growth has been slowing and very unstable. We welcome praise from a former senior adviser to a Labor Prime Minister, but Dr Edwards is not alone in his view. You will
recall that the IMF recently predicted that Australia’s economic growth would continue to be among the highest of any developed country this year and certainly into next year. This comes on the back of the IMF’s annual assessment of the Australian economy, in which the IMF highlighted the importance of our government’s policy actions in improving significantly the domestic economic environment. So, despite what are obviously some of the most tumultuous events Australia has ever experienced in peacetime, we as a government will continue to work very hard to sustain what has been a strong economic performance in recent times.

Information Technology: Security

Senator LUNDY (2.15 p.m.)—My question is to Senator Alston, the Minister for Communications, Information Technology and the Arts. Does the government agree that, with the heightened terrorist threat posed to Australia, there is a greater need to concentrate on the security of electronically held information and the protection of national information infrastructure? If so, what has the government’s E-Security Coordination Group and the National Office for the Information Economy done in response to the most recent report on Internet security by the Australian National Audit Office, which found that the government’s level of Internet security is insufficient? Given that the Australian reported on 27 August that 57 per cent of medium and large Australian companies spend less than $30,000 annually on e-security, why isn’t the government leading by example and implementing policies to encourage greater emphasis on this issue?

Senator ALSTON—I am sorry that Senator Lundy was not here at the time of the last budget, because if she had been she would be aware that the Attorney-General, the Minister for Defence and I jointly announced an allocation of $24.9 million over four years for a strategy to protect Australia’s critical infrastructures and to increase public confidence in the security of online transactions. That allocation goes to the National Office for the Information Economy, the Attorney-General’s Department, the Australian Security Intelligence Organisation, the Defence Signals Directorate and the Australian Federal Police.

Senator Faulkner—You’re not answering the question.

Senator ALSTON—I have been asked what the government is doing about it, whether there is a greater need to provide coordination and what the response has been from the E-Security Coordination Group and NOIE, and I have just been in the process of explaining that. Senator Faulkner, you were obviously not here at the time of the last budget either. So, instead of boycotting very important functions of the parliament, you might spend a bit more time in your office going through these issues.

The PRESIDENT—Minister, I ask you to direct your answer through the chair and not to respond to interjections.

Senator ALSTON—I was sorely provoked, Mr President. The government is working to create a secure and trusted environment, through its own strategies to assist Commonwealth government agencies to improve their resilience to electronic security attacks and through the work of the business-government task force on critical infrastructure. The government has created a new working group focused on creating a culture of security across agencies. The working group will report directly to the E-Security Coordination Group and is developing a work program designed to assist agencies to become more secure by employing relevant security tools and strategies.

On 11 September, the working group ran a seminar which addressed e-security in the Commonwealth government context and was attended by representatives of 62 government agencies. The workshop was held to assist agencies in their compliance with the ANAO’s best practice guidelines for online security. These guidelines and the associated checklist are based on the Protective Security Manual and the Australian communications electronic security instructions. The business-government task force on critical infrastructure protection—consisting of the CEOs of some of Australia’s major infrastructure owners, senior officers from companies and representatives of state and federal govern-
ments—met recently, and again the main object of the meeting was to obtain business input into the assessment of current arrangements. A number of very important issues have been addressed by the task force, and the full report and recommendations have been presented to the government for consideration. I think it is fair to say that we certainly cannot overestimate the importance of these issues. Clearly, all government agencies are expected to continually review and, if necessary, upgrade their protective arrangements. But, in terms of a whole-of-government approach, in that budget decision and the flow-on, we have ensured that there is the maximum degree of coordination and, obviously, ongoing attention to these important issues.

Senator LUNDY—Mr President, I have a supplementary question. Given that e-security has been of specific concern in the US government since at least as early as 1998, why has this government chosen to risk vital sections of Australia’s economy and infrastructure by waiting so long to address this important issue? I am glad the minister mentioned the budget. How can this government claim that $24.2 million provided in the budget for the protection of our national information infrastructure—or a mere 32c per man, woman and child in Australia—will be sufficient to protect these sectors, when the United States government is spending around $A28 per head of population? How can the government justify leaving the protection of critical national information infrastructure to a self-regulatory regime implemented haphazardly by private interests?

Senator ALSTON—I know it does not suit Senator Lundy’s agenda, but the reality is that the private sector has an important role to play. But, ultimately, government has to take its own decisions in relation to its own security arrangements, based on the best advice that we get from all the specialist agencies. We are in the process of coordinating that as well as taking advice from the task force. The amount you spend depends on the level of need. I am sure you know that, but obviously it suits your purposes to ask silly questions suggesting that somehow the Americans are spending more money than we are and that therefore we should be spending as much as they are, presumably pro rata, without any regard to the level of need. Anyone who has been to the US would know that they have massive needs and they probably regard themselves as a very high risk target. I have had discussions with them about these issues. In fact, they will tell you that something like 70 per cent of IT hacking occurs from inside the firm. (Time expired)

**Law Enforcement: Firearms Control**

Senator BARTLETT (2.22 p.m.)—My question is to the Minister for Justice and Customs, representing the Attorney-General. I refer to the latest shooting tragedy, which occurred at Monash University yesterday. Given that previous tightening of Australian gun laws by both state and federal governments in the past have clearly led to a reduction in shooting deaths—both homicides and suicides—will the federal government now show further leadership on this issue by putting forward and ensuring the adoption of new measures to further reduce the number of hand guns available in the Australian community?

Senator ELLISON—I am sure that all senators would join with me in extending condolences to the families and friends of those who died or have been injured in that shooting. We hope that there are no more deaths as a result of the tragedy which unfolded at Monash University yesterday. The Prime Minister has indicated that he will be meeting the premiers and chief ministers on Thursday and that he will be raising with them, apart from the counter-terrorist measures that he has mentioned, the issues of tighter gun control and this latest tragedy. He will be discussing that matter with the premiers and chief ministers. I think it is important to remember, however, that we need to look at the situation of this particular tragedy. I have written to the minister for police in Victoria, Mr Haermeyer, to ascertain the details of what took place: how the guns were obtained and the circumstances of the tragedy. I think it is important that we look at that closely.

As far as the measures that have been taken are concerned, the Commonwealth has
introduced stringent regulations in relation to the importation and use of hand guns. Certainly, the Commonwealth led the Nationwide Agreement on Firearms Control in 1996. It increased penalties in the year 2000, making offences relating to the smuggling or importing of prohibited firearms a criminal offence, punishable on conviction by a penalty of up to a quarter of a million dollars or 10 years jail or both. We tightened import restrictions in April last year, requiring that the sale of imported hand guns needs permission from the state and territory police. We must remember the role that state and territory governments play in relation to the licensing and regulation of firearms in their respective jurisdictions. We introduced tougher controls on the importation of hand gun frames and receivers, which we found were being converted and activated for use by the criminal sectors of the community. We promoted the National Firearms Trafficking Policy Agreement and announced that we would introduce legislation for a Commonwealth offence for the illegal trafficking of firearms across state and territory borders. This, of course, relies on the constitutional powers that the Commonwealth has. You have to remember that we have a federation where the day-to-day control of firearms rests with the states and territories. Also, at the last Police Ministers Council we adopted a firearms trafficking agreement which was a move towards more uniform gun laws in Australia. At a meeting in two weeks time between the police ministers of Australia and me, firearms is definitely on the agenda, and that was put on the agenda prior to the tragedy which has just occurred at Monash University.

We have also tightened our import controls in relation to the surveillance of what comes in over the border. One hundred per cent of postal items are either X-rayed or inspected—indeed, any parcel capable of carrying a gun or gun part through Australia Post is X-rayed or inspected. Seventy per cent of all air cargo consignments entering Australia are X-rayed, and we are introducing into the ports of Australia for the first time container X-ray provisions; in November this year we will see the first facility of its kind being opened at Melbourne. After my recent visit to the United States, I can tell you that this is state-of-the-art material in relation to X-raying containers at our ports. We will be introducing these measures at ports in Sydney, Brisbane and Fremantle over the ensuing 12 months. This is a very strong step towards guarding against prohibited imports generally, be it illicit drugs, guns or, for that matter, any aspect of disease which might threaten Australia. (Time expired)

Senator BARTLETT—Mr President, I ask a supplementary question. I thank the minister for his answer. I note the statement that the Prime Minister will be taking this matter to the premiers and chief ministers later this week. I also note that, after previous tragedies, the quick, firm response from the Prime Minister at a national level was crucial in that leadership reaching agreement for significant advances in firearms controls. Nonetheless, given that the number of hand guns in the community continues to grow—and clearly the more guns there are, the more prospects there are of gun deaths occurring—will the Prime Minister be bringing to that meeting of premiers and chief ministers concrete measures to ensure that the number of guns in the community is reduced?

Senator ELLISON—Senator Bartlett referred to the growth in the number of guns and deaths by guns. There was a report in the Canberra Times today in which I think the Australian Institute of Criminology was quoted as saying that the rate of homicides by guns had in fact reduced. We have to balance this with the legitimate interests of the law-abiding people who are involved in sporting activities. At the Olympics there are various sporting events which involve the use of semiautomatic hand guns. The Prime Minister stated his concerns in relation to this very issue. He will be raising that on Thursday with the premiers and chief ministers.

Taxation: OECD Survey

Senator WEBBER (2.28 p.m.)—My question is to the Minister for Revenue and Assistant Treasurer, Senator Coonan. I refer to the minister’s suggestion yesterday to check the facts regarding the recent OECD taxation survey of developed nations. Can
the minister confirm that the OECD survey showed that the tax burden in Australia, including the GST, has gone up by almost two per cent of GDP, or over $10 billion per annum, under the Howard government?

Senator COONAN—I thank Senator Webber for her question. No, I do not agree with that. What the OECD statistics show is that, taking account of all levels of government, Australia is the sixth lowest taxing nation out of 30 OECD countries in the year 2000. That is, in fact, what I said yesterday. The Commonwealth’s budget papers clearly show that the Commonwealth’s tax share has actually decreased under this government. Commonwealth general government sector cash taxation revenue, as a proportion of GDP, has declined from 23.9 per cent of GDP in 1999-2000 to 21.7 per cent in 2001 and it is estimated that it will fall to 21 per cent of GDP in 2002-03.

Care of course needs to be taken in interpreting the 2000-01 estimate. Australia’s tax burden—and this seems to be where people got excited—was temporarily higher in 2001 as a result of the transition to the new tax system from 1 July 2000. In particular, the OECD statistics show that taxes on corporate income in Australia did increase from 4.9 per cent to 6.5 per cent in 2000-01. The increase largely reflected the one-off impact of the bringing forward of company tax assessments, which represented about one per cent of GDP. With the passing of this effect, the Commonwealth’s tax to GDP ratio fell from 21.7 per cent in 2001 to 20.6 per cent in 2001-02.

The OECD statistics in future years will also reflect further reductions in state and territory taxes agreed under the new tax system, which will reduce Australia’s total tax to GDP ratio. It is important to recognise the impact of tax relief provided through the rebates which are accounted for as outlays but which are essentially tax refunds. I can go on and give examples—I am sure I am going to get a supplementary—but the short answer to Senator Webber’s question is that the position I referred to yesterday was absolutely correct.

Senator WEBBER—Mr President, I ask a supplementary question. Having further checked those facts, can the minister confirm that the OECD figures for Australia were compiled before the Howard government imposed the Ansett ticket tax and did not include the planned sugar tax or the proposed tourism tax? Given all these extra taxes, Minister, doesn’t this confirm the government as the highest taxing, highest spending government in Australia’s history?

Senator COONAN—Thank you, Senator Webber, for the supplementary question. In fact the government has imposed no taxes whatsoever. The government has imposed some levies and the Commonwealth’s total revenue, including levies, is expected to be 23 per cent of GDP in 2002-03. This is lower than the total revenue of 24.1 per cent of GDP in 1995-96. It is wrong to say that levies are simply a way of disguising the fact that this is a big taxing government. Once again, Senator Webber should check her facts.

Defence: Military Techniques

Senator NETTLE (2.33 p.m.)—My question is to the Minister for Defence, Senator Hill. Can the minister indicate, with regard to current military techniques, whether there are any plans for Australian military aircraft to use low-altitude air to ground bombing in any future engagements?

Senator HILL—The short answer is: if necessary.

Senator NETTLE—Mr President, I ask a supplementary question. Given that these outdated bombing techniques have not been used since the Korean War and are no longer a part of any training regime for some of our main military allies, how can the minister justify the refusal of the RAAF to close down the Salt Ash Air Weapons Range near Newcastle, which poses a serious risk to local residents through accidents, the health effects of noise and contamination from unburnt fuel; which is causing environmental damage to a sensitive aquifer that provides part of the water supply for the largest regional city in Australia and which has as its only purpose the training of pilots in a redundant military technique?

Senator HILL—For the benefit of the honourable senator, the Gulf War was much
more recent than the Korean War. This base has been in operation since 1941 and the range was established in 1943. It has been valuable to the Australian Defence Force in training during that very long period of time and continues to be valuable.

Opposition senators interjecting—

Senator HILL—There are issues, I concede, in relation to some domestic build-up in the vicinity of the weapons range. Defence has been endeavouring to meet the—

Senator Boswell interjecting—

Senator Brown—Mr President, I rise on a point of order. I cannot hear because of interjections like the one from Senator Boswell: ‘If people are going to build houses there they can expect what they get.’ I ask you to cease the interjections.

The PRESIDENT—Order! Senator Brown makes a legitimate point. It has been very noisy in the last couple of questions. I ask senators on both sides to come to order and to hear the answer that the Minister for Defence is giving, because I think it is a rather serious one.

Senator HILL—I was on the one hand saying that the range is essential for training; I was also making the point that we are cognisant of the potential impact of these activities on the community and have been endeavouring to ameliorate that impact to the extent possible. For example, Air Force has agreed on a number of measures, including no flying on weekends et cetera, and I will provide further information. (Time expired)

Agriculture: Agricultural Development Partnership Program

Senator BUCKLAND (2.37 p.m.)—My question is to Senator Ian Macdonald, the Minister representing the Minister for Agriculture, Fisheries and Forestry. Does the minister recall the government’s May 2001 funding announcement of $24.6 million for the Agricultural Development Partnership Program? Can the minister advise why no money has been allocated to the regions under this program despite the passage of 17 months?

Senator IAN MACDONALD—No, I cannot. I did not actually hear Senator Buckland. Did you say the ‘agriculture’ program or the ‘aquaculture’ program?

Senator Buckland—The Agricultural Development Partnership Program.

Senator IAN MACDONALD—I do not have the information in the brief before me. I will find out from Mr Truss. In doing so, I do not accept that is in fact the case.

Senator BUCKLAND—Mr President, I ask a supplementary question. While the minister is finding that out could he also find out whether it is the case that the failure to get the Agricultural Development Partnership Program running in the last financial year resulted in $2.5 million—almost 10 per cent of its funding—being reallocated to other programs? Are farmers being too cynical when they suggest the government’s funding promise was nothing more than an empty pre-election pledge?

Senator IAN MACDONALD—This government has done more for rural and regional Australia and for the farming sector than any government. In fact, this government has a real interest in rural and regional Australia and the farming sector. Many on this side, of course, represent those areas. I point out that not only do I say that but the people of country Australia recognise that. They said that at the last election: I think that with one exception every member representing the farming areas is from either the Liberal Party or the National Party in this parliament. Obviously farmers and rural people understand that this government is concerned about their issues. Our AAA package has been a great investment in farming Australia, one that we are very proud of and one that is being reviewed—and the review has come out very well. (Time expired)

Small Business: Government Support

Senator TIERNEY (2.40 p.m.)—My question is to the Minister representing the Minister for Small Business and Tourism, Senator Abetz. Will the minister inform the Senate of how the Howard government is providing practical support for Australia’s vital small business sector?

Senator ABETZ—I thank Senator Tierney for his ongoing support for small busi-
ness, especially in the Hunter region. An important element of our Australian society is the small business community, and the Howard government is working hard to ensure that it receives the best and most practical government support possible. The government’s strong management of the economy continues to deliver for Australia’s 1.2 million small businesses: with historically low interest rates, with $36 million for skills development and small business incubators, with increasing the minimum grant under the Export Market Development Grant Scheme, with expanding the successful TradeStart export assistance network to regional and rural areas; and, importantly, with providing extra incentives for employers to take on new apprentices.

Today I would like to remind the Senate and the small business community that applications from organisations that deliver services to small business can now be made for funding under the federal government’s Small Business Enterprise Culture Program. The program provides assistance for skills development projects and promotes an enterprise culture in the small business sector. Grants range from $5,000 to $250,000, with the average grant being about $50,000, and they are awarded through a competitive, merit based process. Preference will be given to those applications which show distinct benefits for small business in regional Australia, those that have community support and those that will have a long-term impact on the local economy. Organisations such as industry associations, business enterprise centres, women’s professional and business organisations, community bodies and educational institutions are eligible for funding.

The focus of the program is to foster the growth of small businesses by improving the capacity of owners and managers to access skills which will meet their needs. It also focuses on the business skills of women in small business, who form a significant element of the sector. The enterprise culture program is designed to help address some of the problems facing small businesses in regional Australia. One of the major hurdles facing small businesses in regional Australia is the difficulty in accessing the knowledge base that will improve their business. Through the program they can arrange workshops and mentoring services that will help them to run their businesses. A healthy business leads to a thriving economy and that generates the much needed jobs that are so vital in the regional areas of Australia, such as the Hunter region and, indeed, in my home state of Tasmania. As I have previously explained to the Senate, small business employs almost 50 per cent of Australia’s workforce and has witnessed substantial jobs growth. The program is part of the $60 million small business assistance package of this government. People seeking more information on assistance programs for small business can visit the AusIndustry web site or call the AusIndustry hotline on 132846.

**Economy: Household Debt**

Senator KIRK (2.44 p.m.)—My question is to Senator Minchin, the Minister representing the Treasurer. Is the minister aware of recent ABS statistics that show that Australian families are now straining under a record $597 billion of debt—an average of $81,000 for every household? Can the minister confirm that this is almost double the amount of household debt under the last Labor government? Minister, isn’t it the case that under the Howard government Australian families are under greater financial stress than ever before, and are increasingly vulnerable to interest rate increases? Will the minister now work with the states to ban credit card providers from issuing unsolicited promotional material with pre-approved credit limits or credit limit increases?

Senator MINCHIN—This is an extraordinary question from an opposition that when in government totally devastated the finances of Australian families who suffered under the highest interest rates we have seen in probably a century. It was a time when Australian families were thrown into unemployment and were unable to afford their mortgages because of the interest rate consequences of this lot’s incompetent management. The facts, as presented by the senator opposite, completely distort the picture for Australian families, whose circumstances have improved significantly under the economic management of this government.
The Australian people have taken considerable advantage of the fact that we now have very low interest rates, and inevitably that has encouraged them, given the very good economic circumstances and the declining levels of unemployment, to engage in borrowing from their financial institutions. They feel confident enough to borrow, and their financial institutions feel confident enough to lend them funds in order for them to engage in investment in housing. We actually do think that it is a good thing for people to be able to borrow money at low interest rates to fund their own home. This is a good thing. They could not do it under the previous government, with the highest interest rates that we have ever seen in the late 1980s and early 1990s.

As to the facts, the household debt has, of course, got to be looked at from the overall position of Australian households. For every dollar in debt, households have over $2 in financial assets and around $6 in total assets. It is all very well for the opposition just to take one side of the ledger and look at what the debts are. To get any sense of debt of either a nation or a family or an individual you must look at their total position. The fact is that Australians now have much more in the way of net assets than they have probably ever had. Under this government, the net worth of households has risen on average by more than nine per cent per annum. We saw recent figures that showed that over the last six to eight years the net worth of Australians has increased some 40 per cent. They have had real wage increases under our government that they never had under that lot when they were in government. So it is a pathetic and hopeless distortion for the opposition to try to purport that Australian families on average are worse off under this government than they ever were under the opposition.

Senator MINCHIN—The opposition continues to ignore the fact that Australian consumers are more confident than they have probably ever been in a generation. They are so confident that they are prepared to engage in borrowing in order to finance their housing. This is a very good thing. We think that this is a great outcome for Australia, that Australians can afford better housing for their children and their futures and leave something for their followers. In terms of servicing debts, household interest payments in the June quarter of 2002 were 6.1 per cent of disposable income—well below the peak of almost 11 per cent in 1990. The fact is that Australian families are much better off under this government than they ever were under the opposition.

International Criminal Court

Senator GREIG (2.49 p.m.)—My question is to the Minister representing the Attorney-General, Senator Ellison. Given that nominations for judicial appointments to the International Criminal Court close on 30 November this year and that to date no Australian judge has yet been nominated to serve on the ICC, can he inform the Senate as to whether the government proposes to nominate any Australian judge to serve on the ICC?

Senator ELLISON—I did discuss this a little while ago with the Attorney-General. I do not have an update on that and I will seek that information from him and advise Senator Greig.

Senator GREIG—Mr President, I ask a supplementary question. Could the minister come back to the Senate and acquaint us with the knowledge, if it exists, as to whether so much as a short list was devised and discussed and, if so, when?

Senator ELLISON—Again, I will take that up with the Attorney-General. I do understand there were discussions with some other countries that have signed the covenant involved and there was some discussion between them and Australia in relation to who might be put forward. I will get back to Senator Greg with that information.
Business: Executive Remuneration

Senator CONROY (2.50 p.m.)—My question is to Senator Coonan, Minister for Revenue and Assistant Treasurer. Is the minister aware of the $7.8 million that was paid in the financial year 2001 to Mr Park, the former CEO of Southcorp—including almost $3 million in severance pay—and an additional $2.3 million paid to him in 2002 after he had left the company? Is the minister aware of the $2.05 million termination payment to Mr Jones, previously CEO of Suncorp Metway? Given the government’s stated position that eight weeks pay is an acceptable community standard for workers who have been made redundant, how does the minister justify these extravagant payments? Why is it a case of one rule for retrenched workers and another for your mates?

Senator COONAN—Of course, I would not want to talk about how much money might have been paid in relation to the outrageous lease on Centenary House. But, quite apart from that, this government has recently introduced an amendment to the Corporations Law in relation to the ability to claw back so that liquidators can recover any unreasonable amounts that have been paid to executives. This, of course, is a considerable advance on the existing Corporations Law, which enables a clawback or a recovery to be made by a liquidator if a company is insolvent at the time a payment is made, subject to certain conditions.

This government has gone even further. Following the announcement by the Prime Minister and subsequently by the Treasurer, a bill has been introduced into the House of Representatives which extends the basis in relation to the ability to claw back so that liquidators can recover any unreasonable amounts that have been paid to executives. This, of course, is a considerable advance on the existing Corporations Law, which enables a clawback or a recovery to be made by a liquidator if a company is insolvent at the time a payment is made, subject to certain conditions.

Senator CONROY—Mr President, I ask a supplementary question. Is it fair that, as has been reported, the former CEO of AMP may receive up to $7 million as a termination payment when Ansett workers have been promised only eight weeks pay by this government? Isn’t this just more evidence of one rule for the big end of town and another rule for workers?

Senator COONAN—What I do think is unfair is that the Labor Party, through the Centenary House lease, manages to benefit to the tune of about $36 million. The Labor Party could do something about that tomorrow, and they will not fix it. This government has fixed not only employee entitlements but also has taken action in relation to excessive remuneration, and it is an absolute disgrace that the Labor Party even raises this question.

Family and Community Services: Centrelink

Senator KNOWLES (2.54 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Could the minister inform the Senate of the measures that Centrelink is taking to better serve its 6.4 million customers?

Senator VANSTONE—I thank Senator Knowles for her question. She has a long-standing interest in the delivery of welfare and other benefits to Australian citizens. It is true, Mr President, that the government is immensely proud of Centrelink, the government services delivery agency. Frankly, it took the good sense of two women to set it up in 1997; namely, I and Senator Newman.
Prior to that, the boys had an arrangement whereby you would not put an office more than 15 minutes away from another one so that customers did not take too long to walk between the two, which was pretty stupid. Now it has been put together, because we recognise we have to serve Australian citizens.

Centrelink officers deserve congratulations because they are on the front line every day dealing with customers who contact either a customer service centre or a call centre because they are in need of help. They do an excellent job. They have a customer satisfaction level of 85 per cent—far higher than Labor got in Cunningham, I notice, and I am happy to say in a bipartisan way that their customer service satisfaction rating is higher than we get in any of our seats as well. But it is quite a bit higher than Labor got in Cunningham. In any event it is a great achievement, given the scale of the organisation, to get that level of customer satisfaction, and that is citizenship satisfaction. They have got over 24,000 staff in 430 customer service centres. They distribute over $51 billion in payments to nearly 6½ million customers. They administer 140 different products and services for 20 different agencies.

The model is so successful that I understand the United Kingdom are very close to following it. I recently saw Andrew Smith, the Secretary of State for Work and Pensions, and they are looking at merging the UK Benefits Agency and the Employment Service to create a national network of one-stop shops for unemployed and other claimants. They are also looking at a ‘revolutionary change’—as they describe it—to focus on services for different client groups, which of course Centrelink started doing some time ago. China is also looking at modelling a government services delivery agency along the lines of ours.

Last year, Centrelink received over 250 international delegations. That is an indication of the level of interest shown internationally in the reform of the welfare sector implemented by this government. Centrelink is truly a revolutionary achievement for Australia, not simply because of the design put on it by this government but also because of the work done in it by the people who really are Centrelink. They do not rest on their laurels; they are committed to continuous improvement in their performance.

I am pleased to advise the Senate that only recently one of the Centrelink call centres won the Teleservices Centre of the Year award in the 50 staff or more category at the 2002 national awards dinner on Friday night. The Liverpool call centre was named as the joint winner of this prestigious national award. It has an exceptional multilingual service, regular services in 22 languages and a callback service for many other languages. It is a unique commitment to multicultural Australia. Teleservicing is an increasingly competitive industry and we are very proud that Centrelink could compete with the private sector and win this award. We have the largest single-purpose call centre network in Australia, receiving over 23 million phone calls each year in 27 award winning call centres around the nation. Two-thirds of those are in regional Australia. The banks might be moving out of the bush but Centrelink is moving in, with 127 access points, 320 Centrelink agents and 140 visiting services to smaller communities. We have over 2,000 interpreters assisting Indigenous Australians. (Time expired)

Science: Nuclear Waste Storage Facility

Senator CARR (2.59 p.m.)—My question without notice is to Senator Alston, representing the Minister for Science. Can the minister confirm that yesterday was the final day for public comment on the draft environmental impact statement on the planned low-level nuclear waste storage facility in South Australia? When will the Minister for Science release copies of all responses to the invitation for public comment on the draft? Does the Commonwealth government intend to persist with the proposed South Australian location for the low-level storage facility in South Australia? When will the Minister for Science release copies of all responses to the invitation for public comment on the draft? Does the Commonwealth government intend to persist with the proposed South Australian location for the low-level storage facility, in the face of the legislative prohibition by the South Australian government and the overwhelming community opposition?

Senator Minchin—What about Simon Crean?

Senator ALSTON—I thank the senator for his question. I make the obvious point
that Senator Minchin just made that Labor in government has a very different attitude from Labor in opposition. In fact, it reminds one of Senator Collins’s immortal words: ‘Don’t worry about what we say in opposition; you’ll say and do anything.’ That still seems to be the case. We can remember Senator Evans’s equally immortal letter about Lucas Heights.

Senator Bolkus—Get serious!

Senator ALSTON—The fact is that you are ancient history, so we will probably put you into a research project, too, in due course. It is a matter for the minister to decide to what extent and when he might release details of the submissions that have been received, unless that has already been spelt out in the original announcement—of which, presumably, Senator Carr would be aware. If he is not, then one can assume that it is a matter of discretion and the government will make that decision in due course. The government is committed to the safe management of Australia’s radioactive waste for the benefit and wellbeing of the Australian community. We are pursuing the establishment of purpose-built national facilities for the management of radioactive waste arising from the use of radionuclides in medicine, research and industry.

The South Australian government’s legislation to ban the establishment of the national repository is inconsistent with a previously agreed national approach to disposal of low-level radioactive waste and sits uneasily with the lack of any coherent plan by South Australia to deal with its waste. The South Australian government’s policy fails to recognise that, given the small amount of radioactive waste that Australia generates, national facilities make sense. It also fails to recognise the benefit South Australians receive from the use of radioactive materials in medicine, research and industry, including the benefits provided by the Lucas Heights research reactor. So it really is a classic example of Labor in opposition running around trying to drum up any local community scare campaign, because people will always be afraid of the future if you tell them that the sky is about to fall in, and particularly if you do not tell them of the corollary benefits

which, of course, you readily acknowledge when in government. You would be out there spruiking about how important it was to get the balance right, to minimise any dangers but at the same time to recognise the enormous research potential for lifesaving and life-enhancing research activities.

It is a bit hard to take people like Senator Carr seriously. I know the Left feels bruised and irrelevant. Perhaps it is about to make a comeback in the wake of the fiasco last Saturday. In fact, you will have to do a lot better than those sorts of scare campaigns. The people of Wollongong, for example, were subjected to nothing but a Telstra scare campaign—it was untimed local calls one day, it was price caps the next day and it was local call rates having gone up. Telstra was going to be the big issue in Cunningham, just as it was going to be the big issue in the last federal election. Imagine what they would have done without that scare campaign—it really is horrifying to think about, isn’t it? It might mean that Senator Carr will be leaving the party in the not-too-distant future.

Senator CARR—Mr President, I ask a supplementary question. Given the government’s claimed commitment to the safe management of nuclear waste, when will the minister release the complete list of sites under consideration for the location of the proposed intermediate-level waste storage facility?

Senator ALSTON—I can assure Senator Carr that the minister will take whatever action he thinks is necessary to inform public debate in the national interest. He certainly will not be out there pandering to the scaremongers. So if you are talking about suitting your agenda, I am afraid he will not be able to help you; but if we make a judgment about what might sensibly add to public debate, the minister can make that decision in due course.

Senator Hill—Mr President, I ask that further questions be placed on the Notice Paper.
QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Taxation: Family Payments

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.04 p.m.)—On 20 August Senator Bishop asked me a question relating to my own portfolio, as did Senator McLucas on 21 August. I seek leave to have the answers incorporated in Hansard.

Leave granted.

The answers read as follows—

On 21 August 2002, Senator McLucas asked me:

“Can the Minister detail how many families who received Family Tax Benefit B in the financial year 2000-01 changed the income estimate for the parent whose income determined they were eligible for this payment? Can the Minister provide the number of these families who incurred a year-end debt, and the average amount of that debt?”

I undertook to ascertain for the Senator whether it was possible to extract this information from the Centrelink computer system.

Answer:

Information in the form requested by the Senator is not readily available. The number of families who updated their income estimate is available only as a combined figure for Family Tax Benefit (FTB) Part A, FTB Part B and Child Care Benefit. It is not broken down either into the individual payments or between those families who incurred an overpayment and those who did not.

On 20 August 2002, Senator Mark Bishop asked me:

“Can the Minister detail how many families who received Family Tax Benefit B in the financial year 2000-01 changed the income estimate for the parent whose income determined they were eligible for this payment? Can the Minister provide the number of these families who incurred a year-end debt, and the average amount of that debt?”

I undertook to ascertain for the Senator whether it was possible to extract this information from the Centrelink computer system.

Answer:

I am advised there is no single date or decision.

The Government’s decision not to apply tax refund offsetting for overpayments from the first FTB year was part of the transitional arrangements to help families adjust to the new system. As was made clear at this time, this was for one year only (2000-01).

Immigration: Border Protection

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.04 p.m.)—On 26 September this year, in response to a question by Senator Faulkner, I undertook to table a copy of the ministerial direction issued by the Australian Federal Police on 25 February 1999 and a supplementary ministerial direction tabled on 27 September 2000. I have provided copies of those documents to Senator Faulkner’s office in the meantime, and I table those today.

Indonesia: Terrorist Attacks

Senator HILL (South Australia—Minister for Defence) (3.05 p.m.)—I wish to add to an answer that I gave to Senator Evans. He was asking about a Defence security email. I am told that the email was sent on 27 August and that it was distributed to a range of unit security offices across Defence in Victoria and Tasmania and would have been distributed to Defence staff in those units.

I also have the response of the Attorney-General in answer to a question asked by Senator Faulkner yesterday in relation to the US global security alert of 10 October. As it is somewhat lengthy, I seek leave to incorporate it in Hansard.

Leave granted.

The answer read as follows—

“Can the Minister confirm that the US Global Security Alert of 10 October was the basis of the Government’s warning of terrorist threats against Australian power stations? Can the Minister also confirm that this same US alert also contained specific warnings about threats to people travelling in the region? Given that the Government acted immediately on the basis of this US advice to put our infrastructure on a higher security alert, what action did the Government take in relation to the US warnings of threats to persons travelling in the region?

• On Friday, 11 October the Australian Government was advised by the United States of
a concern relating to the possibility of a terrorist attack against energy production and transmission infrastructure.

**Response**

- The advice from the US was specific to energy infrastructure, but was not specific as to place, time or targets. It was certainly not specific to Australia.
- In addition to certain classified information, the information from the United States was based on a particular concern that Bin Laden’s public statement of 6 October 2002 and al-Zawahiri’s statement of 8 October could foreshadow another major terrorist attack, with a focus on economic interests. There was nothing in the material which made any reference to Bali.
- The advice provided by the United States was also provided to a number of other countries. There was no information of a specific threat in Australia.
- In the absence of information relating to a specific threat to Australia, threat levels were not raised but remained at the heightened levels following the 11 September attacks.
- Revised threat advice was prepared by ASIO, drawing attention to the US concerns, and this advice was provided to relevant state authorities through the Attorney-General’s Department’s Protective Security Coordination Centre.
- Australia had no warning of the Bali attack. If we had, we would have moved heaven and earth to stop it.
- We were aware of a potential threat in the region and we made public statements to this effect on a number of occasions. We issued warnings about travel in the region, including specifically around the anniversary of September 11.
- Our advice from intelligence agencies is that the only reference to Bali in recent intelligence reporting was its inclusion along with a number of other locations across Indonesia for possible terrorist activity in the event that the Leader of JI was arrested. This intelligence was specific to Bashir’s arrest. It is simply wrong to characterise it as specific information in relation to a specific threat concerning Bali.
- ASIO considered that the existing high threat assessment level applying to Indonesia did not need to be varied as, at that time, Bashir’s arrest was not imminent.
- The United States Department of State has issued a statement confirming it had no specific information of a planned bombing in Bali.
- In the statement, the US State Department spokesman Richard Boucher said: “If we had such information we would have issued a public warning regarding such a potential danger.”
- Mr Boucher clarified the US position further, saying they had received numerous indications that terrorists were planning additional attacks around the world, and that is why it issued the worldwide caution I referred to on October 11.
- He also made the point that: “The US and Australia are cooperating very closely on counter-terrorism issues, including in the areas of information and intelligence sharing. The US would not withhold from Australia intelligence that affects Australian interests, including the safety of the Australian public.”

**Faulkner Supplementary**

I appreciate that the Minister’s commitment to check in relation to the US global security alert of 10 October with the Attorney General. I wonder in that circumstance Minister, if you are able to say, if not, if you could also check, whether there in fact was any other information in the possession of the Government which lead the Government to believe that more weight might be given to the threat against infrastructure if you like as opposed to the threat against personnel. I appreciate that some of this information might be better directed to the Attorney General, if so, perhaps I could ask you to further clarify that.

**Response:**

- The advice from the US was specific to energy infrastructure, but was not specific as to place, time or targets. It was certainly not specific to Australia.
- In addition to certain classified information, the information from the United States was based on a particular concern that Bin Laden’s public statement of 6 October 2002 and al-Zawahiri’s statement of 8 October could foreshadow another major terrorist attack, with a focus on economic interests.
- It was also in the context of the recent attack on the French oil tanker. There was nothing in the material which made any reference to Bali.
Agriculture: Grain Shortage

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (3.06 p.m.)—Yesterday, Senator O’Brien asked me a question, in my capacity representing the Minister for Agriculture, Fisheries and Forestry, relating to a grain audit by ABARE. I indicated I would get a response from Mr Truss. I have that response. I seek leave to incorporate it in Hansard.

Leave granted.

The answer read as follows—

The Government is aware of concerns of a shortage of grain for feedstock purposes as a result of the current drought.

The Minister is also aware of calls by Senator O’Brien for a National Grains Audit.

For the information of the Senate, during the 1994-95 drought an audit was conducted through ABARE amongst various statutory marketing authorities and in conjunction with the States. At the time such an audit was feasible given the statutory nature of the grain entities.

However, as these former Commonwealth and State grain statutory marketing authorities and bulk handling organisations have since been privatised, the idea of a national grain audit is not practical.

Information on grain storage levels is commercially sensitive and the government has no legislative authority with which to require companies to provide data on stocks held.

The grains industry has taken action to address the security of feed grain supplies, recognising the interdependence between grain producers and intensive livestock industries.

The Grains Council of Australia is monitoring the levels of grain through its Feed Grain Action Group comprising representation from all sectors of the feed grains and intensive livestock industries.

AWB Ltd has reported on 19 October 2002 that it is confident that there will be sufficient grain to meet domestic requirements for this year and next.

The National Pool is quoted as having a carryover of four million tonnes. Furthermore, AWB Ltd has taken action to redirect export orders from New South Wales and Queensland in an effort to retain stocks for domestic use.

The 2002 harvest has begun and will ensure that adequate supplies are available for domestic use.

While prices are expected to be higher than in recent years, the Government is confident that adequate supplies of Australian grain will be available.

Imports are permissible and a number of applications have been lodged. Imports are subject to an import protocol which will ensure that our pest and disease status is not compromised.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator CONROY (Victoria) (3.06 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Revenue and Assistant Treasurer (Senator Coonan) and the Minister for Finance and Administration (Senator Minchin) to questions without notice asked by Senators Webber, Kirk and Conroy today relating to taxation, to household debt and to remuneration for chief executive officers.

This is a government that is obsessed, as it proved once again today, with looking after its mates at the big end of town. This has been going on now for 6½ years and nothing changes. We heard an answer today that was deliberately designed to mislead the Australian public. They set out to try and not answer the question—a specific question about corporate excess in this country, relating to the sorts of payments in the millions being made to those who are fired and made redundant in corporate Australia, contrasted with the position of the Ansett workers and the Prime Minister’s statement that an acceptable community standard for redundancy pay is only eight weeks pay. Did the Prime Minister, or anyone in this government, have anything to say about the millions of dollars paid to the corporate executives who failed and who have been got rid of? There was not a word in answer. Four minutes and another follow-up minute provided an opportunity for the minister to discuss some of the concerns that affect ordinary Australians today.

The Minister for Finance and Administration wanted to try again to obscure the facts about the level of household debt in this country. Many Australians are struggling under record levels of debt. Household debt is now at a record high of $597 billion; that is, an average of $81,000 per household.
That is a staggering number. What is the government’s response? It says, ‘Don’t you worry about that; it will be okay.’ The Governor of the Reserve Bank does not think it is going to be okay. The Governor of the Reserve Bank has issued a number of warnings about the level of household debt. What does the minister try to say? The minister tries to say, ‘Don’t you worry because, if you look at the assets that are held out there in the community and you match them against the debt, it is really okay.’ What the minister does not want to tell you, though, is that the assets are not held by the people who have the debt. Funnily enough, most of the assets that are held are at the top end of the market, in the higher income brackets, and most of the debt that is held is at the lower end of the market.

But if you just pretend, obscure and pull that little confidence trick you might just get away with proving that there is no problem in this country.

My colleague Mr Alan Griffin in the other place and I have been calling on the government for some time to work with all the state governments to amend the uniform consumer credit code to require that a credit card provider cannot write to ordinary Australians and say, ‘Congratulations, you have won first prize; here is an increase in your credit card limit.’ That is all we want this government to do—to get on board and try to stop the debt binge that is going on in this country. We are not saying that people cannot write and ask for an increase in their credit card limit—if they want it—there is no problem with that. But we have to put a stop to the banks writing to ordinary Australians and saying, ‘Your limit has gone from $3,000 to $7,000,’ without receiving any expression of interest from them that they would like that. What happens is that everyone starts to build up to the limit again. That is bad practice, the Reserve Bank is concerned about it, and many people in the Australian community are concerned about it. All that this government has to do is to work with the state governments to ban the practice and say, ‘You can’t do it any more. You can say to people, “Would you like an increase? Write to us and tell us.”’ Just stop this unsolicited cold-calling and increasing of credit card limits. It has to stop.

Yet again, the Minister for Revenue and Assistant Treasurer tries to mislead the chamber. She pulls out some dodgy OECD figures, which fundamentally are supplied by Treasury. Those figures have shown that this is the highest taxing, highest spending government in Australia’s history. The only reason that the government gets away with comments about how that is not the case is that the GST—a tax that funnily enough was voted on by those on the other side and us in this chamber—is a Commonwealth tax. Because it gives figures that show that it is the highest taxing, highest spending government in Australian history, what does it do? It says, ‘The GST isn’t really a Commonwealth tax.’ It is just Enron style accounting. It is just shonky fiddling of the books. We all voted in this chamber—each senator on the other side voted on the bill that introduced the GST. None of the states voted on it; it passed through this chamber. They cannot keep trying to pretend otherwise. The OECD study has blown the whistle—(Time expired)

Senator CHAPMAN (South Australia) (3.11 p.m.)—What a gall Senator Conroy has to come into this chamber and accuse ministers of the government of misleading the Senate when that is exactly what he has done in his remarks to the Senate today by comparing two completely different circumstances!

Senator Ferris—He’s not interested in listening.

Senator CHAPMAN—He does not even want to listen. He cannot cop the heat. Senator Conroy talked about AMP on the one hand and Ansett on the other. He talked about the limits placed on redundancy payments to Ansett staff compared with what he regarded as excessive redundancy payments made to a former employee of AMP. The facts that he ignores are that Ansett has gone broke—Ansett is insolvent—and that the redundancy payments being made to Ansett employees are as a consequence of that insolvency. AMP is not an insolvent company; it remains a profitable, successfully operating company, and the payments that it might make to redundant employees are therefore completely incomparable with the situation at Ansett.
Senator Conroy ignores that the government has announced its intention that, where what might be regarded as excessive or inappropriate redundancy payments are made to senior officers of a company that subsequently goes broke, the government will have power to reclaim those payments and put them back into the company for the benefit of all creditors, including all employees. Let us compare like with like. If a company like AMP goes broke and inappropriate payments are made to its senior executives, the government will have capacity to claw back those funds for the benefit of all creditors. Therefore, the government has acted to deal with the situation—quite contrary to the misrepresentation that we have heard from Senator Conroy.

We need to remind the Senate that the Labor Party did absolutely nothing with regard to employee entitlements. Only this government has taken the initiative to provide any benefit for employees when a company goes broke. It is no wonder that Senator Conroy wants to concentrate on this issue today, because he wants to try to divert attention from today’s excellent news with regard to the restoration of the Commonwealth of Australia’s AAA credit rating—a credit rating that we have not enjoyed for 16 years. It took only three years of the life of the previous Labor government for our AAA credit rating to be lost, and it has been below that level ever since. As a result of six solid years of sound economic management by this government, we now have the good news that that AAA credit rating has been restored—the very top level credit rating that you can achieve through the well-known international credit rating agency, Moody’s.

That brings us into line with the United States, the United Kingdom and Germany and it restores the credit rating that we lost in the early years of the Labor government. This is of benefit not only to the Commonwealth government in relation to its financing; it also benefits all the key players in Australia’s economy. It benefits state governments and private sector companies because their credit rating in turn is dependent on the credit rating given to the Commonwealth government. All those other bodies can have their credit ratings re-rated to a more beneficial level to enable them to borrow money at a lower interest rate because of the lower risk premium that will apply from that better credit rating.

As I said, it is a direct result of 6½ years of hard work by this government to restore the economic credentials of Australia. This re-rating has not just occurred; it is the direct result of the hard work and sound policy initiatives of the Howard Liberal government. It is worth noting that even the Chief Economist at HSBC, Dr John Edwards, issued a report this month which commended the state of the economy under the Howard Liberal government. He said that growth was expected to remain strong despite the international downturn and difficult conditions. That was from Dr John Edwards, a friend of the Labor Party and, indeed, a former senior adviser to a Labor Prime Minister. Even Dr Edwards is acknowledging the sound economic management of this government.

I might contrast that with the situation I witnessed recently in Germany, which is now lamenting the re-election of a social democrat government because of its poorly performing economy. Currently it has a growth rate of about 0.6 per cent compared to our growth rate of nearly four per cent, and the necessary reforms will not now be implemented in that country to restore strong economic growth. (Time expired)

Senator WEBBER (Western Australia) (3.16 p.m.)—Well, well! Don’t those opposite get all hot and bothered and upset when the truth is finally revealed that this government is Australia’s highest taxing administration? Isn’t that a notable achievement, brought to us by the parties opposite that claim to represent small government? They come in here day after day with their ideological cant about the virtues of their administration. They are always ready to blame everybody else for Australia’s ills—anybody else who crosses their path including, as a last resort, previous Labor administrations from six years ago. I have news for you: most Australians will no longer accept that.

Those opposite want us to believe that they are better economic managers. At every opportunity they come in here and they are
only too happy to hop into those of us on the Labor side about the past. Of course they want to focus on the past, because that lets them ignore the present and hide from the Australian people their complete lack of vision for the future. The simple fact is that this government collects more taxation revenue than any other Commonwealth government in history. If the Minister for Revenue and Assistant Treasurer does not like the OECD figures, perhaps she would like to focus on the ABS statistics. They show that Commonwealth government taxation revenue, including taxes received from other levels of government and Commonwealth corporations, rose 14.7 per cent from $152,576 million in 1999-2000 to $175,010 million in 2000-01. Before they get too carried away, let us compare this with the position of state and local government. State and local government taxation revenue fell for the same period by 11.1 per cent. You need not run around shirking your responsibilities and trying to blame everyone else.

The government want us all to worship at their altar of economic management. Let us have a look at what it has brought us: it has brought us the highest taxing government in Australia’s history, a budget deficit and now more levies than we know what to do with. And they have the unmitigated gall to come in here and tell us that everyone else is no good. They are perpetuating the greatest con job Australia has had the misfortune to suffer. Their latest smoke and mirrors trick is they want to sell Telstra so they can deal with the budget deficit and have a war chest for the next election. I have news for you: I do not think the Australian public will buy it. Abraham Lincoln once said, ‘Too many piglets, not enough teats.’ When he came up with that phrase, he could well have been talking about the coalition election strategy meeting. It is just incredible. However, you have to give them credit: they have come up with a strategy of hiding their latest taxation behind words like ‘levies’. And yesterday we heard from Senator Coonan that it is not a levy; it is an arrangement. Then they try to say that the GST is really a tax from the states.

You can have a gun levy, a dairy levy, an Ansett levy and now a sugar levy but, if you want to believe those opposite, those are not taxes; they are just levies. They even point to their Timor levy and its non-introduction as some kind of badge of fiscal responsibility. The bottom line is that the government have painted themselves into a corner. They want to continue the myth that they are a small government and that they are low taxing—and a myth is just what that is; it is a fairytale that soon you will not even be able to tell your kids, because no-one will believe it anymore. No matter how the government try to dress it up, this myth reeks. There is an old truism about death and taxes; in Australia in the year 2002, it should read, ‘Death, taxes and levies.’

Senator JOHNSTON (Western Australia) (3.21 p.m.)—I must say that, even after Saturday, I have now seen everything: the Labor Party comes into this chamber and wants to take on economic management. Today we are being acknowledged with a re-rating up of our credit rating and the Labor Party is taking note on an issue of economic management.

What does it actually mean to ordinary Australians when Australia gets re-rated? First and foremost, it means lower interest rates for ordinary men and women paying their mortgages and their debts. What does it mean for my state of Western Australia? It means that foreign capital can actually flow in, because the risk premium component of the foreign capital or borrowing is reduced. It means the oil and gas industry can expand, as Woodside has on our North West Shelf, with 2,000 new jobs. It means men and women can actually maintain a high standard of living and enjoy the fruits of the highest rate of average weekly earnings, which those in Western Australia now enjoy. Goldmining companies can borrow offshore capital which we cannot raise onshore, given our small population, and we can put people on the ground in the far-flung regions of Western Australia, Queensland, the Northern Territory and South Australia and develop our mineral resources for the benefit of men and women and their families, to provide them
with the good schools and hospitals that flow from good jobs—and this is all because we have a very strong credit rating and are respected internationally as good managers of our economy. The fact is the OECD envies Australia’s ability to manage its economy. Indeed the government have achieved something of a minor miracle in economic management and are renowned in the OECD and across the world for delivering growth to this economy, growth that we had not seen before we took over in 1996.

Having said what happens in Western Australia, let me turn to what happens in respect of the states. The states can now borrow at reduced rates of interest. Notwithstanding the fact that they are six Labor states, those states are the direct beneficiaries of our credit re-rating, and that is of course a re-rating up to AAA. The fact is that enables the states to provide more hospitals, schools, nurses, employees and teachers. These are things which affect average, ordinary Australians greatly, yet the Labor Party comes in here and says that we are not doing a good job.

Let us remind ourselves of what it was like back in the early nineties. We had 11 per cent unemployment. That was double the rate now. That was double the number of people who wanted a job but could not find one. Those were real people—these were men and women—who wanted to work and raise their families with a reasonable standard of living but who could not find a job. Interest rates were up to 18 per cent. We had in the early nineties ‘the recession we had to have’ under this mob. These things are forgotten by the senators opposite, and it is quite remarkable that they would come in here and feign this rhetoric of Australia being the highest taxing country in the OECD. I am absolutely incredulous that, given the substantial victory for this government and for every Australian in this rerating today, they would seek to make a point on an economic issue.

Having said that the states are now able to raise more money and be more successful in their governance of their states, I turn to Senator Conroy. He just simply will not take note of what occurred during Labor’s time at the helm. Senator Webber wants to talk about ideological cant. It is an absolute tragedy that the senators opposite have a complete policy vacuum when it comes to every single issue. We are winning with respect to Centrelink, defence reform, education and training, and employment. The figures and the runs are on the board. Sadly, there is no energy and indeed no hope among those opposite.

Senator KIRK (South Australia) (3.26 p.m.)—Australian families are sinking under the combined weight of household and government family payment debts but today the government—through the Minister for Finance and Administration, Senator Minchin—has failed to acknowledge their plight. We heard today that recent ABS statistics show that Australian families are now straining under a record $597 billion of debt, an average of $81,000 for every household. Household debt has jumped $23.4 billion in the three months to June and $79.3 billion in the 12 months to June this year. Household debt has gone up $319.5 billion since the coalition came to office, yet the government speaks of its ‘economic management’.

These amounts are almost double the amounts of household debt under the last Labor government. Household debt per household has jumped from $41,450 when Labor left office to almost double that—$83,000—today. Average household debt has surged from 82 per cent of disposable income in 1995 to 122 per cent at the end of March this year. ABS statistics show that the average family now owes $122 for every $100 of their disposable income. With credit card debt also at a record high, families are now saving just 50c out of every $100 earned. This is one of the lowest saving rates ever.

These figures are a stark illustration of the growing debt burden faced by Australian families as they struggle to cope under the highest taxing and highest spending government in Australian history. Yet today the minister refused to acknowledge this in his answer to my question during question time. Under the Howard government, Australian families are under greater financial stress than ever before and are increasingly vulnerable to interest rate increases. Homebuyers
who have borrowed heavily relative to their income—often close to the full value of the property—will be particularly vulnerable if prices fall or if interest rates rise further. The Reserve Bank and the Australian Prudential Regulation Authority have given repeated warnings to borrowers and lenders to exercise caution. But, despite this, the government has failed to recognise that there is a household debt problem and has made no consistent response to the risk of the housing bubble. This is despite repeated warnings made by the Reserve Bank about the expansion of household debt and the increasing vulnerability of Australian households to interest rate increases. It is irresponsible of the government to sit on its hands and passively await a housing bust, with the pain that this will inflict upon Australian households. The government should join the opposition in warning potential borrowers to ensure that they are not overstretching themselves. In particular, borrowers should be warned to assess whether they have the financial capacity to respond to worsening financial circumstances, such as possible interest rate increases.

October Reserve Bank transaction card figures show that Australian credit card debt has hit record levels under the Howard government. Total debt has soared to $21.5 billion in August, an increase of over $100 million in just one month. These figures indicate Australian consumers are increasing their exposure levels to personal debt, month after month. In four years, credit card debt has exploded by 220 per cent from $9.8 billion to $21.5 billion and has increased as a proportion of household debt by 35 per cent. This is of particular concern when the August Reserve Bank statement on monetary policy showed average credit card interest rates at 16 per cent.

It is clear that consumers are extremely vulnerable when it comes to credit card debt. I asked the minister today whether the government would work with the states to ban credit card providers from issuing unsolicited promotional material with pre-approved credit limits or credit limit increases, but the minister provided no answer to this question. Labor calls on the government, in cooperation with the states, to reform the uniform consumer credit code. (Time expired)

Question agreed to.

**International Criminal Court**

**Senator Greig** (Western Australia)

(3.31 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Justice and Customs (Senator Ellison) to a question without notice asked by Senator Greig today relating to judicial nominations for the International Criminal Court. Specifically, I asked the representing minister if he could inform the Senate of what steps the government might be taking or had taken in terms of the nomination process for Australian judges who might potentially sit on the International Criminal Court. The minister’s answer was very disappointing. He said that he had had a discussion with the Attorney on that but was not fully briefed and that he would undertake to get back to the Senate about it.

I acknowledge that the minister has been busy of late with other matters, but this is an issue which the Senate has been debating in a controversial way for quite some time. I felt that we should know at this fairly late stage whether, at the very least, the government has given consideration to some kind of short list. In this chamber we had a very extensive, robust debate on the question of ratification of the International Criminal Court. Finally, the parliament agreed on 27 June this year that, yes, Australia should sign on to that and become one of the 60 states setting in motion the establishment and formation of the International Criminal Court to deal with crimes against humanity, such as genocide and other atrocities.

It is worth noting that Australia’s decision to ratify took place on 27 June. That was a Thursday, the last sitting day of that sitting period. This meant that, by ensuring that we beat the deadline of June 30 of this year by just three days and by signing on at that time, we could participate in what is called the Assembly of States Parties—that is, the inaugural group of countries which supported the notion of the International Criminal Court and signed up to that in a jurisdictional sense. The mechanism of the Assembly of
States Parties provides for, amongst other things, the opportunity for any country which has signed on to the ICC to nominate for consideration judges to sit on that bench.

Given the very strong and, in many cases, leading role that the Australian government played—particularly through the Minister for Foreign Affairs, Alexander Downer—in advocating and supporting for many years the notion of the ICC, it is very disappointing that we should at this very late stage not be in a position to even identify whether or not we have considered appointing or at least nominating judges for the ICC.

As I said, Australia played a leading role in the negotiations leading up to the finalisation of the court. Indeed, our country chaired what was known as the like-minded group of countries, consisting of some 65 countries, all of which advocated a strong and effective court for the purposes that I have outlined. Given that Australians could be subject to the court’s jurisdiction—even if we had not ratified it—I think our interests are best served by having an effective voice in the Assembly of States Parties, yet we seem to be abrogating our role in that regard.

At the time of the negotiations, very strong concern was expressed by many Australians, including some in the government, who felt that we would in some way be losing sovereignty by signing on to the notion of an International Criminal Court. There was very strong concern about perceived bias from the court, particularly for countries which have signed on to and supported the court but which may have a history of atrocities or experience of human rights abuses. We Democrats would argue that surely one of the best ways to help remove that doubt and concern is, at the very least, to ensure that Australia nominates a judge or two from our country, to give them the opportunity to serve on the International Criminal Court. The many misconceptions that we heard prominently throughout the debate over Australian ratification could perhaps be addressed in that way.

It is very disappointing that the minister at this very late stage is not able to even identify whether or not the government has considered so much as a short list. I think we should note with disappointment the way in which the Australian government has approached this—initially very enthusiastically in terms of support for the court; initially very enthusiastically in terms of meeting the deadline, which it did; and initially indicating that there would be some kind of opportunity to indicate those judges who may be forwarded, which it has not done to date. With disappointment, I ask that the Senate take note of that and call on the minister to respond in the way in which he said he would—that is, as soon as possible. (Time expired)

Question agreed to.

PETITIONS

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

Foreign Affairs: Iraq

To the Honourable the President and Members of the Senate in Parliament assembled. The Petition of the undersigned calls on the members of the Senate to support the Australian Democrats’ motion opposing Australia’s involvement in preemptive military action or a first strike, against Iraq.

We believe a first strike would undermine international law and create further regional and global insecurity.

We also call on the Government to pursue diplomatic initiatives towards disarmament in Iraq and worldwide.

By Senator Stott Despoja (from 1,067 citizens).

Petition received.

NOTICES

Presentation

Senator George Campbell to move on the next day of sitting:

That the time for the presentation of reports of the Employment, Workplace Relations and Education References Committee be extended as follows:

(a) education of students with disabilities—to 5 December 2002; and

(b) small business employment—to 12 December 2002.

Senator Mason to move on the next day of sitting:
That the Joint Standing Committee on Electoral Matters be authorised to hold public meetings during the sittings of the Senate on Monday, 11 November 2002, from 7.15 pm, and on Monday, 2 December 2002, from 7.15 pm, to take evidence for the committee’s inquiry into the conduct of the 2001 federal election.

Senator George Campbell to move on the next day of sitting:

That the following matters be referred to the Employment, Workplace Relations and Education References Committee for inquiry and report by the last sitting day in June 2003:

(a) areas of skills shortage and labour demand in different areas and locations, with particular emphasis on projecting future skills requirements;

(b) the effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements;

(c) the effectiveness of industry strategies to meet current and emerging skill needs;

(d) the performance and capacity of Job Network to match skills availability with labour-market needs on a regional basis and the need for improvements;

(e) strategies to anticipate the vocational education and training needs flowing from industry restructuring and redundancies, and any recommended improvements; and

(f) consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular, and any recommended appropriate changes.

Senator Ridgeway to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) Mrs Valarie Linow, an Aboriginal woman from New South Wales, was removed from her family at the age of 2 years and placed in children’s homes in Bomaderry and then Cootamundra;

(ii) at the age of 14, Mrs Linow was placed on a rural property in New South Wales by the Aborigines Welfare Board and employed as a domestic worker,

(iii) Mrs Linow is the first member of the stolen generations to be awarded monetary compensation for the psychological trauma she suffered as a result of sexual assaults that occurred when she was employed as a domestic worker, and

(iv) by awarding Mrs Linow compensation of $35 000, the New South Wales Victims Compensation Tribunal is distinguished as the first judicial body in Australia’s history to award compensation to a member of the stolen generations for harm that occurred while in state care;

(b) acknowledges that the success of Mrs Linow’s case may give hope to other members of the stolen generations who suffered a similar fate and validate their conviction that the harm done to them does warrant and deserve compensation;

(c) regrets that the Government has provided members of the stolen generations no alternative to the adversarial, costly and protracted court system for the resolution of their claims, with the result that many claims will continue to be defeated because of the applicants’ inability to produce the necessary documentation or the witnesses to substantiate their claims; and

(d) calls on the Government to:

(i) reconsider its opposition to the establishment of a more humane and compassionate response, particularly for those members of the stolen generations who have suffered harm as a consequence of the act of removal, and

(ii) establish a reparations tribunal for the stolen generations, as recommended in the Legal and Constitutional References Committee report on the stolen generations, Healing: A Legacy of Generations, the Human Rights and Equal Opportunity Commission, the Aboriginal and Torres Strait Islander Commission, the Public Interest Advocacy Centre and the National Sorry Day Committee.

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

(a) notes that:

(i) the Gembrook Primary School has for the past 100 years had only two permanent classrooms, even when the school population has been around 300,

(ii) the Gembrook Primary School population has been around 170 children for the past 3 years and is increasing each year,

(iii) the Victorian State Government’s school infrastructure policy for the ratio of permanent and portable classrooms is 80:20,

(iv) the Victorian State Government does not provide funding for the maintenance of portable classrooms, instead replacing them when the repair bill is more than 5 per cent of the cost of replacement, and

(v) as a result the Gembrook Primary School, receives no maintenance funding for most of its classrooms;

(b) calls on the Victorian State Government to provide Gembrook Primary School with four new permanent classrooms, bringing the capacity of its permanent classrooms to 150;

(c) recognises that there are many thousands of students housed in inadequate portable classrooms Australia-wide; and

(d) calls on the Federal Government to provide more funds for urgently needed, basic capital works in government schools.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (3.37 p.m.)—

I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Workplace Relations Amendment (Fair Dismissal) Bill 2002 [No. 2], allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

WORKPLACE RELATIONS AMENDMENT (FAIR DISMISSAL) BILL 2002 [No. 2]

Purpose of the Bill
The Bill will amend the Workplace Relations Act 1996 (the WR Act) to exclude employees of small business from unfair dismissal provisions in the WR Act relating to termination of employment.

Reasons for Urgency
The Bill was first introduced in the House of Representatives on 13 February 2002 and subsequently passed by the Senate but with amendments that were unacceptable to the House. The House of Representatives laid the amended Bill aside on 28 June 2002.

A vibrant and innovative small business sector is crucial to Australia’s economic growth and social welfare. Inappropriate regulation and inflexibilities in workplace relations arrangements are key issues for small business. Small business wants and needs an exemption from the federal unfair dismissal laws, not so they can dismiss unfairly, but to relieve them from the threat of unfair dismissal proceedings.

The defence of an unfair dismissal claim, however groundless, is especially burdensome for small businesses. The possibility of an unfair dismissal claim discourages small business from taking on new employees. An exemption is necessary, to ensure continuing employment growth in small business.

The Government is committed to pursuing the proposed small business exemption and is determined to maintain pressure on those opposing the Bill to allow its passage through the Senate unamended.

(Circulated by authority of the Minister for Employment and Workplace Relations)

Senator Crossin to move on the next day of sitting:

That the Senate—

(a) notes the signing of the 1997 National Communiqué to progress Indigenous Justice issues by the Northern Territory Government confirming its commitment to reducing the over-representation of Indigenous people in all stages of the criminal justice system;

(b) recognises that the 1997 communiqué commits all signatories to addressing customary law and its relationship with the criminal justice system;

(c) notes that, in accordance with Australian and international law, Aboriginal customary law should be recognised
consistently with universally-recognised human rights and fundamental freedoms; and

(d) acknowledges that the Northern Territory Government is working in partnership with Indigenous people in moving to conduct an inquiry into Aboriginal customary law and its relationship with the criminal justice system.

Senator Nettle to move on the next day of sitting:

That the Senate—

(a) notes the rally in Sydney on 22 October 2002 of the Korean Solidarity for Human Rights Group, which is demanding an apology for the imprisonment in high security jails of two Korean asylum seekers who were neither convicted nor charged with any offence;

(b) condemns the transfer of asylum seekers into the regular prison system as contrary to the strong tradition in Australia of, and legal commitment to, civil and human rights that protect individuals from imprisonment without conviction or charge; and

(c) calls on the Government to end this practice immediately, bringing Australia back in line with commitments under the International Covenant on Civil and Political Rights.

Senator GREIG (Western Australia) (3.39 p.m.)—Pursuant to standing order 78(1), I give notice of my intention, at the giving of notices on the next day of sitting, to withdraw business of the Senate notice of motion No. 1 relating to the disallowance of Therapeutic (Goods) Charges Amendment Regulations 2002 (No. 1) standing in my name for Thursday, 24 October 2002.

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion No. 2 standing in the name of Senator O’Brien for today, relating to the disallowance of the Civil Aviation Amendment Regulations 2002 (No. 2), postponed till 11 November 2002.

Government business notice of motion No. 1 standing in the name of the Parliamentary Secretary to the Treasurer (Senator Ian Campbell) for today, relating to a variation to the hours of meeting and routine of business, postponed till 23 October 2002.

Government business notice of motion No. 2 standing in the name of the Parliamentary Secretary to the Treasurer (Senator Ian Campbell) for today, relating to a variation to the hours of meeting and routine of business, postponed till 23 October 2002.

Government business notice of motion No. 3 standing in the name of the Parliamentary Secretary to the Treasurer (Senator Ian Campbell) for today, relating to the consideration of legislation, postponed till 23 October 2002.

COMMITTEES

Environment, Communications, Information Technology and the Arts Legislation Committee

Meeting

Senator FERRIS (South Australia) (3.40 p.m.)—At the request of Senator Eggleston, I move:

That the Environment, Communications, Information Technology and the Arts Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 22 October 2002, from 7.30 p.m., to take evidence for the committee’s inquiry into the provisions of the Telecommunications Competition Bill 2002.

Question agreed to.

Rural and Regional Affairs and Transport Legislation Committee

Extension of Time

Senator FERRIS (South Australia) (3.40 p.m.)—At the request of Senator Heffernan, I move:

That the time for the presentation of reports of the Rural and Regional Affairs and Transport Legislation Committee be extended as follows:

(a) provisions of the Egg Industry Service Provision Bill 2002 and a related bill—to 23 October 2002; and

(b) Australian meat industry and export quotas—to 13 November 2002.

Question agreed to.

FOREIGN AFFAIRS: IRAQ

Senator STOTT DESPOJA (South Australia) (3.41 p.m.)—as amended, by leave—I move:
That the Senate calls upon the Government to rule out Australia’s involvement in any pre-emptive military action, or first strike, against Iraq or any other country without clear-cut evidence that that country’s support for international terrorism or its weapons of mass destruction capability and threat represent a real and present danger to our collective security.

Question, as amended, agreed to.

COMMITTEES
Privileges Committee
Report
Senator ROBERT RAY (Victoria) (3.42 p.m.)—I present the 109th report of the Committee of Privileges, relating to a person referred to in the Senate.

Ordered that the report be printed.

Senator ROBERT RAY—I seek leave to move a motion relating to the report.

Leave granted.

Senator ROBERT RAY—I move:

That the report be adopted.

This is the 40th in a series of reports recommending that a right of reply be accorded to persons who claim to be adversely affected by being referred to, either by name or in such a way as to be readily identifiable, in the Senate.

On 8 October 2002, the President of the Senate received a submission from Mr Tony Kevin concerning a matter raised by Senators Mason, Brandis and Ferguson in the Senate on 26 September 2002. The President referred the submission to the Committee of Privileges under resolution 5. The committee considered the submission at its meeting on 17 October, and recommends that a response in the terms included in the report I have just tabled be incorporated in Hansard.

The committee always reminds the Senate that in matters of this nature it does not judge the truth or otherwise of statements made by honourable senators or persons who seek redress. I commend the report to the Senate.

The response read as follows—

APPENDIX ONE
RESPONSE BY MR TONY KEVIN AGREED TO BY MR KEVIN AND THE COMMITTEE OF PRIVILEGES PURSUANT TO RESOLUTION 5(7)(B) OF THE SENATE OF 25 FEBRUARY 1988

I make a submission under Privilege Resolution 5, in proceedings in the Senate Chamber on Thursday 26 September 2002, repeated references were made to me by name by Senators Mason, Brandis and Ferguson that have adversely affected me in my reputation or in respect of my dealings or associations with others, and have injured me in my occupation as a writer on public policy matters, and have unreasonably invaded my privacy.

Issue no 1: Incorrect references to my previous career as an Australian ambassador. (Senator Brandis, Hansard, p. 4738)

I retired from DFAT at age 55 on 2 March 1998, after a meritorious thirty-year career involving important and challenging overseas postings, all of which ran their full term. The unsolicited signed certificate of appreciation sent to me by the then Secretary of the Department of Foreign Affairs and Trade, Philip Flood A.O., dated 2 March 1998, reads: “In recognition of your loyal and dedicated service over thirty years to the Department of Foreign Affairs and Trade, Philip Flood publicly conveyed his appreciation of my work at a farewell reception that he hosted for me in the Department of Foreign Affairs and Trade, which was attended by around 100 DFAT officers and other guests including members of my family and friends. I submit that if such public acts of recognition of public service have any value at all, Senator Brandis’ statement about my posting to Cambodia is reprehensible.

My posting to Cambodia 1994-97 involved complex challenges including the 1994 kidnapping and murder by the Khmer Rouge of Australian backpacker David Wilson. In 1996 the Senate Foreign Affairs Committee Enquiry into Consular Services examined this tragedy exhaustively. It concluded (paras 7.48 and 7.49):

“... all the Australians involved ... were fully committed to the case and gave their utmost ... The embassy staff in Phnom Penh and in Kampot, in our experience, worked tirelessly and devotedly in very difficult conditions ... the Committee finds that the officers concerned acted with integrity and commitment in very trying circumstances”.
The second half of my posting in Cambodia was under Foreign Minister Downer. He thanked me personally by phone for my management of the civil war emergency in Cambodia in July 1997 and the associated successful RAAF-assisted air evacuation of Australians from Phnom Penh soon after the fighting ended.

Issue no 2: Incorrect references to my temporary relief employment with Kevin Rudd M.P. (Senator Ferguson, *Hansard*, p. 4740)

I made written submissions to the Senate Committee on a Certain Maritime Incident in March and April 2002. I was invited to give oral testimony on 1 May. Two and a half months later in mid-July, and to my surprise, Kevin Rudd invited me to work for an initially unspecified period in his Parliament House office on a temporary relief placement. In the event, I worked in this position for four weeks during July and August. There was no expectation of permanency on either side. I have great respect for Mr Rudd as he has for me. Senator Ferguson has misrepresented the facts of my temporary employment with Mr Rudd in ways that could damage my future prospects of short-term or long-term employment in public policy areas.

Issue no 3: Numerous *ad hominem* disparaging statements about my evidence to the Senate Select Committee which affect my reputation. (Senators Mason, *Hansard*, p. 4737, Brandis, p. 4738 and Ferguson p. 4740)

I was adversely affected and injured by the comments about me by Senators Mason, Brandis and Ferguson—in particular the two last-named Senators. These were not the kinds of comments I would have expected of the Government’s appointed members of the Senate Select Committee into a Certain Maritime Incident, who might be expected by the Australian public to take seriously the mandate of this committee (as expanded at the request of Senator Brandis), in terms of the investigation of SIEV X.

It was in the public interest that I raised in my two written submissions in March and April and my oral testimony before the Senate Committee on 1 May important questions of public accountability, in respect of the sinking of SIEV X and the failure by Australian border protection authorities to help its passengers. The questions I asked—which properly could be no more than questions at that time, when the government was still withholding a great deal of subsequently divulged official information about SIEV X—have been entirely validated by subsequent official testimony and by continuing gaps and silences in official testimony. There was no cowardice on my part in asking these public questions in the period March–May 2002.

It is not for me to say whether there was cowardice in the sustained personal attacks on me by Government Senators under privilege in the Senate on 26 September 2002. While I am in no way intimidated by such attacks, they might discourage other citizens from coming forward with submissions to Senate enquiries in the future.

Tony Kevin

**BUDGET**

**Consideration by Legislation Committees**

**Additional Information**

*Senator FERRIS (South Australia) (3.44 p.m.)—On behalf of the Chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Sandy Macdonald, I present additional information received by the committee relating to hearings on the budget estimates for 2002-03.*

**COMMITTEES**

**Environment, Communications, Information Technology and the Arts References Committee**

**Extension of Time**

*Senator ALLISON (Victoria) (3.46 p.m.)—by leave—I move:*

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on urban water management be extended to 19 November 2002.

*Question agreed to.*

**DISABILITY SERVICES (DISABILITY EMPLOYMENT AND REHABILITATION PROGRAM) STANDARDS 2002**

**Motion for Disallowance**

*Senator FORSHAW (New South Wales) (3.46 p.m.)—I move:*

That Standard 9: Employment conditions, in item 9 of Schedule 1 of the Disability Services (Disability Employment and Rehabilitation Program) Standards 2002, made under paragraphs 5A (1)(b) and (c) and subsection 5A (2) of the Disability Services Act 1986, be disallowed.

The Labor opposition voted to support the Disability Services Amendment (Improved Quality Assurance) Bill 2002 in the parliament in March because we believe that all
Australians, including Australians with a disability, have the right to work and the right to good working conditions and fair wages. In lending support to the improved quality assurance bill, we said that the true test of the government’s commitment to improving disability services would lie in how the new quality assurance standards worked on the ground. To put it another way, if the improved quality assurance bill is the body of the car then the standards are the engine that will make the whole thing move forward.

We now have before us in the parliament the first of these standards which will apply to organisations providing jobs—that is, specially supported jobs—and rehabilitation services to people with a disability. What the standards set out to achieve is very good. The standards package incorporates the ideals of workplace transparency, self-development, skills development, privacy and good service. Labor believes that the standards should set the supported employment sector and its employees on the road to a uniform, high standard of working conditions and productive relations. Of course, whether those standards can be reached with the amount of money that the government is providing for disability employment is another matter. It is not the subject of the debate before us today.

Whilst we agree that the standards are generally very good, there is one exception—that is standard 9, which deals with employment conditions and, specifically, the setting of wage rates. We are moving to disallow standard 9, which in its current form fails to provide certainty and equity in wage determination for people with disabilities employed by special business services. These standards hold a lot of positive potential, but we have to be very careful we are not setting employers up for failure. The information we have received from the disability employment sector is that up to one-quarter of businesses might fail to meet these new quality assurance standards by the deadline of 31 December 2004 and that up to one-third of the 15,000 people employed in the sector could thereby be left without work. Labor wants to bring those numbers down to an absolute minimum—indeed, to zero.

We must remember the history of these organisations. Business services for workers with disabilities are today focused on turning a profit, but they have their origins in humanitarian pursuits, and for very good reasons. Open employment is simply not an option for some people with disabilities. Not only do business services provide employment options, they provide many other benefits besides for individuals, their families and the entire community. Those benefits include social interaction, self-esteem and skills training—advantages in addition to the payment of wages.

The disability employment standards are supposed to be the vanguard of the government’s reform drive in the disability services sector. That should be the test upon which we judge those standards. But instead of smoothing the way for reform, standard 9 unfortunately creates confusion on how to determine a fair rate of pay for people with disabilities. In standard 9, the government is telling employers that they have a choice: to use either the supported wage system, which was designed for use out on the open employment market, or any other system they can devise, as long as it complies with criteria in the Guide to good practice wage determination. This guide was produced last year by the consultancy firm Health Outcomes International for the Department of Family and Community Services. I repeat that in standard 9 the government is telling employers that they have a choice: to use either the supported wage system or any other system that the employer can devise, as long as it complies with criteria in the Guide to good practice wage determination.

But the problem is that the good practice guide is of very little help to employers in this regard. It is not a simple checklist describing how to meet the new standards. In fact, the good practice guide itself concludes that no single wage assessment tool currently in use can be described as ‘best practice’. Furthermore, the good practice guide makes a recommendation that we agree with but which still will not make matters any clearer for employers. The guide says:
Given that all Business Services in Australia are funded under the same system, it seems both logical and appropriate to develop guidelines that promote a nationally consistent wage determination system.

That is from page 2 of the good practice guide. I emphasise those words: ‘a nationally consistent wage determination system’. But this is where the chaos really sets in. The government is in fact currently finalising just such a national wage assessment tool for people with disabilities. That project is currently underway, but the new tool is missing from these disability employment standards. The new wage assessment tool currently being developed by the government is being kept entirely separate from these standards. Why is that the case? We do not know. We have yet to hear any explanation from the government as to why these two projects are being kept separate.

There is no doubt that these standards set the bar higher for supported disability employment, and that is clearly appropriate. But imposing standard 9 in its current form is the equivalent of asking employers to clear the bar whilst blindfolded. At the moment, we do not know and the sector does not know where the bar is set, because the government is still to determine it. This uncertainty has been made very clear in the latest newsletter put out by Good Samaritan Industries in Western Australia. This is an organisation which excels at running businesses staffed by people with disabilities and at placing people with disabilities in open employment. In fact, two of the companies which employ people with disabilities through Good Samaritan Industries recently won major awards for their outstanding employment programs. In the newsletter for September-October, the Employment Services Manager at Good Samaritan Industries wrote:

There are good reasons for meeting the standards. But they also wrote:

The impact of meeting the Quality Assurance requirements for the organisation is uncertain.

Good Samaritan Industries go on to say that the introduction of a new wage assessment tool will be a ‘particular challenge’ and notes that the Commonwealth’s new tool will only become available for use in January or February 2003. The organisation states that there is no way of accurately predicting the cost impact—that is, of the new standards—until it can introduce specific wage assessment guidelines.

There are some great wage assessment tools out there. We have taken the trouble to get out and see them in operation on the ground. My colleague in the other place Ms Ellis, the member for Canberra and the shadow minister, was very impressed recently by a visit to the Greenacres organisation in the Illawarra region. Organisations like Greenacres already understand the importance of giving people with disabilities a safe, nurturing and rewarding work environment. Greenacres operates very successfully as a manufacturing business, at the same time implementing a state-of-the-art human resources management system for its employees.

But we cannot be satisfied until all employers of people with a disability have a fair, transparent system in place to determine wages. The best way to do that is for the government to draw on the example of places like Greenacres and develop a methodology that all business services nationally can use. The point is that those disability business services which already have quality wage assessment tools should be the benchmark for others. We do not want the leading operators to be penalised or, alternatively, dragged down to some lowest common denominator. A good national wage assessment tool should be flexible enough to apply to all operators in the supported employment sector. It should draw on assessments of the employees’ competency and productivity, it should be fair and it should be affordable.

The onus is now on the government to finalise its wage assessment tool and make sure the tool addresses the needs of employers and employees alike. What do we know about the government’s plans for its new wage assessment tool? According to information on the web site of the Department of Family and Community Services, the new tool will be based on the existing supported wage system, or SWS, tool used in measuring employees in open employment, but it will be adapted to the supported employment
environment. According to the department, the tool will:

- comply with relevant legislation;
- be appropriate for differing types of work and industry types in supported employment settings;
- incorporate computer based applications; and
- be used by assessors trained in the use of the tool.

That sounds like a solution that all employers and employees could live with very happily. We therefore believe that the only sensible outcome is for the government to deliver just such a tool to bring into being what the Department of Family and Community Services has said is their intention. Today we are seeking to disallow standard 9 on employment conditions, and we want the government to come back to the parliament next year with a set of clear guidelines for employers to use in setting fair wages for their employees with disabilities. We want to remove the uncertainty that will arise if standard 9 is implemented, and we want the government to complete its project to develop that new wage assessment tool and then bring that into the parliament. That would be the basis upon which a new standard would be implemented.

We are asking for some commonsense in the future. When we look back over the last six years, we see a very distinct pattern emerging in the Howard government’s policies on disability services. Where there should be clarity and support, there is confusion and a continuing retreat by the Commonwealth from its commitments to people with disabilities, their families and their employers. It is time that the Howard government took the advice it has paid those consultants for—that is, to develop a national tool for determining the wages of people with disabilities employed in business services and present it to the parliament for approval. The future of 500 businesses and 15,000 people with disabilities depends on the government getting these disability employment standards right. I ask that the Senate support the motion for the disallowance of standard 9.

Senator ALLISON (Victoria) (4.00 p.m.)—The Democrats will not be support-

ing the disallowance motion. The primary goal of the Disability Services Act 1986 is its recognition that people with a disability are entitled to the same rights as other Australians, and that includes the right to participate economically. Earlier this year the Disability Services Amendment (Improved Quality Assurance) Bill 2002 passed with the support of the Australian Democrats. Quality assurance is an integral measurement tool of the degree to which the right of people with a disability to participate economically is being met, and the standards that we are dealing with here today are the means by which that measurement is made. At the time, the Democrats expressed concern that the key performance indicators did not accompany the original bill and we heralded our intention to closely consider these. The issue of key performance indicators as part of the standards has dominated industry debate in recent months. There has been dissatisfaction expressed within the sector over the past year with the way the KPIs were progressing. It has certainly been a long and arduous road that has led to their tabling.

At the time the quality assurance bill was passed, we clearly said that whatever performance indicator is set by the standards, whether it is a one-size-fits-all model or a multilevel model, it must be specific, not one which by its lack of transparency fails to protect the rights of Australians with a disability. Standard 9, the subject of this disallowance motion, is integral and critical to the original intent of the quality assurance bill—that is, each individual within the business service has access to wages and conditions comparable to those of the Australian work force. It provides that a pro rata wage must be paid based on an award order or an industrial agreement and that the pro rata wage must be determined through a transparent assessment tool or processes which meet the relevant criteria.

In recent times the employment options for people with disabilities have been enhanced, with many people with disabilities seeking and retaining employment in the open market in addition to the traditional so-called sheltered workshop model of employment. Sheltered workshops themselves
have changed significantly in the past decade or two, whereby now they are seen as a competitive industry and are appropriately known as business services.

When the Disability Services Amendment (Improved Quality Assurance) Bill came before the Senate in May this year, it was alarming to note that, for many people with a disability, employment in business services was actually to their disadvantage. Many employers did not have a legal workplace agreement. Some employers paid wages well below the federal award safety net enjoyed by others in the Australian workforce by using pro rata wage assessments which did not take into account the capacity of the individual compared to the productivity and conditions of employees without a disability. Some even sought to take advantage of the intellectual impairment of employees by negotiating workplace agreements that they could neither understand nor bargain for with any power. The bad news reports and lack of compliance served to undermine the principles and objectives of the Disability Services Act.

We have an obligation to prevent people who are least able to stand up for their own rights from being exploited by being employed under appalling employment terms and conditions. It follows that we have a real need to develop wage assessment processes for people in business services that are fair and appropriate to the worker, the industry and the employer; that use valid assessment techniques; and that comply with relevant legislation and standards. It is untrue, however, to state that all employers have been seeking to pay their employees unfairly. Currently there are four broad categories of wage determination processes operating within the business services sector, including historical wage payments, generally without formal assessment; productivity based assessments, including the supported wage assessment tool; competency based assessments; and hybrid models. Research conducted by Health Outcomes International last year reported that there were advantages and disadvantages to all four models. While it is easy to talk about people with a disability as a whole group, the reality is that true integration does not rely on the belief that all people with disabilities are the same. Levels of disability range from low to very high, and support needs and relative productivity in employment have the same variable range.

At the time we passed the quality assurance bill we paid special notice to the fact that, in developing the standards, consideration should be given to the viability of enterprises that employ people with a disability. To have people with a disability in non-viable businesses provides neither decent wages nor decent employment. As much as we are in the business of ensuring the rights of people with a disability, we cannot disregard the viability issues that organisations will face as a consequence of this disallowance. We certainly do not want to see people with a disability pushed out onto the street because too narrow a standard has been attached to an act that purports to assist them.

The Democrats recognise that employers who take on employees with a disability, or indeed whose business is comprised wholly or mainly of people with a disability, do so with the best of intentions. Employers should be given encouragement to provide practical, workable strategies to help them improve the quality of the services that they provide. Business services employing limited systems—such as historical flat wages or, even worse, those based on an ability to pay—have for some time been encouraged to explore alternative options and to plan for the implementation of a valid assessment tool that complies with relevant standards and the concept of fairness. We supported the quality assurance bill earlier this year to compel business services to operate out of the single assessment model. For this reason we do not believe that it is appropriate for the standards to limit a wage determination system to one model only.

The quality assurance standards must provide the framework for fair wages for people with a disability. It is essential, therefore, that the wage assessment performance indicator set by the standards must not fail to protect the rights of Australians with a disability. The Democrats recognise that a genuine effort has been made to gain consensus from the sector. This has been demon-
strated by including the key performance indicators in the disallowable instruments. We support the bill, as I said, in the belief that it will make a very significant contribution to improving the quality of employment services provided to people with disabilities and it will improve the consistency of those services across the country.

By nature, a period of testing of the standards must now follow. It is premature, and I think unfair, to throw out a critical standard that provides an element of safety for people with a disadvantage. To do so would set this process back by many months. There are numerous reasons in favour of the application of the supported wage assessment tool across the business services sector. Similarly, however, many limitations or disincentives were also identified during the consultation process.

The supported wage assessment tool is a valid, reliable and acceptable form of wage assessment that has already been implemented by some business services. The SWAT, as it is known, is considered a productivity based assessment tool, as it monitors the output of workers against an established benchmark. The SWAT is deemed to comply with relevant legislation and standards but it also has its failings. It does not formally link to structured training and professional development strategies, and it is recognised that the initial target of the SWAT was the open employment environment.

A number of alternative productivity assessment tools have also been identified with a similar objective—that is, to determine the output of a worker in a particular job that they occupy. Research reports that a hybrid model represents the most appropriate method of wage determination in business standards. Standard 9 is the linchpin in these standards, stating:

Each person with a disability enjoys comparable working conditions to those expected and enjoyed by the general workforce.

It provides for a tool that includes, but is not limited to, the supported wage system and importantly it is one that will be measurable according to its validity, reliability, wage outcome, practical application and compliance with the legislation.

The Democrats have not taken lightly our decision not to support the disallowance motion. We are not convinced that the supported wage system model is the only way to go. The standards in their present form allow for some flexibility, and we believe that this flexibility will work to the advantage of people with disabilities. We do not want to see people with disabilities deprived of employment because a standard is unnecessarily prescriptive or, conversely, does not provide sufficient operational parameters. Disallowing standard 9 will see people with a disability denied their rights to participate in the economy with access to wages and conditions comparable to those of the general Australian work force.

Change in the sector of disability employment does not have to be at the expense of employment. In not supporting the disallowance of standard 9, we reiterate the call we made at the time the Disability Services Amendment (Improved Quality Assurance) Bill 2002 was passed earlier this year: we strongly encourage the government to dedicate sufficient assistance to those organisations who early in the process reflect symptoms of an inability to comply, and to maximise early and full compliance of other organisations well within the three-year period.

The Democrats support these standards and will continue to monitor them very closely. The government have advised that they are developing a pro rata wage model which provides for greater fairness in business services. We are keen to see that model and hope it is not too far away. We also think it should be available as soon as possible for public sector scrutiny. Again, we see no reason to disallow standard 9 before that happens. The Democrats look forward to the improvements in economic participation and wage fairness that these standards will bring to people with disabilities.

Senator COONAN (New South Wales—Minister for Revenue and Assistant Treasurer) (4.11 p.m.)—These disabilities standards are about delivering guaranteed minimum service levels for people with disabilities in all Commonwealth employment services. Disability employment services must
meet these standards by 2005. The standard subject to disallowance today ensures:
Each person with a disability enjoys comparable working conditions to those expected and enjoyed by the general workforce.
A key performance indicator of this standard will be the payment of fair wages to all employees. There are a number of methods available and already being used to assess wages in disability employment services. There is, however, no single tool suitable for both open and supported employment. This is not surprising, given the significant differences between the two types of services. Open employment provides jobs for people in workplaces that have a mix of employees, whereas supported employment is often provided in a business service previously known as a sheltered workshop.

In the business service workplace, tasks may have to be specifically designed for people with severe disabilities and there may not be any workers without disabilities doing these specific tasks. Therefore we do not wish to mandate a particular wage assessment method for all service types. However, we are working with the sector to develop a new national wage assessment tool that will meet, along with existing tools, the requirements of standard 9 for business services, a sector that in the past has not been required to pay award based wages.

If standard 9 is disallowed there will be no standard for wages and conditions for any employment services. This means that employment services may be certified for Commonwealth funding without being required to pay fair wages. Under our new quality assurance legislation, services need to be fully certified under these standards by December 2004. Services that are not certified by this time will not be funded from 2005. The industry sector has told us that they need a new wage assessment tool in order to make standard 9 work effectively.

We are in the final stages of developing a new wage assessment tool. It is currently being trialled. The new tool includes both competency and productivity components and provides links to training and career advancement. It will also use trained, accredited assessors. It will be available to the industry by early next year. They are expecting it and waiting for it. A new wage assessment tool is needed so that business services can prepare themselves in time to pay award wages in order to receive certification by December 2004. The government is developing a new tool because there is currently no suitable age assessment tool that can be used for all business services.

The existing supported wage system, SWS, does not work satisfactorily for most business services, because it is based on a productivity comparison between an able-bodied worker and a worker in open employment with a disability both doing exactly the same job. Such a ready comparison is not always possible in business services where jobs have been redesigned around the person with the disability and there is no similar job in open employment. Independent evaluation of the SWS in 2000 found that it was not necessarily suitable for all business services, especially where there are clients with high support needs or episodic conditions.

The disability service standards and key performance indicators have been developed through an extensive consultation process over many years. The industry and its stakeholders have travelled this journey with us from the outset and have been steadily working towards the new requirements. ACROD has made it clear that the requirement to pay award based wages will be a challenge for many in business services but still ACROD has signed up to the changes. Why? Because ACROD also believes that the new system and standard 9 will ultimately provide better outcomes for people with disabilities. That is the real bottom line here.

Standard 9 deliberately does not specify any particular tool; rather, it specifies criteria against which the tool should be assessed and includes the supported wage system as an example. The new tool will meet these criteria; however, this new tool will not be compulsory as a number of leading businesses are already paying award based wages using different wage assessment tools that would satisfy the standard. That is fine so long as they are transparent and they are paying against an award. Employment serv-
ices and auditors have been given detailed guidelines that have been developed against all the proposed standards and key performance indicators. We have provided advice and help from a number of different kinds of services on what works and what does not work. Moreover, to ensure consistent and accurate interpretation of both of those aspects, the department has funded a training course for auditors.

If you get out there and talk to the sector, you do find excellent services implementing creative and innovative ways of meeting all the standards. The landscape of disability employment services is changing and it is changing for the better. People with disabilities, their carers and families will now have confidence in the quality of the employment service they choose. They deserve no less. The government support all workers having basic rights and conditions. We will not back down from that. We have come up with a legislative framework that gives disability employment services a new way of doing business and gives their clients a new confidence. I am sure history will record standard 9 as a defining moment in the ongoing call by people with disabilities for a fair go. To disallow it would be to disallow people with disabilities a fundamental right— the right to be treated the same as everyone else.

Senator FORSHAW (New South Wales) (4.17 p.m.)—I wish to respond to a couple of points made by the Democrats, through Senator Allison, and by the minister. Both speakers have misrepresented the position of the opposition and have suggested that disallowing standard 9 would deny workers with a disability certain rights, including rights to fair wages and so on. That is absolutely untrue. The reason it is untrue is this: standard 9 will not have legislative or legal force, in terms of all businesses having to meet the standard, until 1 June 2005. Businesses will be required to meet the new quality assurance standards by the deadline of 31 December 2004. So there is still some time to run before these standards have their full legal impact.

As I said in my remarks at the start of the debate, standard 9 does not, on the admission of the minister and as acknowledged by Senator Allison, provide a full and appropriate set of regulations for determining what would be the appropriate pro rata wages to be paid. As standard 9 says:

This prorata wage must be determined through a transparent assessment tool or process, such as Supported Wage System (SWS), or— some other tool. Then it has been reiterated by the minister that the very process going on at the moment is the development of such a wage assessment tool. We are saying that in many ways standard 9 as it is contained within these standards is premature and confusing. We suggest it would be far better for the government to finalise the development of the wage assessment tool and bring that back to the parliament; then we will have the basis for the wording of an appropriate standard 9 covering employment conditions. That standard will be based upon workers with a disability receiving wages according to relevant awards, orders and industrial agreements, and receiving wages based upon what is contained in those agreements. We do not want to see confusion existing and then having to be corrected at some future date. There is time to deal with this. We understand that finalising this new wage assessment tool is no more than six months away—I might be wrong in that. There is plenty of time to deal with this in a more effective and a more complete way, given that the standards ultimately do not have their full impact and that the compliance date is 31 December 2004. Obviously, given the indications from the Democrats and the government, we are not going to succeed; but I am sure that this is a matter that we will return to in due course.

Question negatived.

NOTICES
Postponement

Senator BUCKLAND (South Australia) (4.22 p.m.)—by leave—At the request of Senator Bartlett and Senator McLucas, I move:

That business of the Senate notice of motion No. 3 standing in the names of Senators Bartlett and McLucas for today, relating to the disallowance of the Great Barrier Reef Marine Park Amendment Regulations 2002 (No. 5), be postponed till the next day of sitting.
Senator JACINTA COLLINS (Victoria)

I present the report of the Economics References Committee entitled A review of public liability and professional indemnity insurance, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator JACINTA COLLINS—I seek leave to move a motion in relation to the report.

Leave granted.

Senator JACINTA COLLINS—I move:

That the Senate take note of the report.

I seek leave to have my tabling statement incorporated in Hansard and make some additional remarks.

Leave granted.

The statement read as follows—

BACKGROUND TO INQUIRY

There has been growing community concern about rising premiums for public liability and professional indemnity insurance for over two years. As 2001 progressed, and with the announcement of HIH’s collapse, concerns about insurance premiums mounted. By the middle of that year, there were reports of huge increases in premiums that threatened the viability of small businesses, community and sporting groups and adventure tourism. Professional groups including lawyers, engineers and architects faced greatly increased premiums for professional indemnity coverage.

The terrorist attack in New York on 11 September sparked fears that the Australian domestic market would suffer from an increase in reinsurance rates. By year’s end the situation appeared to worsen with media accounts of ‘staggering’ increases in public liability insurance premiums.

As problems began to emerge in the public liability and professional indemnity area, the situation with medical indemnity deepened during 2001 with fears that some doctors, especially those practicing obstetrics, were contemplating resigning their positions because of the escalating costs of insurance. The upheaval in medical indemnity was felt even stronger when serious concerns were raised in February 2002 about the viability of Australia’s major medical defence organisation, United Medical Protection.

It was against this background of mounting community and business concern about insurance coverage that the Senate resolved to have the matter referred to the Economics References Committee.

Submissions—cross section of the Australian community

The Committee received 166 submissions from business people, community and volunteer workers, and representatives from a wide range of professions.

Many submissions described sudden, exorbitant increases in premiums regardless of claims history. The Committee was told of community events being cancelled, volunteer groups disbanding, and professionals finding themselves unable to practise their professions. Groups were concerned not only with the level of increase in premiums but also with the reduction in the level of coverage being offered and the difficulty of finding insurance in a shrinking market.

Health professionals have also been hard hit, particularly in obstetrics and midwifery. According to submissions the number of doctors in rural areas who are prepared to undertake surgical procedures is declining rapidly, as their earnings do not cover the cost of medical indemnity insurance.

Unfortunately there is no indication that these problems will soon abate.

One of the most worrying aspects of the current situation was the suddenness and severity of the turn in the market which caught the industry and governments flat-footed.

The insurance industry failed to recognise the danger signs in the public liability and professional indemnity insurance market until the problem was full blown. Insurance companies during the second half of the 1990s did not take account of changing conditions in the market, such as increasing claims costs, and consequently underpriced premiums for certain classes of insurance. According to the Treasury, it also appeared that in some cases insurance companies were more intent on increasing market share than on maintaining profitability.

APRA, the industry’s prudential regulator, was also slow to respond to the emerging problem. The early identification of a problem allows a more orderly and coordinated approach to address the difficulty. At the moment, the insurance industry and the State and Commonwealth govern-
ments, confronted with escalating premiums, are looking to the available statistics to help them analyse the problem and understand the causes. The available statistics, however, are not providing the information needed to obtain a clear and sound appreciation of what is happening in the insurance market.

Clearly, this lack of adequate data has implications for insurance companies assessing costs and setting premiums; for consumers seeking to understand and manage the price rises; and for governments looking to address the problem of rising premiums.

The Committee believes that a well-informed market is far better equipped to anticipate shifts, to adjust to trends in the industry and to plan future strategies.

The Committee maintains that the present system for the collection of data is far from satisfactory and requires prompt attention. It fully endorses the establishment of a readily accessible, comprehensive and reliable database. Such a database would lay the foundations for a more stable and predictable market better able to respond to cyclical movements and to manage the uncertainty generated by long term claims. It is also of the opinion that APRA is best placed to collect and analyse information on the insurance industry and to assume responsibility for establishing and maintaining that database.

Although APRA is introducing a new regime, the Committee is unsure whether it intends to collect the range of data that some regard as essential for a thorough understanding of the insurance industry. Further, the Committee is not convinced that APRA has the resources to meet such expectations.

In light of these findings, the Committee made a number of recommendations including that the Government:

- make a commitment to the development of a comprehensive national database on the insurance industry in Australia;
- put beyond doubt that APRA is to be given the responsibility for developing and maintaining this database; and
- ensure that it is adequately funded so that it has the resources and level of expertise to effectively collect, collate and analyse data on the insurance industry.

The Committee believes that it is important for APRA to now prove itself as an effective and assiduous regulator in ensuring the prudential soundness of insurance companies. An efficient, strong and competent regulator will go some way to restore public confidence in the insurance industry.

The Committee recommends that the Government more actively monitor the activities of APRA and ensure that it has adequate powers and resources as well as a commitment to diligently supervise the industry.

The report also noted the problems created by the lack of good data management of court records throughout Australia and how they frustrate any detailed analysis of the underlying causes for premium increase.

In light of this ongoing problem of the lack of good quality, nationally comparable court data, the Committee recommends that the Attorneys-General treat this matter with urgency and, under the leadership of the Commonwealth Government, work together to ensure that good court data management systems are put in place throughout the country. The main objective is to have national standards apply so that the data across all jurisdictions is compatible, comprehensive and allows for consistency in interpretation.

One of the most persistent messages to emerge from this inquiry has been the confusion surrounding the assessment and pricing of premiums. Generally, witnesses were not only bewildered by the sudden and severe increase in premiums, despite relatively good claims history, but also by the growing use of clauses to exclude coverage of particular activities.

They assert that insurers do not seem to take into account claims history in setting premiums. One witness stated bluntly that underwriters ‘are picking and choosing clients without regard for previous good risks.’

Some suggested that coverage is being increasingly restricted with respect to policy wordings and endorsements as well as the introduction of new exclusions.

Moreover, the failure of the insurance companies to communicate effectively and openly with consumers about premiums has generated unnecessary disquiet at a time of difficulty in the industry. While most acknowledged that insurance companies operate in a commercial environment and are accountable to their shareholders, they found difficulty in accepting the high increases and the lack of consideration shown by insurance companies to the consumer. A number harboured suspicions that the increases were not solely the result of rising claim costs but were related to attempts to recoup other business losses.
The general thrust of the need for improvement in the insurance industry focused on the principles of transparency, fairness and equity.

The Committee believes that at present consumers, in many cases, are not receiving adequate explanation for the increase in premiums or the refusal by an insurer to cover particular services or activities. This has been acknowledged by some companies in the industry.

The Committee accepts that the insurance industry is having difficulty adjusting to current conditions. However it is concerned at the many reports it has received of what seems to be inappropriate or exploitative conduct by insurers, particularly in relation to last minute offers of renewal on exorbitant terms. The Committee considers that at the least insurers should be obliged to give 14 days notice of the proposed terms of renewal or proposed refusal to renew a policy.

Clearly, in the current market, the option for dissatisfied customers to take their business elsewhere is limited. Indeed, evidence presented to the Committee shows that the current situation has certainly brought to the fore the issue of consumer protection particularly in the area of setting premiums. For some it is a captive market and under such market conditions the need for consumer protection is heightened.

The Committee recommends that the Trade Practices Act be amended to allow the ACCC to take enforcement action to ensure that any savings or benefits that accrue directly or indirectly from legislative reforms being implemented throughout Australia to minimise insurance premiums are passed on by the insurance companies to consumers.

Under this proposed price exploitation legislation, the ACCC would also have the responsibility to educate and inform business and consumers about their rights and obligations. The Committee believes that given such responsibility, the ACCC would be an effective force in protecting consumers from exploitation.

The Committee understands that the transfer of consumer protection responsibility in relation to financial services to ASIC was to ensure that ASIC would be concerned with all aspects of financial products. Thus, consumers would know that they could approach ASIC on any matter related to financial products. Despite this transfer of power from the ACCC to ASIC, the line separating them in their respective roles in consumer protection is not widely understood.

The Committee believes strongly that the roles of the ACCC and ASIC in relation to these matters must be placed beyond doubt.

It recommends that, in close consultation, the ACCC and ASIC actively promote their roles in consumer protection for all financial products, including general insurance.

The Committee regrets that the statutory complaint-handling procedures now in place do not meet the needs of the groups most affected by the insurance crisis, particularly not-for-profit organisations.

The Committee recommends that:

• the Government amend the Financial Services Reform Act to allow not-for-profit organisations to be included in the definition of ‘retail clients’.

• the Government, by regulation, include public liability insurance and professional indemnity insurance in the classes of insurance covered by the dispute resolution provisions of the FSR Act.

• ASIC monitor the effectiveness of the dispute resolution provisions and report on this annually to the Parliament.

• ASIC review, as a matter of urgency, the General Insurance Enquiries and Complaints Scheme and in consultation with the Insurance Council of Australia ensure that it covers adequately public liability and professional indemnity insurance and not-for-profit organisations.

The General Insurance Code of Practice appears to offer another avenue for improving consumer protection.

The code, however, is narrow in focus and has the same shortcomings as the General Insurance Enquiries and Complaints Scheme. It applies only to individuals, and relates to insurance for private or domestic use. The classes of insurance covered exclude public liability and professional indemnity. The Committee sees no logical reason for these exclusions.

The Committee recommends that:

• the General Insurance Code of Practice be revised so that it provides remedies for community groups and small businesses that are affected by price exploitation in relation to public liability or professional indemnity policies.

• Insurance Enquiries and Complaints Ltd submit the revised code for ASIC’s approval under the FSR Act.
The recent increases in both public liability and professional indemnity insurance have had and will continue to have a dramatic impact on small business, community and sporting organisations, individuals and local councils. While the increases in public liability and professional indemnity insurance have affected the profitability of small business, they have also resulted in many community and sporting organisations being forced to reduce the level of services they provide or, in many cases, to cease operations altogether, due to their inability to obtain affordable, or sometimes any, insurance cover.

Senator JACINTA COLLINS—As background to this inquiry, for over two years there has been a growing community concern about rising premiums for public liability and professional indemnity insurance, as Senator Coonan would be well aware. As 2001 progressed, and with the announcement of HIH's collapse, concerns about insurance premiums mounted. By the middle of that year, there were reports of huge increases in premiums that threatened the viability of small businesses, community and sporting groups and adventure tourism. Professional groups including lawyers, engineers and architects faced greatly increased premiums for professional indemnity coverage.

The terrorist attack in New York on 11 September sparked fears that the Australian domestic market would suffer from an increase in reinsurance rates. By year's end the situation appeared to worsen, with media accounts of staggering increases in public liability insurance premiums. As problems began to emerge in the public liability and professional indemnity area, the situation with medical indemnity deepened during 2001 with fears that some doctors, especially those practicing obstetrics, were contemplating resigning their positions because of the escalating costs of insurance. The upheaval in medical indemnity was felt even more strongly when serious concerns were raised in February 2002 about the viability of Australia's major medical defence organisation, United Medical Protection.

It was against this background of mounting community and business concern about insurance coverage that the Senate resolved to have the matter referred to the Economics References Committee. The committee received submissions from 166 different areas—a broad cross-section of the Australian community—including business people, community and volunteer workers, and representatives from a wide range of professions.

Many submissions described sudden, exorbitant increases in premiums, regardless of claims history. The committee was told of community events being cancelled, volunteer groups disbanding and professionals finding themselves unable to practise their professions. In addition, it was a matter of concern that many were going uninsured. Groups were concerned not only with the level of increase in premiums but also with the reduction in the level of coverage being offered and the difficulty of finding insurance in a shrinking market.

Health professionals have also been hard hit, particularly in obstetrics and midwifery. According to submissions, the number of doctors in rural areas who are prepared to undertake surgical procedures is declining rapidly, as their earnings do not cover the cost of medical indemnity insurance. Unfortunately there is no indication that these problems will soon abate.

The tabling statement deals with a broad range of recommendations from the committee's report, and I will highlight just a few of those in the few moments I have. The report recommends that the Trade Practices Act should be amended so that the ACCC can take enforcement action to ensure that insurance companies pass on to consumers any savings from current law reforms which aim to reduce insurance claim costs. The Commonwealth government has asked the ACCC to continue monitoring insurance premiums, but at present the ACCC has no power to ensure that savings are passed on. It will not be good enough if savings for current tort law reform end up in the pockets of insurance companies in the current sellers' market. The Commonwealth government has taken a role in response to the insurance crisis, but there is a community expectation that the current initiatives will bring concrete results to insurance buyers. The Commonwealth will need to follow through to ensure that this is
achieved. What is needed is strong national leadership.

The committee considers that the ACCC should have powers to control price exploitation in the public liability and professional indemnity insurance market. The amendments made to the Trade Practices Act in connection with the introduction of the GST could be used as a good precedent. The committee’s report also shows serious gaps in consumer protection schemes set up under the Financial Services Reform Act and the insurance industry’s general code of practice. The dispute resolution provisions of the Financial Services Reform Act 2001 apply only to individuals and small businesses and only to certain listed classes of insurance. The provisions do not apply to nonprofit groups and do not include public liability or professional indemnity insurance. It is unclear whether a complaint about price exploitation in a proposed policy renewal is within scope. The insurance industry’s code of practice has similar limitations. The committee regrets that at present these provisions are of no use to nonprofit groups, who have been the worst affected by this insurance crisis.

Other recommendations concern the notice that the insurers have to give at the time of a policy renewal. The report recommends that the legal requirements relating to notice of renewal should be strengthened. The committee is concerned by evidence of exploitative conduct by insurers, particularly in relation to last minute offers of policy renewal or exorbitant terms. The committee considers that at least insurers should be obliged to give 14 days notice of either proposed terms of renewal or proposed refusal to renew a policy.

I must conclude by placing a caveat on my previous references to the committee in regard to this inquiry. I regret to inform the Senate that on this—as I would regard it—rare occasion the government has gone missing. The committee report has been agreed to by Labor and Democrats senators. Unfortu-
overboard’ inquiry, his cross-examination of Navy officers, for instance, caused the suggestion—which was later retracted—by former Chief of Navy Admiral Sir Richard Peek that he should be shot. We had complaints about both his and—perhaps encouraged by Senator Brandis—Senator Mason’s treatment of Amnesty witnesses.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! Senator Collins, it is not appropriate for you to stray into the business of another committee. If you could confine your remarks to the work and the report of the committee which you are chairing, that would be more appropriate.

Senator JACINTA COLLINS—In the less than one minute I have left, I would only have mentioned by way of comparison the contribution last week on the ASIO bill—but I will conclude. Had the committee been pre-advised of this approach, it is likely that the report would have reflected a far more critical view on the lack of national leadership on this insurance crisis. This lack of national leadership has been demonstrated by Senator Brandis’s lack of interest in this report.

Senator RIDGEWAY (New South Wales) (4.33 p.m.)—I also want to speak on the report into the public liability and professional indemnity insurance crisis and, more particularly, on the Australian Democrats’ supplementary report. Both have come about as a result of a process during which, as Senator Collins has said, 166 submissions were received in relation to the inquiry. The submissions were received from individuals, small business owners, volunteer groups, sporting groups and large corporations. It seems that there is not a segment of the community that has been unaffected by spiralling increases in insurance premiums.

In relation to the Senate inquiry, I endorse the recommendations of the Senate Economics References Committee report, but I also want to raise some issues and recommendations that I believe are developed more extensively in the Australian Democrats’ supplementary report. Generally, I believe that the recommendations in the committee’s report do accurately address the real problems and, unlike the reforms we have witnessed thus far from state and federal governments, address these problems with a sense of realism. This report presents a very careful analysis of the actual causes of the crisis, an approach that has so far failed to appeal to the proponents of tort law reform.

I want to comment on some of the report’s recommendations in relation to the issues expanded upon in my supplementary report. In relation to recommendation 1, while I agree that a national accreditation program for providers of recreational services is an excellent idea in theory, the administration of such a program may well be impracticable. In my view it is therefore vital that the definition of ‘recreational services’, or what are called inherently risky activities, not be so wide as to capture all manner of activities. The Democrats’ report recommends that liability should not be limited as a result of fraud, recklessness and misrepresentation, so that users of recreational facilities are not unduly burdened with blame but the relevant safeguards can be put in place. It is very much about getting the balance right—not loading up the users of recreational services to the exclusion of responsibilities that a recreational service provider must also have.

In relation to recommendation 5, the Democrats believe that the functions of a working group to look at the provision of long-term care of the catastrophically injured should be expanded to look into the viability of a no-fault compensation scheme for all long-term sick and injured, not just the catastrophically injured, particularly in a country like Australia with an ageing population. Additionally, whilst I do not endorse the way in which individual rights have been eroded through the latest tort law reform measures, there may be a rationale for removing the claims argument from the equation altogether if there is no guarantee that it will be in the best interests of accident victims. There may also be an argument to remove the insurance industry from the loop altogether and put responsibility back on the government, as it is likely that in the long run the government will bear the burden of costs for those who are seriously injured. A national compensation scheme such as the one operating in New Zealand should at the
very least be examined more thoroughly than it has been to date.

In relation to recommendations 7 and 8, detailed data on the insurance industry is necessary to accurately assess the cost of claims and the pricing of risk in insurance policies. The Democrats do agree that data collection in this area should be a priority for the government. The ministerial communiqué on public liability of 30 May expressed concern:

... that the lack of comprehensive data on claims costs was a significant constraint in the appropriate pricing of premiums by the insurance industry for not-for-profit, adventure tourism and sporting groups. The Ipp report on negligence also noted the absence of empirical evidence. Despite all of that lack of data, all governments across the country have been prepared to endorse tort law reform as the solution to the public liability crisis. It seems to me that the absence of hard data means that not only is it impossible to be sure that tort law is the cause of the current crisis but also it will be far more difficult to assess the effectiveness of the reform process itself.

In relation to recommendation 12, the Democrats agree that more active monitoring of the insurance industry by APRA is needed, but a commitment from the government and APRA that its existing powers will be used must also be provided. Without first getting this commitment from government, providing APRA with further powers would, in my view, be an exercise in futility. I think that it is also necessary that those monitoring powers be extended to include other types of insurers who have not been caught as a result of government proposals, such as the Medical Defence Organisation and other relevant mutual organisations, keeping in mind that bodies like United Medical Protection were not covered by APRA’s monitoring powers.

We also believe that there should be greater independence between the accounting and auditing provisions of the insurance industry. This should include the ability to restrict the length of time that a single auditor can provide services to an insurer without rotation, and a requirement that no one firm can simultaneously provide auditing and accounting functions for a particular insurer.

In relation to recommendation 13, the Democrats support the recommendation for a more effective insurance industry complaints mechanism, recognising that there were almost half a dozen different complaints mechanisms. We would add that the government must ensure that industry harmonisation of those various complaints mechanisms is in place within the next 12 months and is reviewed regularly for effectiveness.

On recommendation 15, the Democrats agree that there is a need for an insurance code of practice and that its content should be revised. The current insurance industry code of practice does not provide adequate sanctions for non-compliance, and there is no guarantee of customer redress. We do believe that the code needs to be given greater promotion or even legal effect. Whilst I appreciate the limits of self-regulation generally, I think that consumers need to be assured that any insurance industry code should at the very least be equal in strength to the bank code of conduct and, therefore, contractually bind companies to the code itself.

So far, government responses to addressing rising insurance costs have laid blame predominantly on the legal system. The most far-reaching reforms have been in relation to tort law reform, limiting the ability to sue and limiting the amount of damages that can be awarded to the injured. This has been based on cases that have featured highly in the media, without understanding that 98 per cent of cases are resolved without recourse to the courts. I think the reforms have not sought to include the insurance industry in the proposals. I believe that they have gotten off scot-free. There has been little or no discussion on what measures should be adopted to ensure that accident victims will be provided for if they are injured as a result of the negligence or carelessness of someone else, nor has there been any discussion on what measures should be put in place to ensure that the community provides a safe environment, whether it be in the public, private or professional domain.

The Democrats’ supplementary report tries to capture many of those issues as well
as others that have not been developed as sufficiently in the committee report and the narrow debate that has been had to date. Perhaps these issues are going to come up over the course of the coming weeks in the range of bills that have been put forward to deal with these issues. Perhaps they are issues that can be taken up by the government and, more particularly, by the minister, because I think that the insurance industry, quite frankly, has gotten off lightly in relation to carrying any of the burden for the cause of increases in premium prices for consumers. I do not believe that the balance has been properly struck.

The final thing I want to say is that, whilst we put forward this supplementary report, I think the government does need to come up with some answer to the references committee, which has conducted a far-reaching inquiry and has tried to establish the causes of the spiralling increases in prices in the insurance sector. Most of all, I think there is an incumbent obligation upon the government to respond at the very least. Perhaps the minister might be able to do that.

Senator WEBBER (Western Australia) (4.43 p.m.)—I would also like to add some comments on the tabling of this report on public liability and professional indemnity insurance. In the first instance, I would like to say that this is actually the first Senate Economics References Committee inquiry that I, as a new member in this place, have been involved in, and I would like to place on record my thanks to the committee secretariat and all of those who provided both written submissions and oral evidence to members of the committee in an effort to make us better informed on this matter.

In opening my remarks I would like to pick up where Senator Collins left off. It became apparent to me, in considering the evidence that was given by those who appeared before the committee, that the constant theme was the government’s inability to respond to a problem that has been confronting Australia since the increases in public and professional insurance premiums began to bite in early 2001. The problems caused by these increases have seriously impacted on community groups, small businesses and many professions.

In attending the committee hearings, I heard evidence from many of these groups and individuals throughout the inquiry. The one factor that was clear to me was that the increases in insurance premiums were so excessive that, for many groups and individuals, the only option was to stop doing what they did. This process has had a profound impact, as I am sure everyone here is aware, on the activities of all of our fellow citizens. Whether this is related to community events or to the withdrawal of medical or allied health services, these events directly affected the quality of life of our people.

Through this crisis, what has been the response of government? The answer—it became clear in considering the evidence—was: not much. As Albert Einstein once said: Problems cannot be solved by the same level of thinking that created them.

In the situation where there was an insurance crisis in this country, the government’s main course of action was to talk: talk and then talk more; talk and then apportion blame—blame the lawyers, blame the litigants, blame the insurance companies and blame the state and territory governments. At no time did the government say, ‘This is a national problem and we will work to find a national solution.’ That would have required work rather than talk. That would have required thought. That would have actually required a new approach to insurance.

After all this time, what do we have? We have proposals to limit liability, limit the amounts of claims and limit the periods of time in which claims can be made. We have seen states, particularly New South Wales, move to tort law reform as a means of making insurance more affordable. But underpinning these moves is the expectation that insurance companies will move to reduce the cost of premiums. We can only trust that this will be the case, because the bottom line is that very little new thinking—and from this government, almost none—has been applied to this issue.

This problem should have presented to all of us an opportunity for reviewing whether
we needed a new system. In New Zealand there is a very different system of insurance. Their approach has been in operation for over 25 years and has been modified over time. The committee heard extensive evidence about the operation of that system. Whether that model is appropriate in an Australian context is not the issue here; the issue is government inaction. If the New Zealanders can have a different system of insurance that keeps premiums low yet delivers fair outcomes to those injured and allows the capacity to litigate for negligence, then why was the Australian government so keen to do nothing? How can it be that when community groups were cancelling shows and events, and even Anzac Day marches were at risk, the Commonwealth took no lead? The answer, it would seem to me, is ideological: insurance, after all, is just a market—a market that should operate like any other market, apparently; therefore, the government will just let market forces operate.

It was only when that market demonstrated that people might not be able to go to the doctor that the government reluctantly stepped in. The government was forced to intervene, but did it come up with any lasting solutions? No. What it did was guarantee UMP for a defined period of time. When this bandaid solution started to run out, what did it do then? It stuck another bandaid on. Without the good work of state and territory governments in this matter, we would still be in crisis. This is a government that has shown that it is quite happy to fiddle while Rome burns. And the Rome that burns down is probably now uninsured because of the high premiums—an issue that this government just hopes will go away.

The reality is that this government are the most reactive, poll driven administration in our history. If the polls do not register something as an issue, they will just sit back and do nothing. As Woodrow Wilson once observed:

A conservative is a man who just sits and thinks, mostly sits.

It is only when the polls begin to show a negative that the government actually get up and do something. That something is mostly to rush around and engage in the blame game—all blame and no responsibility. For a few months they sit back and do nothing. The recommendations from this Senate committee will no doubt be ignored by this government, because now that the states have taken the lead the Commonwealth is quite happy to go back to sitting and talking. This all means that the insurance issue is not solved; it is merely no longer an issue that is showing up in the polls.

Senator COONAN (New South Wales—Minister for Revenue and Assistant Treasurer) (4.49 p.m.)—I must confess that I have not had an opportunity to read the report on public liability and professional indemnity insurance that is being debated but, if the contributions of Senators Collins, Webber and Ridgeway are any indication of its quality and depth, it will probably remain unread. The contributions that have been made by the honourable senators indicate that they must have slept fitfully through about the past eight months and been oblivious to three ministerial meetings between the federal government and all of the state and territory governments. All of those governments are Labor governments, apart from the federal government, which took the leadership role in this. Unanimous communiques came out of each of those meetings and endorsed a range of initiatives that have been systematically implemented throughout this year.

We are starting to see insurers that had previously left the market actually coming back into the market. These insurers had withdrawn their capital because of skyrocketing claims and a lot of other problems in the international market. The steps that have been taken by the federal government and by state and territory governments have seen insurers come back into the market and show that they are willing to write insurance at an affordable price in those jurisdictions that are implementing tort law and other law reforms. Suncorp, for instance, have come back into the market in New South Wales. IAG have indicated that they are going to come back as soon as the second tranche of tort law reforms is introduced in New South Wales. And the Insurance Council of Australia has implemented a co-insurance pool for not-for-
profits and for community groups so that, while the rest of the reforms can be implemented, some much-needed insurance at an affordable price will be available.

I will be very interested to see what the report recommends we do about international conditions. I will be delighted to see what those senators who prepared this report want to do about the downturn in the international market. When you look at the drivers of the increase in insurance premiums, you find that the pressure is there not only because of high cost claims but also because the international market has had a huge impact on reinsurance. For many years insurance companies could supplement their position with investments but, with the downturn in the investment market, they could not rely on that any more to supplement their returns and so they withdrew from the market. There have been some fairly uninformed suggestions about the ACCC pricing and monitoring—

Senator Jacinta Collins—You used that for the GST.

Senator COONAN—Senator Collins, you might like to learn something.

Senator Jacinta Collins—You interjected!

Senator COONAN—The ACCC enforcing pricing controls on insurers is probably one of the less helpful suggestions of this report, if in fact it is a suggestion. It was a bit hard to follow what was rhetoric and what was a recommendation. The ACCC has made the very clear point publicly in its insurance pricing review, which I hope the committee read—there have now been two of them—that controlling insurance prices is unlikely to be effective. The ACCC has said in its pricing review that controlling prices is unlikely to be effective.

Senator Jacinta Collins—Consumer interests are not being addressed.

Senator COONAN—Senator Collins, you think you know better than the ACCC, but I do not think that you are going to be very effective. As the ACCC has pointed out, you can control prices but you cannot control supply. How are you going to get insurance companies to write premiums at a loss? No business will continue to provide any product at a loss; they will not.

Senator Jacinta Collins interjecting—

Senator COONAN—That is why they left the market, Senator Collins. It is not a very difficult equation. We need to implement the reforms so that the insurance companies will come back into the market. Perhaps the most ignorant statement of all was the suggestion that there is some great benefit to be had in the New Zealand scheme, which currently has an unfunded liability in the order of $NZ9.3 billion. That is not very responsible and I am sure that, if the Senate thinks about that for more than a moment, it will realise that, to be suggesting a national compensation scheme, it needs to have a hell of a lot more information than is available.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! The time for the debate has expired.

EXCISE TARIFF AMENDMENT BILL (No. 1) 2002
CUSTOMS TARIFF AMENDMENT BILL (No. 2) 2002
Report of Economics Legislation Committee

Senator McGAURAN (Victoria) (4.55 p.m.)—On behalf of the Chair of the Senate Economics Legislation Committee, Senator Brandis, I present the report of the committee on the provisions of the Excise Tariff Amendment Bill (No. 1) 2002 and the Customs Tariff Amendment Bill (No. 2) 2002, together with the Hansard record of proceedings and submissions received by the committee.

Ordered that the report be printed.

BUSINESS
Rearrangement

Senator COONAN (New South Wales—Minister for Revenue and Assistant Treasurer) (4.56 p.m.)—I move:

That intervening business be postponed till after consideration of government business order of the day No. 2, Vocational Education and Training Funding Amendment Bill 2002.

Question agreed to.
VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2002

Second Reading

Debate resumed from 17 October, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator CARR (Victoria) (4.56 p.m.)—I move the following amendment:

At the end of the motion, add “but the Senate condemns the Government for:

(a) failing to develop comprehensive transition strategies to assist young people, thereby abandoning at least 205,300 15 to 19 year olds, placing them at risk of not making a successful transition from school to work;

(b) failing to keep its election promise to young people to provide a comprehensive response in the 2002 Budget to the Youth Pathways Report;

(c) failing to address youth unemployment, which is on the rise;

(d) refusing to acknowledge the substantial adverse impact that the Government’s welfare reform initiatives are having on TAFE;

(e) failing to take a holistic approach to the needs of Indigenous Australians, resulting in a decline in participation in courses leading to a qualification; and

(f) the Minister’s double standards in espousing concern for the welfare of young Australians but failing to take any meaningful action to invest in their training needs, and

further notes that state and territory Labor governments have made significant achievements in the implementation of vocational education and training in schools while the Commonwealth has refused to provide growth funding, making the Labor states and territories the leaders in this field.”

Senator CARR—The Vocational Education and Training Funding Amendment Bill 2002 is one of those bills that provides for the normal indexation arrangements to be paid for the forthcoming year and to increase the subsequent base funding for the subsequent year. Within that framework, it provides for an additional $24 million, which is nothing more than the funds made available for normal price adjustments. Other measures associated with this bill are incorporated within the base funding. Notwithstanding that, the Parliamentary Secretary to the Treasurer, in his second reading speech on this bill, said:

This record level of funding provided to the States and Territories for their vocational education and training systems in 2003 is a demonstration of the Commonwealth’s commitment to a strong national vocational education and training system.

I would like to deal with that issue at some length in this second reading debate. Frankly, the proposition that the minister puts forward is disingenuous at best. It is a miserable commitment by the government with regard to the total quantum. It is a measure of the government’s failure to address the fundamental problems within vocational education and training in this country—in particular, the unsatisfactory efficiencies policy that was pursued by the former minister and continued as a consequence of the growth funding agreement entered into with the states last year. It was a proposition which saw that growth funding was included—which was a backdown by the government with regard to their original position that no growth funding would be provided—but on terms and conditions which were unsatisfactory to meet the needs of the system.

We have before us a bill that, in effect, allows for indexation arrangements of 1.6 per cent. I remind the Senate that the 1.6 per cent indexation figure that applies to vocational education compares with the 2.2 per cent figure that applies to the university system and the 5.7 per cent that applies to the schools system. You can see in those terms that the vocational education system in this country is at a disadvantage by comparison with other sectors within education itself.

The statement that the minister makes that the Commonwealth is committed to ‘a strong national vocational education and training system’ is one that I would like to pay particular attention to. The government has had before it legal advice for many years that indicates that the present administrative arrangements do not have a legal foundation which would stand up to serious challenge in
a court of law. Details of the requirement were of course contained in the report Aspiring to excellence, which was brought down in the Senate in November 2000. That followed fairly detailed examination of the evidence presented to the Senate Employment, Workplace Relations, Small Business and Education References Committee, in particular the evidence of the legal opinions, of which there are a number, from the legal firm Minter Ellison. They were commissioned by the government in response to persistent complaints from all the major players within the vocational education system that the present arrangements were unsatisfactory. In fact, as far back as 1998, the state ministers and the CEOs of the various training authorities across Australia acknowledged that there were serious legal questions underpinning the quality assurance regime within vocational education in this country. So the government has known for four years that the legal foundations of the vocational education system in this country have been open to serious challenge.

The government’s response to this serious legal advice was that a committee name change should occur and that there be a series of processes entered into with the states to highlight the need for change. So there was a recognition that the legal advice was sound, and understandings were reached about the need for urgent action in achieving what was said to be a fully integrated, high quality national vocational education system. You have to bear in mind that that legal advice was undertaken at Minister Kemp’s direction, and it specifically excluded consideration of any legislative framework being undertaken through this parliament. It proposed in essence that, given the need to have national consistency and given the increasingly national nature of our economy, a series of model clause agreements should be entered into across Australia by the various states and territories. We soon discovered—and we said it at the time—that that approach was not likely to produce results quickly.

Let me come back to the original proposition. We have a national economy. We treat ourselves as one nation and talk of ourselves as being a nation. Yet we do not have an education system that underpins our economy and allows for basic vocational education to be undertaken on a nationally consistent basis. I put the view that, if you are a tradesman or tradeswoman or a highly skilled worker, you are entitled to have qualifications that mean something no matter where you go within this country. For instance, if you are a fitter or an automotive mechanic and you have a certificate IV, that certificate should have the same standing no matter where you are within the country. It should have the same level of skills, the same level of competencies, and be a qualification that is accepted wherever you go. Frankly, if you think about this in terms of our international relations these days, it is important for workers to have qualifications that can be recognised outside this country as well.

So, increasingly, a large number of companies and organisations are suggesting that they need to have qualifications that can be understood from jurisdiction to jurisdiction. That is clearly not the case at the moment. Take for instance the last ministerial council meeting, held I think in May this year. On page 5 of a paper entitled Achieving fully integrated, high quality national vocational education and training systems it is stated:

Notwithstanding the worthwhile gains in quality and national consistency, feedback from enterprises is that the complexity of arrangements across jurisdictions, particularly in the area of New Apprenticeships, is still acting as a major inhibitor to further engagement. This is particularly evident where companies need to understand systems and transact business across jurisdictions but also applies within single jurisdictions given the range of players, complexity of systems and constant rate of change. This is reported to have led many companies previously operating as enterprise RTOs to move towards the use of intermediaries (which include public and private RTOs, training brokers, national ITABs, and Group Training Companies) and partnership arrangements with other RTOs. At the same time, these intermediaries—despite being system experts—also have considerable difficulty working across borders.

The government acknowledged that these problems had emerged and that, despite the transition of a period now of four years, no one state in this great Commonwealth had
actually picked up the model clause arrangements—no one state. In fact, at the last MINCO it was proposed that at the next MINCO meeting there be a discussion on what progress might be made towards a legislative response. Not all the states and territories signed up to that either. Some significant jurisdictions reserved their opinion.

Having acknowledged that there were serious problems, the government set in place a special report through ANTA—it is called the troubleshooter report—on national consistency. It is quite contemporary, dating from May this year for a report due in November. It said that there were:

- varying training plan requirements
- variations in nominal duration of apprenticeships and traineeships
- varying certification arrangement on completion of the apprenticeship/traineeship
- differing approaches in access to apprenticeships/traineeships for existing employees
- varied recognition of enterprise Training Packages for New Apprenticeships
- the need to understand and address non-completion rates, the treatment of casual employees and continuing apprentices/trainees
- differing approaches to the movement of apprentices and trainees across borders
- difficulties where a national client seeks to use one RTO across jurisdictions under User Choice, and
- the need to develop an agreed approach to the identification and presentation of information given the recent proliferation of websites.

We have not even got national agreement yet on the training package arrangements. I am talking about effective operation, not the mealy-mouthed approach that has been taken. I am talking about the effective operation of our vocational education system in this country at this time. And what is the government’s response? ‘We’ll have another working party.’ Another working party! After spending four years on a fundamental legal problem which every major employer and every major interest group in this country knows about, the government’s response was to get legal advice which says, ‘You must exclude the possibility of a national legislative response to this problem, because we are going to rely upon providing a model clauses approach with the agreement of the states and territories.’ And what evidence or outcomes have we seen? We have seen very little indeed.

We do not even have agreement on mutual recognition yet. The only change that has effectively occurred is that the current framework has had its name changed. It is now called the Australian Quality Training Framework, the AQTF, which replaces the former ARF. What a tremendous achievement! What startling progress! This is what we call a truly national vocational education scheme! Isn’t that what the minister said? He said we have a strong national vocational training system. It strikes me that either the minister’s second reading address is based on a profound ignorance of what is actually occurring—clearly not supported by the ministerial council documents which the minister presumably was given this year and which the department has presumably advised him on in terms of the progress towards the next MINCO, to be held in November—or, alternatively, the minister is being disingenuous.

It strikes me that there are serious misgivings about the capacity for this minister to get on top of these issues. It strikes me that what we have seen is testimony to a broader problem within vocational education, which is that the reform agenda has effectively stalled. There has been no significant movement in vocational education and training in regard to the reform agenda for the better part of 18 months. It stopped in the six-month run-up to the last election just after the agreement on the future funding formula was struck and it has not moved forward since that time. There has been some discussion on the questions in this bill, including the question of disabilities. Disabilities are referred to in the minister’s second reading speech as well. It indicates that the government is providing additional resources within the base funding.
There is no additional allocation. There is no specific purpose payment within this appropriation. It is just indicated that within the base funding there will be money made available for disabilities. In regard to ANTA's performance on disabilities, 3.3 per cent of working age people with a disability participate in VET, which is a very small rate of participation. It strikes me that this is another issue that requires quite urgent attention. VET provides assistance for people who are disadvantaged in many ways and gives them a second chance of education, as well as providing the foundation for the development of a skilled work force in this country. In light of this, 3.3 per cent is a figure that one should not be proud of. I see nothing in this provision that will seriously improve that number. It strikes me that there is a clear problem there as well.

The issue of employer incentives is another matter that was referred to in the minister's second reading speech. This is a problem that has been with us for many years. It is a bit like the tax avoidance industry. One has to pay constant attention to the abuses of employer incentives. The government proposes additional money to go towards employer incentives, to encourage more employers to take people on. A pamphlet distributed by a company called Business and Corporate Training Services says:

How many of your staff attract the $4400 Government Grant?

Train your staff and make money at the same time! The Government is currently giving grants of up to $4,400-$5,400 per employee to employers, and providing National Accredited Qualifications—ON THE JOB.

This is available for all staff, regardless of how long they have worked for your company.

It goes on to say that the areas include:

- Business ...
- Front Line Management (for all supervisors) ...
- Information Technology (for anyone who uses a computer)
- Finance (for all accounts and administration staff)
- Retail Operations ...
- Business Administration ...
- And so on and so forth. It seems to me that the issue of employer incentives does require constant supervision. It strikes me that this is another example of where there is a misuse of the employer incentive program. It is not supposed to be a wage subsidy. It is not supposed to be a means by which you substitute the payment of workers for arrangements in which:

The training is delivered on your premises once a month, and the rebates are paid directly into your business bank account.

It is supposed to be a mechanism whereby you are subsidised for the training costs. It is not supposed to be a wage subsidy, as this document would suggest. I have moved a second reading amendment to this bill because I am concerned that a range of matters require considerable attention and have not been picked up within this bill. We are particularly concerned about the way in which young people are being treated by this government. The government has not provided in the budget an appropriate comprehensive response to the Youth Pathways report, particularly with regard to the VET in schools program. Despite its growing usage, the program has a number of issues that require further attention—in particular, the role of schools in RTOs, the way in which they are being used at the moment and the capacity to provide high-quality training for what is approaching, I understand on the projection, some 70 per cent of students in years 11 and 12 by 2004. We are concerned about the way in which the VET in schools program is being implemented, and we would like to see further action there.

There is also concern about Indigenous people's participation rates within the VET program, and we are very concerned about the decline in the number of people under this government who are participating both in higher education and in vocational education. This is a government that has a shameful record in vocational education and training. It has failed our young people; it has failed older workers; it has failed the national economy in the development of nationally consistent arrangements to protect the quality of vocational education qualifications in this country; it has presided over falling completion rates; it has seen a significant number of people encouraged to take on dead-end
training packages, particularly at the certificates 1 and 2 levels; and it has done little in the way of developing policies to ensure that there is a training reform agenda in this country which is broadly based and attracts support right across the community. I am afraid that this minister does not seem to have his heart in this particular aspect of his portfolio. (Time expired)

Senator ALLISON (Victoria) (5.16 p.m.)—The Vocational Education and Training Funding Amendment Bill 2002 provides funding to be distributed by the Australian National Training Authority to the states and territories for capital and recurrent purposes and for national projects. The bill increases funding for 2002 by $24.3 million, appropriates $992 million for 2003 and provides up to $101 million for growth funding in 2003. The Democrats will be supporting the bill. I notice that the opposition is moving a second reading amendment, which we will also support—although I am not altogether sure, Senator Carr, why we should. The ALP wants to condemn the government for failing to address youth unemployment. Some of us in this place have longer memories than perhaps you assume.

The real interest in the opposition’s amendment, we say, is not the failings for which they condemn the government but, rather, the failings for which they do not. The opposition ignore the real problems, including the Howard government’s lack of commitment to TAFEs; its overreliance on simple-minded competition, including user pays; its refusal to engage with the states and territories to address the very real problems of excessive casualisation of TAFE teaching; its overemphasis on short-term training at the expense of breadth in post-compulsory vocational education; and its marginalisation of the TAFEs in ongoing innovation debates. We are saying that these are real issues of concern because it is these, in combination with inadequate resourcing, that are driving the problem.

I am not sure that the TAFE sector will be able to take anything away from this second reading amendment. It certainly will not be thinking that there is a government in waiting bursting with ideas, energy and commitment. There are serious problems in the TAFE sector, as I have already alluded to. The current triennial ANTA agreement covers 2001–03, and we certainly hope that the negotiation period leading up to the next agreement results in a far more sophisticated approach to vocational education.

It is important to note that the bill does not restore funding to levels commensurate with 1997. This is particularly important when we consider the increasing participation in vocational education and training and the high level of unmet demand. The government has effectively reduced vocational education in TAFEs and VET to a second-rate instrument of employment policy through concentration on training courses, many of which are short term and do not prepare students well for ongoing work, education and training; and which, moreover, have poor completion rates.

At the heart of the government’s approach to vocational education are rewards for throughput and cutting corners—in other words, churning—and this is a dangerous false economy. Nominal hours create incentives to separate techniques from the generic skills and context that make sense of their use. Skills acquired in environments geared to fast tracking desensitise institutions to the diversity of needs of students. Superficial and narrow training also means that such skills run the risk of rapidly failing to be of value in a changing employment environment. Despite myriad press releases over the past few years from this and previous ministers, New Apprenticeships disguises real shortages in fair dinkum areas of technical and engineering apprenticeships. Indeed, in these crucial areas, numbers are falling. I am aware that the question of incentives for private providers is currently being reviewed. The key issue in the review of incentives will be successful completions. Current arrangements effectively only reward recruitment of trainees—churning people through the front door, in other words.

With a more sophisticated funding mix, including incentives for completions, we might see the very high attrition rates in New Apprenticeships—currently, about 50 per cent, I understand—begin to fall as providers
becomes more interested in offering proper student support, mentoring and pastoral care. However, success in post-compulsory education, as indeed for other levels of education, is predicated upon good teaching. It is hard to see any real scope for shifting the current approach forward until we develop proper strategies to end the long-term trends of casualisation and deprofessionalisation of teaching. That is of course a fundamental role for the states and territories. On this issue alone, I do not think the states deserve Senator Carr’s second reading amendment.

We need to provide additional resources to ensure a professional layer of full-time and qualified teachers delivering the main core of TAFE programs. That and shifting the focus away from the excessive concentration on narrow training programs towards stronger education values are the two great challenges that this government needs to overcome.

Senator TIERNEY (New South Wales) (5.22 p.m.)—I also rise to speak on the Vocational Education and Training Funding Amendment Bill 2002. It was interesting to listen to Senator Carr and his criticisms of the government. One of the things we do not remind people of sufficiently in this chamber, in all areas of government, is what used to happen under the Labor government. Those who are dallying with the idea of returning Labor as the government of this country should think very long and hard about their appalling record across a whole range of policy areas, but particularly in education. Senator Carr seems to have forgotten the record of the last Labor government on VET.

Senator Carr—Where did the ANTA agreement come from?

Senator TIERNEY—You are anticipating my next sentence, Senator Carr. Let me finish the sentence. The one shining light of what was done in that period was the creation of ANTA, the Australian National Training Authority. The Labor government realised the way it had neglected vocational education and training, and the states had let it run down. Something had to be done about vocational education and training in this country, and indeed something was done with the creation of ANTA. That has been, over the last 10 years, an excellent instrument for targeting growth funding into basically a state controlled vocational education and training system. Senator Carr’s earlier remarks today indicate that he prefers a centralist approach to all of this. We know his political beliefs, and it is not surprising that he would advocate everything be run by a central government.

What Dr Kemp showed in his administration, particularly of vocational education and training, was that an enormous amount can be achieved in government policy, in an area that is basically controlled by the states, if you take a cooperative federal approach. Through bodies such as MCEETYA, there was an enormous amount done in the reform of vocational education and training, and we now see that in the outcomes in this area of education, as compared with what was happening under the previous Labor government. I would like to invite Senator Carr to trawl back through those earlier records and to look particularly at my questions in the
Senate estimates process on apprenticeships each year under the Labor government.

There was a very consistent trend in apprenticeship training in this country under the last Labor government, and it was all downhill. Each year the outcomes were worse than the year before. They did not come up with any real policies to reverse this. It was left to the then Minister for Education, Training and Youth Affairs, Dr Kemp, to bring in a number of quite significant changes to the whole sector and bring a change in outcomes about. The whole approach to apprenticeships and traineeships was changed. New Apprenticeships was created, there was a new emphasis on traineeships, we had a real emphasis on the creation of VET in schools—something that the previous Labor government virtually ignored—and we brought in registered training organisations. We tried to change—I think quite successfully—a system that was very dominated by state TAFE colleges into one that was delivering far more flexible training. Through New Apprenticeships, we managed to expand from the traditional trade areas into a whole range of service areas and jobs that much better reflected the directions and changes in the nature of the Australian economy.

We are now seeing the fruit of that. At this time, one-third of teenagers in this country are in some type of apprenticeship or traineeship in employment. I invite Senator Carr to look back to the position exactly 10 years ago, compare the figures and have a look at how Labor were going then. They had been in government for over nine years, so they certainly had a lot of time—more time than we have had—to reform the system, but the reforms were not made and the outcomes were absolutely appalling. We now have a record 333,000 young people in apprenticeships and traineeships in this country.

Senator Carr—They are not apprenticeships.
Senator Tierney—Of course they are.
Senator Carr—They are ‘new apprenticeships’. Get the difference!

Senator Tierney—They are new apprenticeships—you are conceding my point. What you did was stay with a 19th century system of apprenticeships. What we have done with New Apprenticeships is create a modern system that is far more flexible, responds far better to the economy and provides more appropriate training to the circumstances of young people. Let me repeat the outcome: 333,000 people—one-third of a million—are in apprenticeships or traineeships at this time. That actually represents 2½ per cent of the total work force who are in some form of traineeship or apprenticeship.

What we have done is a remarkable improvement over what happened under the previous Labor government, and by international comparison it is also an outstanding record. I have had the chance to look at apprenticeships and traineeships in the United Kingdom. They actually send their people out here to look at what we are doing, because they acknowledge that we have a far more appropriate and comprehensive approach to, and a much better emphasis on, the training of apprentices in this country. They will certainly follow some of the innovations of the Howard government over the last six years.

When Senator Carr made his concluding remarks he said that the government had a shameful record in vocational education and training. What nonsense! The only governments with a shameful record in vocational education and training in this country were the Hawke-Keating governments between 1983 and 1996. Compared with that, the current government’s policies, as demonstrated by those outcomes I have mentioned, are a shining light.

Senator Carr—Is that it?
Senator Tierney—It’s all I needed to demolish your argument.

The DEPUTY PRESIDENT—Order!
Senator Carr interjecting—
Senator Tierney interjecting—

The DEPUTY PRESIDENT—Senator Tierney!

Senator CROSSIN (Northern Territory) (5.31 p.m.)—I rise this afternoon, perhaps when Senator Tierney comes to order, to
provide a contribution to the Vocational Education and Training Funding Amendment Bill 2002. Let me provide a bit of background to the funding of VET. As we know, in 1996-97, when this government came to office it reneged on the Commonwealth commitments in the original agreement with the Australian National Training Authority, ANTA, signed by Labor prior to 1996, to have growth funding going into the training sector. We know that the landscape in funding this sector of education has dramatically changed since that time. In fact, since 1996 there has been a cumulative reduction of over $200 million in the Commonwealth funding of VET and a massive cut in the labour market programs.

The impact of these funding cuts on the TAFE system has shown a dramatic decrease in the ability of this system to function effectively since that time. Two years ago, the Senate Employment, Workplace Relations, Small Business and Education References Committee conducted an inquiry into what was happening in the vocational education and training sector. The outcomes were very similar, really, to what is happening in higher education—that is, these days TAFE colleges and institutions and the staff in those institutions are expected to do much more and operate much more efficiently and provide a much broader range of courses and outcomes for their students, with significantly fewer funds.

In 1998, when renegotiating the new agreement with ANTA, we saw the end of this government’s commitment to growth funding. Those in the sector will well remember the new concept of ‘growth through efficiencies’ that emanated from this government—that is, in return for growth through efficiencies, the Commonwealth promised and was to maintain funding in real terms to the VET system. Those who have been working in the vocational education and training system since the Howard government came to office are still scratching their heads and wondering what ‘growth through efficiencies’ actually means. We now know that it means that you put in significantly more effort and longer hours, with larger classes and an expectation that your courses are more diverse, more responsive and more flexible to the needs of industry. But of course the funding from the government has been reduced, funding that in real terms did not address the unmet demand or the growth in student numbers.

This is an aspect of the training sector that the Labor Party has revealed year after year through the estimates process. In fact, we were able to demonstrate a significant unmet demand in this country, a significant increase in the number of students who want to access vocational education and training—and they have—but institutions, providers and staff have had to accommodate that unmet need without any real increase in funding from this government. The 1997-2000 revenue from this Commonwealth government fell by $112 million, which neutralised the $150 million that had been put into the system by the state and territory governments during that time. So, all up, there has been a cumulative reduction in Commonwealth revenue during this time, to the tune of $386 million.

We have a recent report from the Productivity Commission entitled Skills and Australia’s productivity surge. As a result of that report, we know that the growth in skills that people need to possess in order to meet the demands of industry, be responsive to industry and meet the expectation that industry has on its future operational needs and output has dropped under the Howard government. Those skills had accounted for over 28 per cent of productivity growth in the late 1980s and early 1990s but accounted for only 2.9 per cent of productivity growth in recent years. When there is such a dramatic drop in the contribution that skills are making to the economic growth and the productivity output of this country, from 28 per cent down to 2.9 per cent, there has to be a dramatic change in the way in which this country operates and the way in which this country responds to what industry wants and what the international markets demand. Certainly we are seeing a deskilling of this country. The Productivity Commission report, through its figures, has shown that that in fact is the case.

This afternoon I want to specifically look at the impact on this system from the neglect
of the Commonwealth government because of its lack of commitment to funding in this sector—the impact that that has had not only on the youth of our country but also on the way in which rural and regional Australia can respond to the demands of students and industry. The TAFE system has 1¾ million students enrolled in the vocational education and training system. We know that at least one in every 10 Australians acquire some sort of educative or broader skills or work related skills or lifelong learning experience through the TAFE sector. It has become a sector that has been integral to the education environment in this country. Earlier in the year, the minister made some fairly disparaging remarks about the TAFE sector, referring to it as being a sector that people use as a backdoor means of getting into higher education—implying that, if you were not good enough to have an academic career and go to the universities for your education, the second and probably the least preferred option you had was to go through the VET sector or the TAFE sector. That view shows a complete lack of understanding of what the TAFE sector in this country does and what it provides. In fact, there are some people—obviously 1¾ million students, which is many more than those in the higher education sector—who choose to take the vocational education and training sector as the sole means for providing their education, their skills and their background in this country. They would have been quite upset—certainly staff in this sector were quite upset—to learn of this minister’s views earlier in the year.

I want to turn now to a report that has recently been released by the Dusseldorp Skills Forum. The report is titled How young people are faring—key indicators 2002. It is an update about the learning and work situation for young Australians. It is a very significant report, and I think it should serve as a wake-up call to the government that one of the ways in which they can address the situation regarding young people in this country is to inject more funds into the VET sector to accommodate the needs of these people. The accompanying letter to the report says:

The findings are sobering. There has been a small increase in the number of teenagers not in full-time education or full-time employment (15.4 per cent or 211,000 young people) in May 2002 compared to the same time last year. And still some 25 per cent of young adult women and 19 per cent of young adult men were at considerable labour-market risk in that same month.

The chair of the forum continues in the letter:

... our research continues to display significant variations across States and Territories.

I want to particularly highlight in this report the dramatic figures in relation to the Northern Territory. We know that 15.4 per cent of teenagers were not in full-time education or employment in May 2002. However, in the Northern Territory the figure is more than double that number. In the Northern Territory, 32 per cent of teenagers were not in full-time education or full-time employment in May 2002. That is a startling figure, compared to the rest of the nation. This report also shows that the proportion of teenagers at risk has been rising gradually since 1999 and in May 2002 it stands at 15.4 per cent, which is higher than the prerecession years of the late 1980s. The report states:

It is likely that without significant and lasting reforms to develop more effective learning and work transition strategies—and one of those key reforms, I believe, is to ensure that the TAFE sector gets the funds it needs and deserves to be able to operate properly and effectively—during these relatively good economic times young people will be especially vulnerable during the next period of recession.

The report says:

The situation in the Northern Territory, with close to a third of its teenage population in ‘at risk’ activities, should be a cause of national concern. And so it should be, because those figures are startling; they are nothing to be particularly proud of. That goes to my point of the failure of this government to respond to a report that was commissioned in 1999 to set up a Youth Pathways Action Plan Taskforce to examine young people’s transitions from school to work, further education and active participation in community life. When you have a situation in the Northern Territory
where at least 32 per cent of teenagers are not in full-time employment or in full-time education, that sort of report from the task force should have been the basis for crucial action on the part of the government to look at addressing and reducing those statistics. That report was due to be released in March 2000; however, it was not released until May 2001—some 14 months later. It was a comprehensive and far-reaching report and set the scene for radical new approaches to addressing the needs of young people, particularly those who are disconnected or who are at risk of becoming disconnected from society.

The Howard government promised that there would be budget measures in response to that report, but we know from this year’s estimates process that nothing substantial was made available in the budget, and we know that this government has not announced any new initiatives at all as a result of the Youth Pathways action plan. The department in fact informed us during the estimates process that they had not been instructed to investigate the introduction of any new programs as a result of this report.

Is it any wonder then that we have TAFE Directors Australia—a body that I met with quite recently when they had a meeting in Darwin—emphasising how critical the role of the TAFE sector is in this country? In a kit that was released prior to the federal election last year, ‘Skilling Australians for the future’, TAFE Directors Australia took the opportunity to emphasise the critical role that the TAFE sector must play if Australia is to have a world-class vocational education and training system. In fact, in a letter to me they went on to say:

It underlines the need for adequate funding and a curriculum approach that would enable TAFE Institutes to perform that role. It also emphasises the importance of recognising the TAFE sector as a full and equal partner with other stakeholders—something that the federal minister, Brendan Nelson, has failed to realise as yet—in working towards an improved national vocational education and training system.

Of course, during that time TAFE Directors wanted a range of changes that they believed were necessary to improve the TAFE sector. The first of those—and the key recommendation coming from TAFE Directors—was significantly increasing the national investment in TAFE to fund unmet demand, which this government does not do; then providing places in emerging industry areas—which this government does not recognise there is a need to do—and teacher professional development, improved student services, and computers and high-tech facilities in institutions. This government believes that institutions should be able to find all of that through its old ‘growth through efficiencies’ policy, but there is no new or additional ‘growth’ money for people to be able to do that.

On the brighter side, though, there has been one slight change that I want to report on to the Senate, and that is that at least you can have some small gains in this sector. The Australian National Training Authority had a VET Infrastructure for Indigenous People Program. Back in 1999, through the Senate estimates process, I highlighted that in the Northern Territory, where a number of training facilities had been built under this program, there was no provision for these facilities to actually set aside room for a trainer to stay—there was no accommodation attached to these facilities. So a trainer would go out from Darwin for three or four nights at a time to a new facility that had been built with ANTA funds, under their VET infrastructure program, and all that the guidelines approved in those days was just the classroom. So you would have a situation where a trainer was having to sleep on the floor in a classroom for the four nights or two weeks of the block training that they delivered in those communities.

I am pleased to say that ANTA listened to and looked at what was needed in those remote communities, and those guidelines have now been changed. Those guidelines now do accommodate the extra three or four square metres that were needed to make a trainer’s life comfortable when they went to remote communities. I had the pleasure of being at Titjikala community, which is a couple of hundred kilometres south-east of Alice Springs, when the new training centre, the Paulus Wilyuka training centre, was
opened. This centre has been named after an Indigenous pastor from that community who committed his life to improving training outcomes for his people. That centre was built by a local Indigenous building team and it not only has a classroom for VET and training facilities but also accommodates the trainer.

It was probably a very small change to ANTA's program guidelines, but it means an awful lot to those trainers who do not have to sleep on the floor anymore in those remote communities but are provided with a bed, a bathroom and some kitchen facilities so that life is a little more comfortable. So there can be light at the end of the tunnel when bureaucracies actually listen to and take notice of what is needed out in those communities. I was very pleased to attend the opening of that training centre, and I congratulate ANTA and the ANTA board on recognising that their guidelines for the infrastructure program were too narrow and inflexible and needed to change.

In closing, let me say that there has been another significant change in the training program and the way in which this federal government has approached training in this country this year. That of course has been the decision to cut funding to industry training bodies at the state level — to cut the funds that state and territory governments can access to provide training advice at that level. I notice that my time is diminishing, so perhaps I should leave this for another time. But this is another example of the government’s neglect of the VET sector and the TAFE sector since it came to office in 1996.

Senator BUCKLAND (South Australia) (5.51 p.m.)—The Vocational Education and Training Funding Amendment Bill 2002 is an imperative piece of legislation for the training needs of young people in this country this year. That of course has been the decision to cut funding to industry training bodies at the state level—to cut the funds that state and territory governments can access to provide training advice at that level. I notice that my time is diminishing, so perhaps I should leave this for another time. But this is another example of the government’s neglect of the VET sector and the TAFE sector since it came to office in 1996.
months of leaving school. These at-risk activities include drug taking and other illegal activities. From my experience, this is more prevalent in country areas and areas where there are fewer opportunities for young people to find work of any nature. It is pure commonsense, then, that the best way to distract young people in the most constructive way from at-risk behaviour is to provide them with education and training and give them opportunities for employment. How often have we heard young people say, ‘You can train me but can you give me a job?’ The answer to that, in the majority of cases, unfortunately, is no, because there is no focus by this government on the long-term future of our young.

We are also well aware that Australian businesses frantically need more skilled workers. They are constantly telling us that. The government’s reaction to this was the New Apprenticeships Access Program, which focused on the low-paid and low-skilled instead of on the high-growth, high-paid, high-demand skilled workers that were required by so many industries. The consensus from industry groups has been that the government program has in fact produced a severe skills shortage in high-skilled technical areas. Some of the examples include those in medical services, engineering, and mechanical and electrical trades—and that is just to name a few.

What we now have is these apprentices being forced down to the other end of the scale—‘You can train me; you cannot provide me with the work.’ The skills and training that are offered in the TAFE and VET institutions will provide those much-needed opportunities at the high-skill, high-wage end and prevent what has been happening. But the question is: what is the Howard government doing about the dilemma that we face?

What we have is a scheme that is a source of cheap labour rather than a constructive measure to assist the unemployed. The government have reiterated what they believe is the success of this program, with the doubling of numbers of apprenticeships and traineeships. What is not being reiterated is the expense this has cost the vocational education sector with quality training outcomes. And that is what counts—quality training with true outcomes and jobs at the end. There are many employers out there who are simply exploiting the scheme as a de facto wage subsidy program. They see it as nothing more than a cheap way of getting labour for a period of time. It has gotten to the point that in many cases trainees have had their chances of getting a job hindered if they have already undertaken a traineeship.

The other disturbing fact is that there is a consistently high noncompletion rate among trainees. Almost 50 per cent of trainees participating in the scheme do not complete their course of training. That is a cause for real concern. The latest ABS figures illustrate that between 20 and 30 per cent of those who do continue their traineeship receive inadequate training. Between 1997 and 2001, the average training hours per employee fell by 15 per cent.

The key to developing a successful transition for young people into jobs is to provide a strong, vital TAFE sector. Consequently, TAFEs need to be well funded in order to provide the incentives and support for these young people leaving school that will eventually lead them to work and prevent at-risk activities. It is all interwoven. If you provide no real outcomes you have young people at risk, and that is when we pay the price.

This bill does not address the massive funding cuts the vocational education and training sector was hit with in the Howard-Costello budgets of 1996 and 1997. The Commonwealth contribution to vocational education and training operating revenue fell by $112 million between 1997 and 2000. During the last election, the Howard government promised young people a future action plan for young Australians. The government said that it would provide a comprehensive response to the report in the 2002 budget, but while this government is big on inquiries and reports it does very little to implement the findings of those inquiries.

Instead, we have government policies that have given very little assistance to the young people of Australia and have consequently caused a great deal of negative self-esteem. Low self-esteem caused by the inability of
young people to fulfil their potential can be observed every time you walk down the main streets of any city and down the streets and malls of any small or medium sized town in this country. To add to this negative self-esteem that young people are experiencing, the government is more interested in massive funding increases to wealthy private schools. The attitude of this government is to look after one and forget about the other: ‘Don’t worry too much about the needy. They can’t look after themselves—they won’t cause us problems.’

Young people have also had enormous rises in HECS fees and consequently have no time to study and enjoy university because they are working record hours to pay the rent and buy food. If you are in vocational education or at university you spend what time you have working—if you can get work—simply to pay the rent and pay for your food. The GST has increased the cost of living, and there are record levels of youth homelessness. These issues are not addressed by the government.

To add insult to injury, the government’s new apprenticeships scheme has created a warped subsidy for crooked employers. All of these issues need urgent attention. The answer to creating opportunities for the young people of Australia is to encourage more students into TAFE, into vocational education. This can be achieved only through investment in the future. This government needs to develop a plan that gives it a reason and a vision for investing in our young people’s futures.

Senator HOGG (Queensland) (6.05 p.m.)—The Vocational Education and Training Funding Amendment Bill 2002 holds a special attraction for me. Having worked in the retail industry and spent a long time participating in the industry at the organisational level as an organiser or industrial officer or as the Assistant Secretary or Secretary of the SDA in Queensland, I have experienced problems associated with school-to-work transitional programs and also, through serving on various boards, with programs involving TAFE.

I particularly want to say that my difficulties with many of these programs go back to 1978. At that stage, there was a program known as the ‘sweet pea’ scheme—the Special Youth Employment Training Program—which was meant to assist young people in gaining employment. Unfortunately, that program was invariably exploited by employers as a source of cheap labour. They would engage young people and give them bright prospects of employment. These young people would become very enthusiastic, only to find out that as the government subsidy ran out so did their employment, and a new batch would replace them. On that basis, I have a degree of cynicism in this area.

I am not completely a cynic, because I do admit that there are good outcomes in this area. But, having worked for a long period of time—and I think 25 years in the retail industry is a long time—I know some of the pitfalls that exist there. These pitfalls were alluded to by my colleague Senator Buckland, who was undoubtedly referring to the industries that he is familiar with. Nonetheless, they are there in the retail industry as well, and I think it is worth while putting on the record today some of those concerns.

If one looks at the labour market statistics, one finds that the retail industry is a particularly large employer—of all the sectors, it is in the top five; in fact, it is No. 1. Most importantly, if one looks at the age break-up in employment based on the November 2001 statistics, one finds that in the order of 50.3 per cent of employment in the retail industry is focused in the age group between 15 and 19 years of age. These people are the most vulnerable and most susceptible to being exploited, because this is where not all but the majority of money under vocational education and training would be focused and, for people who are seeking transition from school to work, VET undoubtedly plays a significant part in giving them an opportunity to have some long and lasting employment.

The importance of the Vocational Education and Training in Schools scheme falls into two broad areas: firstly, it acquaints the student with the world of work and, secondly, it equips them with the capacity to seek and obtain employment post school in a
way which gives recognition to the value of their Vocational Education and Training in Schools achievements and qualifications. That is terribly important to these young people. It does two things: it gives them social skills and it equips them with achievements and qualifications for bona fide employment opportunities into the future. According to a past submission of my organisation, the SDA:

There is widespread concern in industry (both employers and unions) that VETIS—Vocational Education and Training in Schools—students, whilst having a comparable qualification, do not have comparable skills and abilities to others with the same qualification who have obtained their qualification post school, whilst part of the paid work force.

So there is a diminution of the value of the training. That, of course, is a concern. One of the reasons why some employers seek to exploit the labour of these young people is that the training does not necessarily gain the recognition that it should. There is no doubt, though, that the training that is provided must conform to the Australian Quality Training Framework and the relevant national training package. It is unrealistic to expect that the industry will embrace students whose training is not in line with training packages. Again, that comes out of the submission—a very good submission, I might add—that my organisation has made in times past. The submission says:

There is widespread concern at industry level that many of those delivering VETIS do not meet the trainer and/or assessor requirements set out in the Training Package.

There is also widespread concern that teachers often lack understanding of the workplace and the industry concerned.

That is where I have a particular concern in respect of the retail industry. In the retail industry, as one of my colleagues described in this debate before, a churning process takes place because of a lack of understanding of the retailers and the retail industry itself—not all retailers; one must be quite fair. There are some very good retailers out there who seek to do the right thing by those students, who do seek to give them a realistic opportunity, but there are also the exploiters. Unfortunately, when it comes to a debate such as this, one tends to focus upon those who exploit the system rather than on those who use the system wisely and in a responsible manner. There is clearly considerable concern as to whether the current system is producing consistent quality outcomes. This is in part due to the lack of funds; this government has failed to provide them in this area. The states, we are aware, are pulling their weight; they are doing their share. But this government, as always, has been behind the eight ball.

Focusing now on my concern about employment prospects and the way in which these people can from time to time be churned, I want to return to the SDA submission and look at a couple of specific quotes that I think sum up in a nutshell the way young people in this 15 to 19 age bracket, which we all concerned about, can be treated from time to time. The submission says:

In many instances students are compelled to complete their on-the-job training/work at peak operation times.

So what is meant to be a program through which they are getting vocational education and training turns out to be in many ways nothing more than subsidised employment. The submission cites the situation in Victoria at the time:

... school students can complete their on-the-job experience working late nights, public holidays and weekends.

If one knows anything about the retail industry, one knows that late night trading, public holidays and weekends are the times of highest density of trade. One can understand a responsible union such as the SDA becoming very concerned to see that these young people, who are seeking to gain qualifications which will give them a long and lasting career, are being used at times when others might be gainfully employed in the industry and that these young people are really nothing more than substitute labour for bona fide employees who could be earning a living and making an income out of the retail industry. The submission goes on:
Although this may be advantageous in limited circumstances, it gives little opportunity for structured on the job learning.

That is particularly critical in the retail industry. The submission continues:

On occasions VETIS becomes little more than a source of cheap labour for employers.

The concern is there. It is a long and a lasting concern. It is not something that has just cropped up in the last five or 10 years. The submission goes on:

If the student is not being paid for their work or being paid only a nominal amount such as in Victoria where work placement is paid at $5 per day, the attraction of cheap labour is even greater. In particular it is an encouragement to unscrupulous employers to be able to only provide work placements at times when they are required to pay normal employees penalty rates.

This is a real concern. It is not a manufactured concern. It is a concern that I have had a personal association with. We, as an organisation—and I say we because I am still the president of the Queensland branch of the SDA—have made representations to employers to desist from these practices. It is proper in this debate to draw attention to this issue. Whilst one is not trying to label every employer as fitting into this particular category, one must necessarily draw attention to those who seek to exploit the funds that are rightly supplied to deliver proper training to 15- to 19-year-olds. The submission goes on:

It should be a clearly spelt out responsibility of the school to organise proper work placement for students. Schools, teachers and students and employers need to clearly understand and implement the purpose of work placement.

The principle of normal work being counted for VETIS purposes should be supported but where this does occur then the student should be paid the award rate for the job.

In other words, there should be no avenue of exploitation. One is not opposed to the system—there are great merits in the system, as I have said—but one seeks to stamp out the exploiters. The submission goes on:

It is essential that school to work participants receive genuine training with an appropriate range of tasks and not spend most of their work time performing routine work such as working on a register during peak trading times.

In other words, it is about providing these people with real skills. There is a need for real skills and a skilled work force. Having a productive work force works for both the employer and the employee. It enables the employer to make a reasonable profit, pay a fair and just wage, and give reasonable conditions to the employees. As I said, this matter is a particular concern and attention needs to be drawn to it. The only other statement along the same lines in the submission which I would refer to is this:

Schools often struggle to convince employers to provide structured work place training opportunities for students. Often, where such opportunities are provided, adequate supervision, mentoring and appropriate structured on-job training, especially across all the competencies in the Training Package qualification, is not provided.

That is a real concern as well. There is a need to ensure that there is adequate supervision, proper mentoring and appropriately structured on-the-job training across all competencies; if there is not, then the scheme is a fraud. Again, I am not suggesting that that is the case in all instances. I am suggesting that, unless those things are there, visible and transparent, the system fails the very people it is designed to help. If they are not there, then the VETIS scheme is nothing more than a source of cheap labour. The recurrent theme is there. This is not something that is said lightly. It is something that is said because of vast experience with this type of program over a long period of time. The submission goes on:

In some cases this is due to inadequate commitment by employers but in others it is due to employers not understanding their obligations, employers not being adequately briefed by schools and not being given appropriate support mechanisms by schools.

This is not simply an opportunity to kick employers to death. That is not the aim of my participation in this debate today. The aim of my participation is to clearly stake out an area that has been of grave concern in the retail industry over a long period of time. Problems have been encountered not just in the state of Queensland, where I come from, but in states and territories throughout Australia.
In the second reading amendment that my colleague Senator Carr has put before the chamber today he asks the Senate to condemn the government for:

(a) failing to develop comprehensive transition strategies to assist young people, thereby abandoning at least 205,300 15 to 19 years olds, placing them at risk of not making a successful transition from school and work ...

That is so important, because not everyone is an academic. Not everyone is going to end up at the University of Queensland or the James Cook University in my state. I have a young family: I have a 17-year-old, a 19-year-old and a 21-year-old. The 17-year-old is about to leave school. I believe the 17-year-old will, at the end of the day, end up at university, but not every child in her class is destined to do that. Many of the children do not want to go to university, do not have the academic skills or, in some instances, cannot afford it. The importance of the VET program to those people cannot be underestimated in any way. I have spoken with my daughter, Louise, about this from time to time, and she has told me of the experiences that many of the young people that she mixes with have in these programs. Many of them have good experiences but those good experiences are because of good employers. One should not underestimate that there are bad experiences because employers misuse a right that is given to them to assist them in helping young people and to assist them in running their business. I commend Senator Carr's second reading amendment to the Senate.

Senator STEPHENS (New South Wales) (6.25 p.m.)—I too rise to support the second reading amendment to the Vocational Education and Training Funding Amendment Bill 2002 and relate my comments to the impacts of the lack of funding for vocational education and training and the lack of support for young people in rural and regional areas. We know that it is in the regions where persistent unemployment is high and it is incumbent on us to do everything we can do to assist the regions, particularly in view of the effect on young people.

I want to address my concerns tonight in relation to two particular issues: vocational education and training in schools, and the role of TAFE in regional and remote areas. These are the two important providers of vocational education and training in the regions, where private providers tend not to be so visible, simply because of lack of numbers and lack of profitability. It is up to the public sector to provide those critical services for our young people.

In terms of vocational education and training in schools, we need to be aware of the importance of ensuring that the curriculum attracts more young people. This relates quite specifically to young boys in regional areas—getting them to participate further in their education, which is a relevant and contemporary issue. Importantly, through VET courses, they can develop important education, training and employment skills. They are able to find some kind of a balance between the academic programs that are a part of the new Higher School Certificate curriculum, particularly in New South Wales, and a non-academic strand where vocational education and training fits.

There have been some significant submissions to the Standing Committee on Education and Training inquiry into vocational education in schools, which is currently under way. Several of those have been commented on this afternoon. I would like to draw attention to particular submissions from New South Wales that have special relevance to the issue we are debating here. The submissions are quite extraordinary in terms of the simple message that has been included in all of them—that is, the critical issue is about the lack of funding to resource the rapid growth of vocational education and training and, significantly, the financial penalties in the TAFE funding formula for additional delivery hours within the budget. These are significant issues that need to be addressed.

I draw the Senate's attention to one important submission that came from the Vincentia High School on the South Coast of New South Wales, which is not too far from me. Mark Dodd, the vocational education coordinator at the Vincentia High School, outlined the importance of the VET program
for a community such as Vincentia, which reflects very much an area of high unemployment; there are very few employment opportunities for young people in the region.

I will quote from his conclusions in the submission. He acknowledges the importance of vocational education in schools and states:

VET in schools provides training opportunities for students in rural and remote communities that are vital to accessing career opportunities and transition to work in areas of high unemployment. Vincentia is located in one of the highest youth unemployment areas of the state. He also concludes:

VET in schools complements existing training opportunities, and the seamless transition for students should be seen as a greater positive for the national training agenda.

We know that the national training agenda, which now incorporates a new apprenticeship and traineeship scheme, is struggling to find both structured training places and flow-on employment placements that are needed in the regions. A whole range of economic issues are part of the program that needs to be delivered there.

His third conclusion, about VET in schools increasing student retention by providing an appropriate curriculum, is a very important message when we think of the whole-of-community and whole-of-education approach that ANTA and all parties, both Labor and the Liberal government, are trying to promote in terms of lifelong learning and the importance of that for Australia’s knowledge economy in the future. Student retention is an important priority and one that we need to be promoting. The way that we can promote that through vocational education and training is by supporting young people and by supporting and resourcing vocational education and training programs effectively. He concludes also that VET in schools has a funding imperative, from both state and federal governments, that must be recognised. I can say that, certainly, the New South Wales government has contributed significant funding improvements to vocational education and training programs. It has been disappointing to see in this legislation that that has not been reflected satisfactorily in the federal government’s allocation, simply because of the rapid growth of vocational education and training programs and the take-up rates, which have been quite extraordinary and so successful.

The other issue is the integration of other government initiatives and the impacts that they are having on vocational education and training programs in schools. I am particularly thinking of students with special needs and of Indigenous students who are able to use vocational education and training opportunities and programs to complete appropriate HSC qualifications. That is an important issue, and we have to be supportive of those specific and targeted programs that provide a response to our access and equity responsibilities for those students.

If I can move on now to the issue of TAFE and the role of TAFE in the regions, which is such a significant issue for us, both in terms of the regional economy and where, particularly, regions are experiencing decline or economic stress due to the drought. We have some specific issues that need to be placed on the record. TAFE institutes in the regions play a critical role in the educational and economic infrastructure of regional Australia, and that is acknowledged everywhere. I do not think I have been anywhere in a country community in New South Wales where someone has not participated in a TAFE program of some kind. We need to acknowledge that there are difficulties and extra costs involved in delivering regional and remote courses, and that the institutes face significant burdens that are not sufficiently recognised in the current funding provisions. That message is very clear. It has significant impacts on the kinds of courses and programs that can be offered, particularly in vocational education and training or the preparatory courses that lead into vocational qualifications. It is essential that we have better funding provision and significant resourcing. We know now that institutes are being forced to reduce the hours of off-the-job training and to withdraw from delivering some of their programs simply because of thin markets and the distances involved in trying to actually get their students to participate in programs.
This is such an important issue because people living in rural and remote areas of Australia generally have lower levels of skilling and recognised qualifications. One of the outcomes of the New South Wales government’s initiative relating to drought relates to the retention of rural skills bases in rural communities. One of the important initiatives is to fund the training and upgrading of qualifications as part of retaining skills in those regional communities at a time of drought when these people are not able to be employed. It is important to be able to maintain that kind of presence, and it is the role of TAFE to run most of those kinds of programs. That is a critical issue for maintaining the economic infrastructure of communities, and it seems not to be recognised in any of this legislation.

Another important issue that we need to consider is that the TAFE system has over 1,100 campuses and covers geographically diverse cities and towns throughout Australia. The university system, by contrast, has a much smaller network of about 100 campuses, and these are mostly in the larger population centres. So there is a real imperative that we support public vocational education through the TAFE system: they are so often the only provider of post compulsory and vocational education and training in the regions, and their presence means young people can stay in the local community for their pre-employment education and training. We know, again, that it is an important issue contributing to the social capital and the social infrastructure of our regional communities to keep our young people there, to keep them educated and employed, and hopefully to have them take up some capacity-building roles within their communities as they grow older.

We need to recognise that the TAFE institutes make a very significant contribution to regional economies. They are often one of the major businesses and employers in their towns and cities, and they generate significant income for the area. They also work closely with the industries in their region to identify upskilling needs, and they develop the skilled work force that is essential for attracting industry to the regions and enabling regional enterprises to operate successfully. Earlier today we were hearing about an initiative that Senator Abetz addressed, about small business development and its application in the regions. If we do not have TAFE as a presence in regional communities like that, we do not have the capacity to deliver programs under a whole other raft of legislation and government departments. So there is the need for a whole-of-government, whole-of-community, lifelong learning approach, and for an integration of the kinds of programs that we offer in regional communities, to sustain those communities and make them resilient in times of economic stress.

A critical issue for us is that TAFE institutes are being expected to meet wider community expectations. Regional TAFE institutes provide a significant source of leadership in their communities. That is a very important community development role, particularly in rural, remote and Aboriginal communities. TAFE is the centre of learning; very often it is the first second-chance opportunity that people have for educational access and it is where people are drawn back into a learning environment and have a supportive learning environment to continue their education. This is a significant issue for us. We also have an expectation in regional communities that TAFE institutes will provide for disadvantaged groups. This is not the case for private providers who are providing contracted training, and it highlights the role of TAFE as the public provider and the importance of maintaining their role and presence in communities. They offer services such as library services, counselling services, community services, distance learning opportunities and a range of programs of study in areas, including those of relatively low demand which for private training providers tend not to be profitable.

There are significant challenges and difficulties in servicing regional and isolated vocational education markets that need to be recognised in the legislation. We know what these are. We have heard them in many, many submissions to different parliamentary committees and inquiries about education and training. They are things like the fact that small numbers of students mean that
delivery costs and overheads are proportionately higher in regional areas than in urban areas; it can be significantly difficult to attract appropriately qualified teaching staff; the distance from major centres can add considerably to the costs of materials, equipment, staff and other essential services required for the delivery of programs; there are high costs involved in serving geographically distant campuses and in travelling long distances to undertake workplace assessment; nearly 10 per cent of TAFE students nationwide live more than 100 kilometres from their TAFE college; many students need better access to information and communication technology infrastructure, and TAFE at the moment is very often the only provider of some of those broadband communication technologies in rural communities; in many cases there is no explicit funding for community service obligations or for offering low-demand programs which nevertheless provide important skills for local industry, and it is often the responsibility of TAFE as part of community development and planning to look for regional skills needs to initiate employment and vocational training to meet planned growth of regions.

There are two very important examples of TAFE meeting regional skills needs. The first is the Illawarra Institute of TAFE, which encompasses the South Coast of New South Wales, which has been involved in a range of information and communications technology training to meet the growing need of the region in terms of employment opportunities and investment. It is quite innovative. On the South Coast things like virtual campuses have been established and programs have been developed to link vocational education in schools and TAFE and industry in quite innovative ways.

A second example which is also a very useful example for us in terms of looking at recognised skill shortages is the work that the Central Queensland Institute of TAFE have been involved in. They have been looking at the shortages in light metals and processing industries in the central Queensland region. They have also been looking at how they can initiate a range of training programs to provide the pre-employment skills training that will ensure that the major infrastructure development that is going on in the central Queensland region of the country will not have significant skill shortages. In the central Queensland region the programs that the TAFE institute have been specifically involved in have been projects of national significance, including the aluminium and magnesium smelters proposed for the area. They have identified through a regional planning approach that there are going to be significant skill shortages in the construction and light metals processing industries. TAFE are taking the lead in that region to ensure that industry is able to be accommodated and is able to respond in terms of employment and skills needs in the future for the region. The Central Queensland Institute of TAFE recently won ANTA's training provider of the year award for the second time running. They are obviously responsive and critically tuned in to the industrial and economic needs of that region.

I wish to place on record the impressive number of submissions to the House of Representatives Standing Committee on Education and Training inquiry into vocational education in schools. I spent quite a bit of time reading those submissions. I congratulate those people who are involved in vocational education and training in schools and TAFE on their incredible enthusiasm. I recognise that the importance of supporting this amendment bill relates to the fact that vocational education and training is highly significant in regional Australia. We need to do much more than provide rhetoric. We need to provide real resources to support vocational education and training in our schools. I congratulate all of those involved in programs in schools and in TAFE on their efforts.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.44 p.m.)—I thank honourable senators for their contributions. The Vocational Education and Training Funding Amendment Bill 2002 appropriates $1,094,020 million for vocational education and training in 2003. The total figure includes an amount of $12.381 million, provided under the Australians Working Together initiative of the government, and a
first instalment of $4.545 million to deliver new training opportunities for people with a disability under the Recognising and Improving the Capacity of People with a Disability initiative.

The bill will also increase the amount previously appropriated for 2002 by $24.348 million in line with normal price adjustments. The $230 million in Commonwealth growth funding takes to the highest level ever the Commonwealth funding to the states for vocational education and training. The National Centre for Vocational Education Research indicates that there are 362,140 new apprentices in training as at 30 June 2002, a 15 per cent increase since the corresponding period last year and a 250 per cent increase since 1995. In 2001, a report by the national centre noted that the Australian system of New Apprenticeships is among the best in the world—fourth in OECD figures—in terms of proportional coverage of the workforce and that 45 per cent of all teenagers in full-time employment are in a new apprenticeship. New apprenticeships are now available in more than 500 occupations across a diverse range of industries. Growth in new apprenticeships has not been at the expense of traditional trades. An estimated 107,360 new apprentices completed their training in the year to 30 June 2002, an increase of 27 per cent over the corresponding period. I commend the bill to the Senate.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—I remind honourable senators that, under a sessional order agreed to on 20 June 2002, I shall call the minister to move the third reading, unless any senator requires that the bill be considered in the committee of the whole.

Third Reading

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.48 p.m.)—I move:

That the bill be now read a third time.

In so moving the third reading to the Vocational Education and Training Funding Amendment Bill 2002, I take the opportunity to comment on the second reading amendment, which I think was only very recently circulated and had not been properly brought to my attention. I simply say that it is the usual political diatribe and not to be taken seriously and that, whilst we opposed it on the voices without dividing, I would not want anyone to think for a moment that we took it seriously.

Senator CARR (Victoria) (6.48 p.m.)—I want to speak to the motion that the Vocational Education and Training Funding Amendment Bill 2002 be read a third time. What we have here is another one of these little vignettes from this Minister for Communications, Information Technology and the Arts. He has wandered into the chamber, has not listened to the debate and has not responded to one single point raised by the opposition in the proceedings before this chamber, yet he makes that ridiculous comment on what he thinks is the way out the door. I am strongly of a mind to continue my remarks tomorrow on this issue, given the way in which he has treated the Senate. It is contemptuous. We gave him a fair go; we did not even put him through the committee stage of the bill. We are entitled to do that. There is a whole series of issues that relates to this bill but which has not been addressed by this government. We have here, frankly, a minister who does not know his job, is not interested in his job, has his eye on the clock and has his eye on retirement—and he ought to take up that option as soon as possible.

Question agreed to.

Bill read a third time.

DOCUMENTS

Land and Water Australia

Senator O’BRIEN (Tasmania) (6.51 p.m.)—I move:

That the Senate take note of the document.

It is pertinent to remember in this time of drought how important water quality and quantity is to sustainable agriculture and to the environment. The chamber will also note that Australian farmers take great effort in preserving water quality and in finding ways to be more efficient with this precious and scarce resource. That is particularly so in the
case of Queensland sugar farmers who recognise the impact past practices have had on the Great Barrier Reef and who, through the industry Compass program, continue to work to minimise the impact of sugar farming on the surrounding environment.

Nearly six weeks ago, the Minister for Agriculture, Fisheries and Forestry, Mr Truss, crept out under cover of twilight and gave a 5.15 p.m. doorstep interview to announce the government’s long awaited sugar package and associated tax. Since that announcement on 10 September—I emphasise 10 September—we have seen only slivers of the detail dribble out from the government via a series of media announcements and hollow promises made in the other place. On 25 September, Mr Truss stood up in the other place and promised that sugar farming families would receive emergency income support from 1 October. His media release of the same day talked about interest rate subsidies, which would be available for ‘new loans obtained from financial institutions for replanting purposes’. Unfortunately for struggling sugar farming families in need of urgent income support, Mr Truss forgot to advise his colleague the Minister for Family and Community Services, Senator Vanstone, that Centrelink was required to play a role in delivering payments.

On 9 October, Labor revealed that no money had reached needy cane farming families because no application form existed and because Centrelink staff had not been briefed. On 10 October, after being shamed into action by Labor, Mr Truss issued a media release advising that registration forms would be available on that day and that payments would commence on 21 October. Despite the bold promises of Mr Truss, his ability to bungle knows no bounds. I understand that the funds that were promised to be delivered on 21 October are still not flowing to farmers in need and are not expected until next week. It is now 22 October.

The Howard government calls its current package the ‘sugar industry reform assistance package’, and indeed there has been much strong rhetoric from the Prime Minister and Senator Minchin blaming the sugar industry for not reforming sufficiently when the Howard government’s last package was delivered in 2000. But it is very tough for any industry to reform in the face of drought, low world prices, corrupted markets and crop disease. When one considers what the sugar industry has endured for the past four years, it is amazing there is any industry at all, let alone that it has been able to reform in this period to the extent that it has.

Generally, a key tenet of any reform package is the objective to help farmers increase profitability. The window of opportunity to maximise returns from this year’s crop is rapidly closing. To do so, many farmers require access to capital made affordable by those very interest rate subsidies that Mr Truss promised. But yesterday Senator Ian Macdonald advised the Senate:

The final details of the Commonwealth’s package on interest rate subsidies have not yet been determined ...

How much longer must growers wait for the assistance promised by Mr Truss? Clearly, Senator Ian Macdonald cannot answer this, not through any fault of his but because the responsible minister, Mr Truss, has not done the work needed to deliver the package as promised. That minister has left families without an income for their needs today and has undermined their ability to earn a living for the next year. Mr Truss must urgently explain to struggling sugar families why they have so little money for food and no money to maintain their crop, and when the full details of this package will be available for all of us to see. On this important matter, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Human Rights and Equal Opportunity Commission

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (6.57 p.m.)—by leave—I move:

That the Senate take note of the report.

The report by the Human Rights and Equal Opportunity Commission on visits to immigration detention facilities by the Human Rights Commissioner is a worthwhile document. It is an issue that has had a lot of focus, and it has been one of the issues that many people and groups in Australia have
expressed concerns about. I think it is particularly appropriate that a comprehensive investigation into immigration detention facilities by an independent person such as the Human Rights Commissioner is noted and the content treated seriously. It is outside the realm of political parties. It is an independent commissioner who is tasked by this parliament and by this government to ensure that basic human rights standards are upheld by our government agencies for all people in Australia.

It is a fairly comprehensive report. It details aspects of a range of facilities from Woomera to Maribyrnong, Curtin, Port Hedland, Perth, Villawood, Christmas Island and Cocos (Keeling) Islands. It is wide ranging and covers a comprehensive range of visits over the course of 2001. Some of the things I would particularly like to draw attention to are the conclusions and recommendations. Specifically, the Human Rights Commissioner of Australia recommends:

The Migration Act 1958 should be amended to impose specific time limits on detention, with provision for review of continuing detention, in accordance with international law standards.

There are two key aspects to that. Firstly, it acknowledges that our current system is not in accordance with human rights standards—something that the Democrats and others have been stating for a long time—and, secondly, it indicates quite specifically that there should be time limits on detention, which, I should remind the parliament, is in accord with the findings and recommendations of the parliament’s own all party Joint Standing Committee on Foreign Affairs, Defence and Trade, which reported on this matter prior to the last election. So, in that sense, we have parliamentarians from across the political spectrum—Liberal Party, Labor Party, the Democrats and Senator Harradine—who recommended time limits in that committee report, that recommendation being backed up by the Human Rights Commissioner. Surely that should be sufficient for this government to recognise that it needs to act in relation to that.

The conclusions also note concerns about adequate access to information so that detainees can be informed properly and effectively about their legal status and rights. There is no doubt that some of the disturbances in our detention centres, not least some of the major ones at Woomera, have been in part because people who are detained there do not have adequate information about their situation. They are in total limbo in the middle of nowhere and do not know what their future holds. Those things need to be improved.

Minimum standards of conditions and treatment are noted specifically, as is the adequacy of the monitoring of minimum standards. There is a specific recommendation about children in detention, and among the range of concerns from the public this has to be one of the biggest. As the report says, ‘Children should only be detained for the shortest period of time for initial security, health and identity purposes.’ The department has provided responses to that and, as usual, they are extremely disappointing. This report should be noted and should be emphasised. It should add to a recognition by the government that the current system is not adequate and is not working: it is incredibly expensive and damages human beings for no great purpose. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Senator TIERNEY (New South Wales)
(7.04 p.m.)—I move:

That the Senate take note of the document.

It gives me great pleasure tonight to speak on the 2001-02 annual report of the National Library of Australia. I have had the honour of representing the parliament, and particularly the Senate, on the Council of the National Library of Australia since November 1992. So it is appropriate, on my 10th anniversary on the council, for me to speak. You may wonder why someone would stay on such a body for so long—and I see Senator Marshall nodding his head. Senator Marshall, I would invite you to come down to the National Library and see what a rich cultural repository of Australia’s heritage the National Library is. As you move through the National Library, you could spend days and days looking at the collections. Just to give
you an example, Senator Marshall, I would invite you to come down and look at the Rex Nan Kivell Collection. Sir Rex Nan Kivell was an art collector in England between the wars.

Opposition senators interjecting—

The PRESIDENT—Order! Could we have some order so that we can listen to Senator Tierney.

Senator TIERNEY—I am sorry, Mr President, I did not realise this would be so controversial. One of the collections Sir Rex Nan Kivell put together was on the South Pacific, consisting not just of books but also of paintings and artefacts. We did have the Rex Nan Kivell Collection on display. This collection in the National Library is so vast that we could display only three per cent of it, and that is just one collection. The building you see by the lake holds the collection of the National Library. Underneath it are subterranean chambers that extend almost out into the lake, and around Canberra there are many vast warehouses that contain parts of the collection of the National Library.

The great challenge for us in the information age is to get this collection out to the people. With web technology and what has happened in communications over the last 10 years, there is now an outstanding opportunity for us to deliver this collection to the people. Historically, it would have been bound by geography: you would have had to come to Canberra to observe any of it. Now, with the marvels of digitisation, you can call up on your computer a vast array of material from the Library’s web site. One of the challenges for this country is to increase and accelerate that digitisation process so that more of this collection—

Senator Lundy—they need more money.

Senator TIERNEY—I did not see the Labor government giving it too much up to 1996.

Senator Lundy interjecting—

Senator TIERNEY—as a matter of fact growth through efficiencies, if I recall, was your policy at the time of cutting back resources to the National Library.

Opposition senators interjecting—

Senator TIERNEY—as I said, Mr President, I am amazed that this is such a controversial topic. We have Senator Lundy here, who represents the ACT. I am sure she is also a great supporter of this great cultural icon of Australia.

One of the things that have changed so much is technology and the way in which people can now so rapidly access information. My first contact with the National Library was in the 1970s, when I was doing my PhD. I once spent a day down there chasing 100 items that I wanted to have a look at. I had the list of items and I went in and looked up the card index, as you had to do in those days. On the cards were 30 of the items that I had listed. I went into the stacks to find these items, and of the 11 that I found only three were of any use. That was a full day’s work to get there, to go through that time-consuming manual process and to locate the information, only to find that little bit. What I can do now on the laptop is access all that very quickly, read through the abstracts and probably get done in an hour what would have been a day’s work. That is how this technology is delivering a revolution to our information economy and why we need to develop strategies to move this out to the people. (Time expired) I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following government documents were considered:


Australian Industrial Relations Commission and Australian Industrial Registry—Reports
Tuesday, 22 October 2002


ADJOURNMENT

The PRESIDENT—Order! As that concludes the consideration of government documents, I propose the question:

That the Senate do now adjourn.

Australian Breast Cancer Day

Senator LUNDY (Australian Capital Territory) (7.10 p.m.)—Australian Breast Cancer Day is on 28 October this year—in other words, it is next Monday. October, of course, is Breast Cancer Awareness Month. Breast cancer is still the most common cancer which affects Australian women and still the most frequent cause of death from cancer for women. Last year, in 2001, 2,511 Australian women died of breast cancer. This was a slight decline from the 1998 figure of 2,542 deaths and is the first indication that mortality rates are decreasing. However, more women are being diagnosed with breast cancer. The lifetime risk of developing cancer before the age of 75 has increased since the year 2000. In 2000, it was one in 12; in 2002, it is one in 11.

We do not yet know how to prevent breast cancer. Its cause is still unknown. This is why support for the increasing numbers of those affected and the coordination of re-
search are so important. This is also why our focus to date has been on screening to enable early detection and early intervention. The most effective means of detecting cancer at an early stage is still by mammography screening every two years. There is evidence that, for women in the 50 to 69 years age group, this screening substantially reduces the lifetime risk of dying from breast cancer. If the breast cancer is detected early, while still localised in the breast, the chance of five-year-plus survival is about 90 per cent. The survival rate drops if the tumour has spread to other parts of the body.

Labor is proud that, when we were in government, we initiated in 1990 the national early intervention program of breast cancer screening. This program can claim to have been in part responsible for the decrease in breast cancer deaths. I am pleased to be able to report some recent progress in the area of breast cancer services. A new emphasis on a multidisciplinary team approach to the management of breast cancer has begun with demonstration programs aimed at ensuring that women with breast cancer have access to the full range of treatment options, no matter where they live. The project aims to reduce the fragmented nature of health care delivery to women with breast cancer by linking a range of experts—medical oncologist, surgeon, radiation oncologist, pathologist, radiologist, genetic counsellor and general practitioner in multidisciplinary care. After many months of campaigning by the Breast Cancer Network Australia, Herceptin is now available for women with advanced breast cancer. Herceptin actively targets the breast cancer cells rather than all cells in the body. But very much more research is needed.

In February this year, a national summit for women with breast cancer identified two major issues facing women with breast cancer: first, access to breast prostheses and, second, travel and accommodation assistance. Members of the Parliamentary Breast Cancer Support Group have spoken of the distress caused to women who have had a breast removed, yet cannot claim the cost of a prosthesis on Medicare. I refer senators, for example, to the motion tabled on 27 June by my colleague Senator Crossin, calling for the government to provide mammary prostheses through the Medicare rebate schedule. This motion directs the attention of the Senate to a recommendation of the House of Representatives Standing Committee on Community Affairs in 1995 that the Medicare rebate schedule should be amended to include the provision of mammary prostheses. I also refer senators to a speech on 26 August this year by the member for Calwell, Ms Vamvakinou, also calling on the government to provide mammary prostheses through the Medicare rebate schedule and pointing out that the cost to the government may be as low as about $1.7 million annually.

Lymphoedema is one major concern of women with breast cancer, and it is only in recent years that the condition has attracted recognition—an acknowledgment of the need for research. Overseas studies suggest that 20 to 30 per cent of women who have surgery and radiotherapy in the armpit as part of their treatment for breast cancer develop lymphoedema. This is a painful and debilitating condition. We badly need data on its extent and causes and on effective treatment. Research has begun, following the Adelaide Lymphoedema Summit, and a clinical trial on lymphoedema by the Royal Australasian College of Surgeons has also begun. In the ACT a local breast cancer support group, Bosom Buddies, has donated a scanning laser machine to the lymphoedema clinic at Calvary Hospital. This clinic is to be opened officially in November. Continuation of funding for lymphoedema research should be a priority.

We still have a long way to go to achieve a coordinated and patient-focused approach to treatment. We need coordination of research into the causes and prevention of breast cancer. We need to be able to take full advantage of the rapid expansion of cancer knowledge generally and use this to benefit cancer patients. Many organisations in Australia do valuable work in the area of breast cancer research, treatment and services to patients. The Breast Cancer Network Australia seeks to provide a consumer perspective on the direction of breast cancer research, the policies developed and the services provided for those affected, by promot-
ing the priorities and needs of women and their families. It works to improve the treatment and care of those diagnosed with breast cancer. Currently it links 94 member groups, as well as more than 7,000 individuals, in all states and territories. Its ‘Seat at the Table’ project recruits, trains and supports women to be consumer representatives, enabling the needs of women with breast cancer to be promoted. Its free national newsletter, the Beacon, offers information on research, available resources and services, as well as individual stories. From May 2001 the government allowed tax deductibility for gifts of $2 or more to the network.

The National Breast Cancer Centre website lists over 20 research bodies and institutions involved in breast cancer research, including the Breast Cancer Institute of Australia and the Australia-New Zealand Breast Cancer Trials Group. Clearly coordination and monitoring of ongoing research and collaboration between bodies and institutions is vital.

Many wonderful and hardworking women have contributed much to the growing awareness of breast cancer and the need for research and improved services. In Canberra, Anna Wellings-Booth has coordinated the Dragons Abreast dragon regatta and the mini Fields of Women. I also congratulate Professor Linda Reaby, Associate Professor in the School of Nursing at the University of Canberra, who has been nominated for the Australian of the Year award. Professor Reaby is a breast cancer survivor, having been diagnosed in 1990. She has worked to raise community awareness and support by lobbying on behalf of Australian Breast Cancer Day. She has served as patron of Caring for You, a national organisation which supports women with breast cancer and those who have survived breast cancer. Professor Reaby also serves on the advisory committee of the Australia-New Zealand Breast Cancer Intervention Study.

I wish to pay tribute also to Helen Leonard, whose work for breast cancer awareness and research, among her many other roles, will long be remembered. Helen died a year ago, on 12 October. My colleague Senator Crossin spoke earlier this year of Helen’s many roles and formidable achievements, and it is fitting that we remember her also in Breast Cancer Awareness Month.

On Sunday, in Canberra, the first dragon boat regatta of the season was hosted by Dragons Abreast, in support of the Breast Cancer Network. The Field of Women will be held in Sydney this year, on Sunday 27 October. This is presented every year at this time and is a moving and powerful display of pink and white silhouettes of women to highlight the impact of breast cancer in our community. A mini Field of Women outside the ACT Legislative Assembly last Tuesday, 15 October, also supported breast cancer awareness.

We need to support and maintain all of these efforts to ensure advances in community awareness, in research and in the treatment of breast cancer. I urge all of my Senate colleagues to take an interest and encourage women with breast cancer in the various support groups in their advocacy of increasing the amount of research into this problem that afflicts so many women.

**Grocery Industry: Australian Competition and Consumer Commission Report**

**Senator MURRAY (Western Australia)** (7.19 p.m.)—I rise to speak on the September report of the ACCC to the Senate on prices paid to suppliers by retailers in the Australian grocery industry. The report was a response to an order of the Senate dated 8 February 2001, initiated by me. At the heart of this report is the question of fair competition. It is not a question of whether the supermarket sector will continue to be dominated by Coles and Woolworths, because plainly that is likely to continue to be the case for the foreseeable future; it is a question of whether there will be sufficient competition allowed to those two, whether there will be sufficient diversity of choice allowed to counter the dangerous oligopolisation of the sector and whether there will be sufficient critical mass to nurture the independent sector so essential to our social and economic fabric. The Baird committee report two years ago sounded strong alarms. This ACCC report adds to the concerns.
In the past decade consolidation within the grocery retailing and wholesaling sector has been rapid. In 1991 there were 11 major players. There are now four, including Woolworths and Coles, which jointly hold almost 80 per cent of the national market for branded packaged grocery products. Australia now has the most highly concentrated grocery industry in the developed world. In passing, I might say that I fear it will get worse if Graeme Samuels, the putative replacement for Allan Fels, turns out to be Australia’s own version of Harvey Pitt.

Compare the almost 80 per cent of national market share held by Woolworths and Coles with the 34 per cent held by the top five supermarket companies in the United States, the 52 per cent held by the top three in the United Kingdom, the 53 per cent held by the top three chains in Germany or the only seven per cent held by the top five supermarket companies in Japan. While the number of major players in the Australian grocery industry fell from 11 to four in the decade to December last year, the number of independent grocery retailers fell by about 50 per cent, according to the Australian Bureau of Statistics—from 8,270 stores in 1992 to 4,197 in 1999. Do Australian governments really want the destruction of the grocery small business sector to continue?

Regrettably, the ACCC report is based on limited data, and that is not their fault. Fifty significant suppliers were approached; of the 35 responses, only 19 provided a sufficiently detailed and cooperative response. I cannot help but harbour deep suspicions as to improper motives for non-cooperation. Alternatively, were any suppliers put under duress not to cooperate? My advice to the ACCC would be: quite a number of suppliers evidently have something to hide or were forced to go to ground; go back and dig some more.

In essence—and it is no surprise—the ACCC confirms that Woolworths and Coles get the best supplier price more often than their competitors do. Some people might presume that this is because of the economies of scale which accrue from the mere size of those supermarket chains, but that is not always so. Grocery suppliers prices are determined by efficiencies within their own operations, as well as by the size of the purchase order. Typically, a major supermarket chain buying product from a manufacturer for delivery to one or more of its distribution centres will order quantities similar to those ordered by the major wholesalers supplying the independent sector. They are very similar customers in size terms. Yet the chains are often given or extract a price advantage over their competitors, giving them an obvious competitive advantage over similar sized buyers.

Why do Woolworths and Coles get the best available price more frequently than the wholesalers? The report does not resolve this critical issue, and that is a failing that must be addressed. The report does point to the need to consider whether suppliers are ever victims of intimidatory behaviour by the chains, as is alleged. Chart 5.3.2 of the ACCC report indicates that in 1999-2000 the major supermarket chains enjoyed a price advantage expressed as a ratio of 10 to four; in 2000-01 it was a ratio of 12 to eight. The question must be asked: are the grocery suppliers at times vulnerable to an undue exercise of market power? Most significantly, the Australian Food and Grocery Council, which represents the major suppliers to the grocery industry, observed in its submission to the ACCC that:

... there exists a disproportionate distribution of power in favour of the retailer/wholesaler over the supplier in the Australian grocery sector ...

The independent sector begins each day at a competitive disadvantage versus Woolworths and Coles. Their disadvantage begins with the prices they can get from their suppliers—the ACCC has demonstrated that fact. The ACCC report clearly indicates that suppliers have little power in their dealings with Woolworths and Coles. They could be open to commercial duress or pressure as a result of that market power. The suppliers’ peak body, the Australian Food and Grocery Council, admits to their limited countervailing power against their major customers. There are dangers to competition in allowing unfair price discrimination, because the consequent destruction of competitors can lead to the destruction of competition. The ACCC must be aware that chains could use price
favouritism to subsidise lower prices in those markets in which the chain faces competition from independents.

The National Association of Retail Grocers of Australia has argued in its submission to the Dawson review of the Trade Practices Act that the TPA should be amended to introduce a new prohibition against such anti-competitive price discrimination. That would go a long way to guaranteeing a competitive result. It would also give suppliers some comfort in their dealings with powerful chains. NARGA also argues as a corollary that another new prohibition be inserted into the Trade Practices Act to prevent entities with a substantial degree of market power from engaging in coercive or intimidating conduct or conduct inducing a supplier to unfairly discriminate against competitors of the powerful entity.

The Dawson committee needs to have regard to the Baird report and this ACCC report. The specific dangers of price discrimination in a highly concentrated market as outlined in the ACCC report include: the possibility of lower supplier prices to the major supermarket chains being subsidised by high supplier prices to the other buyers; the raising of barriers to new entrants to the industry; the prompting of independent grocery retailers to exit the industry, thereby pushing the independent sector below the critical mass required to sustain a viable competitive force; and reduced vigour in the competitive process and a greater likelihood of parallel conduct or tacit collusion involving those remaining in the industry.

Without the independent grocery retailers, Australian supermarket customers would face the very real danger of a duopoly or oligopoly engaged in market-sharing and profit-taking rather than competition. The ACCC has identified this as a real danger and I quote from its report:

From the earlier discussion of market participants it is apparent that, generally, the supermarket market is highly concentrated. It could become more so if price discrimination in supplying grocery products caused non-chain retailers to incur higher costs e.g. the lower price given to the major chains is 'subsidised' by higher prices charged to other buyers ... If price discrimination resulted in a further increase in market share for one or both of the chains, this would confer even greater economies of scale and scope. It would make viable entry by independents even more difficult and unattractive. Should one (or both) chains raise prices, smaller retailers would then have every incentive to follow suit. Although all independent retailers will not exit, those remaining are therefore unlikely to be a real constraint on the chains ... A reduction in the number of retailers and in diversity might more easily enable parallel conduct or tacit collusion.

That quote indicates the ACCC recognises that there is a problem. I suggest that it needs to do much more about the issue.

Telstra: Communications Infrastructure

Senator WEBBER (Western Australia) (7.28 p.m.)—I rise tonight to talk about the degradation of the Telstra cable network. This, of course, takes place in the context of the proposed sale of the remainder of Telstra. The government would have us all believe that the Telstra network is in perfectly good working order. The people of Australia and potential investors are told that there are no real problems with the network, and Telstra is therefore touted as a good buy. Specifically, we are told that the main cable network is now up to scratch, especially in the Eastern States. The main cable network comprises the trunk cables between the major cities, cables between the exchanges and cables from the exchanges to the pillars—the cylindrical things that are in our streets. This is all in good working order, we are told.

The cables are specially designed to keep out moisture. Under the outer skin, or sheath, there is a space that is maintained under high pressure. This high-pressure area is designed so that, if the outer protective coating is breached, the pressure will keep out the moisture until the cable is repaired. The recommended level for this pressure is 40 kPa. This, I am told, is the standard that Telstra acknowledges. To maintain this pressure, gas is continually pumped into the cables. This work is done by Telstra’s CPAS—cable pressure alarm system—section. In administering this system there are three alarm levels: if pressure falls below 40 kPa, it falls below 20 kPa and if it falls below 10 kPa.

You would expect Telstra to ensure that CPAS is well funded. You would expect that
if the pressure fell below these levels Telstra would do just about anything to get those parts of the main cable network fixed, and fixed immediately. Unfortunately, you would be wrong. Three years ago Telstra spent some $39 million on CPAS annually. CPAS work has now been moved to the Telstra subsidiary for construction and maintenance, Network Design and Construction, or NDC Ltd. What value do you think Telstra would put on that business? Once it was outsourced to its wholly owned subsidiary, Telstra reduced its spend on CPAS to $20 million annually. I am led by those within NDC Ltd to believe that this is now going to be reduced to $12 million annually. This will mean that NDC Ltd will have to further reduce costs. Honourable senators will not be surprised to hear that this will therefore mean further job losses.

Telstra and the government are telling all and sundry that the main cable network is up to scratch. Looking at the decrease in funding to CPAS over the last three years, you would think we could assume that the main cable network is in good shape. How could you explain a reduction from $39 million to $12 million in three years unless this was the case? Telstra and the government must be right, apparently, and not simply fattening up the bottom line to make it a good buy for the investors. Surely that is the case. Upon further investigation, it would seem that it is not. The pressure rates in the main cable network do not support that assumption. In fact, if you look at the figures for just one day, you will see some very scary numbers. In the New South Wales region, where there are 4,138 cables, 77 per cent of cables were operating at less than 40 kPa; 1,884 were operating at less than 20 kPa. The numbers from other regions are part of the same grim picture. In South Australia, 83 per cent of the cables were operating with a gas pressure of less than 40 kPa; 1,884 were operating at less than 20 kPa. The numbers from other regions are part of the same grim picture. In South Australia, 83 per cent of the cables were operating with a gas pressure of less than 40 kPa; 1,884 were operating at less than 20 kPa. The numbers from other regions are part of the same grim picture. In South Australia, 83 per cent of the cables were operating with a gas pressure of less than 40 kPa; 1,884 were operating at less than 20 kPa. The only shining light was Victoria, where only 42 per cent of the cables operated at less than 40 kPa.

What sort of shape is the main cable network really in if on a single day so much of the network was operating well below the standard that Telstra itself acknowledges? It seems the height of folly for anyone to be promoting the view that the network is in such good shape when clearly it is not. This same gilding of the lily in a normal share float would, I believe, be the subject of an investigation if it were included in a company’s prospectus. But when the government and Telstra are running a line, what hope is there for the ordinary investor? What hope is there that this information will be made public?

The other issue that needs to be of concern to all of us is that the sale of Telstra is also about job shedding. The three-year reduction in funding for CPAS means that jobs are disappearing. Technical and maintenance positions are being shed so that the bottom line looks good. I am advised that NDC Ltd currently proposes to shed eight jobs in Perth and Adelaide, five in country New South Wales, 12 in Sydney, three in country Victoria, six in Melbourne, six in country Queensland and six in Brisbane. I am told that this is part of a plan that has already seen the loss of some 400 jobs, with rumours of even more to follow. That is what this all comes down to: cut the costs to improve the bottom line, get a big return for the government from the sale of Telstra and use that to fund the next round of election cycle giveaways; put jobs at risk, put the main cable network at risk so that the government can pork barrel its way back into office, and put at risk the ability of people from regional and remote Australia to be able to communicate with one another. NCD Ltd workers, Telstra shareholders and consumers and the Australian taxpayer deserve far better.

Insurance: Public and Professional Liability

Senator RIDGEWAY (New South Wales) (7.35 p.m.)—Firstly, I would like to highlight a few recent events that have brought us to where we are today in relation to the national insurance crisis. Even putting aside the impact of September 11 on the global insurance industry, a number of local events highlighted by the media added panic, disruption and dismay to the general public’s understanding of the current insurance crisis.
On 15 March last year, HIH filed for voluntary liquidation. As it was the largest underwriter of public liability policies, this had a significant effect on the closure of community events. On 5 November last year, there was much media attention on the damages payout of $13 million to Calandra Simpson, who suffered tetraplegia as a result of a botched forceps birth.

On 3 May this year, and leading up to this date, the provisional liquidation of United Medical Protection caused panic throughout the health industry and certainly disrupted the delivery of essential medical services. On 13 May this year, there was widespread reportage of, and public outcry at, the outcome of a negligence claim against the Waverley Council that resulted in a damages payout of $4 million dollars. The attention devoted to this topic has since spiralled and has maintained prominence in the media and in people’s minds as the insurance crisis has developed, not only because this issue now affects all of us in some way but also because the fundamental issues underlying this crisis generally remain unaddressed.

The New South Wales government’s response to the issue was based on criticisms of the legal system and the blow-out in the cost of claims. However, sweeping statements of reform were delivered without any real statistical evidence in this area to back them up. Premier Carr on that occasion led the charge on a wave of reforms that were essentially designed to cure the insurance crisis and ensure the availability and affordability of public liability and professional indemnity insurance. It was always seen as a noble task, but what was the premise for making such sweeping tort law reforms? It seems to me that there should have been a commonsense approach which would begin with the question: what was the cause of the current crisis? Unfortunately for the people of my home state of New South Wales and for the rest of the country, it seems that commonsense was not the motivating factor behind these insurance solutions.

What do we really know about the blow-out in the costs of claims themselves? We know that there are a handful of cases that appear to be outrageous in terms of what we understand to be justice in particular circumstances. However, we also know that there are competing statistics regarding claims size and number. According to Insurance Statistics Australia, there has been no overall increase—and perhaps some reduction—in claim numbers in more recent years. For instance, in 1996 there were approximately 10 claims per $100,000 premium. In 2000, there were approximately eight claims per $100,000 premium.

At the Ministerial Meeting on Public Liability Insurance held on 30 May, ministers agreed that the lack of comprehensive data on the costs of claims was a significant constraint in the appropriate pricing of premiums by the insurance industry for the not-for-profit sector, adventure tourism and sporting groups. The Ipp report on negligence that came out of that process also noted that there was a lack of empirical evidence in relation to claims costs. Despite the lack of data, all of the governments and states have been prepared to endorse tort law reform—in essence, limiting people’s right to sue and the size of payouts—as the solution to the public liability crisis, on the assumption that it is the primary cause of the problem.

I guess the thing that needs to be raised is that the absence of solid claims data means that not only is it impossible to be sure that tort law is the cause of the current crisis but also it will be difficult to assess the effectiveness of the reform process itself. Whilst there has been no time wasted in moving to limit individuals’ rights, regardless of the lack of claims data, the community has not been guaranteed anything in return. There has not been any discussion on what measures should be put in place to encourage a safer community or how the future medical and financial needs of victims of serious injury would be addressed and how the party responsible for the injury will be deterred from future negligent acts or omissions.

Today’s tabling of both the Senate Economics References Committee recommendations and the Australian Democrats’ supplementary report on the national insurance crisis again highlights these issues as well as the pressing need for a greater role for the
insurance industry in any solution to the current situation. The state and federal governments have not only failed to come up with a solution that addresses the crisis but also left out the role that the insurance industry needs to play. I think that the insurance industry have come out of this as privileged in being overlooked as having some responsibility for those things that have caused the current crisis.

From the creation of UMP—the largest medical insurer in Australia, with coverage of about 60 per cent of medical practitioners nationally and 90 per cent in New South Wales alone—until its collapse, it pursued an aggressive, irresponsible and unsustainable market growth strategy that undoubtedly contributed to the state it is in today. Whilst the provision of medical services is vital to the health of all members of the community, pressure from the AMA and the government’s attempts to bolster UMP—an unregulated, unscrupulous insurer—highlight the quick-fix solutions that have typified the current government. At the same time, other non-specialist medical professionals, such as practitioners in Aboriginal medical services, are experiencing increases in professional indemnity costs of around 150 per cent.

Another shameful example is the fact that there is no insurance policy on the table for independent midwives. Midwives in this country attend 98 per cent of all births, yet childbirth medical specialists, who attend 10 per cent of births, look to be in line for special status in the government’s quick-fix solution. I believe that it is imperative that the focus here be on long-term, broad-ranging solutions rather than on supporting non-viable insurers for some groups and ignoring the plight of other equally viable and important professions. At the end of the day, this affects all of us.

If the government cannot provide guarantees for the whole of the community to overcome the current insurance woes, then the government must ensure that the insurance industry is also part of that solution. The government has to restore some balance to their solution so that the winners are not just the big end of town, such as UMP, the AMA and the insurance industry. The great danger that I believe we now face is that the tort law reforms that have been implemented will have a major impact on the ability of the injured to realise their long-term financial and medical needs.

The problem is that the move to solve the insurance crisis in this way shifts all responsibility away from the negligent and towards the public purse and the community. Without necessary protection and safety standards for the community, it seems that insurance pricing may very well be the least of our problems. We have to ensure that we have mechanisms in place that encourage people to minimise the risk of accidents and that those who are injured are properly cared for. Shifting the blame to the individual so that the insurance industry is better off in the short term does not address the real causes and problems that are currently facing the community.

Science: Nuclear Waste Storage Facility

Senator WONG (South Australia) (7.44 p.m.)—I rise tonight to speak on the issue of this government’s continued attempts to impose a nuclear dump in South Australia against the wishes of the South Australian people and against the express wishes of the South Australian parliament. We saw today in question time Minister Alston failing again to come clean from the government’s perspective on the issue of the intermediate waste and the government’s plans for an intermediate-level waste dump in South Australia. The government has failed to indicate clearly what its preferred sites are for an intermediate-level waste dump. It has attempted to keep that secret, meanwhile
moving on the issue of what it calls a low-level and short-term intermediate waste repository. For those of you who do not know, the short-term intermediate waste is proposed to be dumped in South Australia has a half-life of up to 30 years. It is not what most people would consider to be a short-term issue.

As bad as the issue of the repository is, and as bad as it is that this government is seeking to impose on South Australia a low-level and short-term intermediate-level waste repository, even worse is its clear but secret agenda to impose an intermediate waste dump on South Australia. Today we saw in the South Australian parliament Premier Rann making public leaked documents which show that this government plans to spend $300,000 of taxpayers’ money to soften up the South Australian public on the issue of the nuclear dump. If it is as easy as Minister Alston appears to say it is— that is, it is good public policy and logical to put it in South Australia— why are you spending so much public money on softening up the community to try and convince them that this is not a bad idea? The reason is that 87 per cent of South Australians understand this issue and do not want the nation’s nuclear waste in their backyard.

The intermediate-level waste dump is a matter that Senator Minchin, when he was the minister, was pretty quiet on for a fair bit of time. He was prevaricating on the issue of co-location—that is, whether he would seek to locate the store of intermediate-level waste with the low-level waste repository which is targeted for South Australia— because he obviously thought politically it was too much of a pill for South Australians to swallow to have both the low-level waste, which everyone keeps talking about, and the intermediate waste, which is substantially reactor waste.

What this government did in relation to the Lucas Heights reactor was to ensure that the requirement that was in the Senate committee recommendations and the environmental assessment report produced by Environment Australia—the requirement that there be an adequate waste management plan prior to the construction of the facility— was ignored. The government have simply pushed that issue—of how they will manage the waste from the new reactor at Lucas Heights—off into the future. The reason is that they want to go as far down the track as they can, firstly on the construction of the new reactor and then on the introduction and the establishment of a nuclear waste repository for low-level and short-term intermediate-level waste in South Australia, so they can then be in this policy bind where they say: ‘We have to get rid of the reactor waste. It is silly having it in Sydney. Let’s truck it across the country and put an intermediate-level waste storage in South Australia.’ That is the reality.

Senator Lightfoot—There is no reactor waste. It is going back to Argentina.

Senator WONG—If this government were really able to defend their decisions and their agenda, why would they need to be spending $300,000 of taxpayers’ money on softening up the South Australian public on an issue that is clearly against the interests of the community?

Senator Lightfoot—You clearly don’t know what you are talking about, Senator Wong.

Senator WONG—It is really interesting that we have senators in this chamber who say that we do not know what we are talking about. We do, actually. We know that this government has a clear agenda for South Australia to turn it into the nation’s storage facility for nuclear waste. If that is the sum total of your agenda for South Australia, I am sure South Australians will take notice of that.

The government’s agenda is to bury the low-level waste, which is not world’s best practice. Burial is the cheap and nasty option and there have been a number of reports—including a report of this chamber, entitled No time to waste—which have recommended above-ground storage of low-level waste. Burial costs less but it is pretty hard to undo. The government is nevertheless going down that path.

It really is the issue of the intermediate-level dump which is the most difficult for South Australians to swallow. As I say, this government is proposing to spend taxpayers’
money on trying to soften up the community to accept a situation where we are going to accept nuclear waste from around Australia in South Australia. As Premier Rann has put it, there is no state that has actually been seeking that South Australia store its waste. The only government that is seeking to impose this upon South Australia is the Commonwealth government, and it is doing so against the express interests of the community and against the legislative intent of the South Australian parliament. It simply demonstrates the Commonwealth government’s arrant disregard both for good policy in this situation and for the interests of the people of South Australia. It is time the government came clean and was up-front with the South Australian people about where it proposes to locate the store—that is, the nuclear waste facility for intermediate-level waste, substantially reactor waste—but of course it will not. Minister Alston refused to indicate that today, and that has consistently been your position, because you do not want to tell them what the truth is.

Senator Lightfoot—How about you telling the truth?

Senator Kemp interjecting—

Senator WONG—You accuse us of running a scare campaign. I simply say this: if it is not your agenda to put an intermediate-level waste dump in South Australia, then why don’t you come out and say it?

Battle of El Alamein

Senator MARK BISHOP (Western Australia) (7.51 p.m.)—I rise to draw the Senate’s attention to the impending 60th anniversary of the Battle of El Alamein, a battle which took place late in October 1942 in North Africa and which involved Australia’s 9th Division. Before I do that, though, I would like to recognise the importance of the various programs of commemoration supported in a bipartisan way, whereby the parliament and the Australian people are encouraged to remember and learn about the deeds and exploits of previous generations who served on behalf of the Australian people. It is very important that as time passes we pause to think back—of the pain, the suffering and the deprivation of war, as well as of the courage and the commitment of the persons involved. Not only does this reflection help to bind the generations and continue that sense of national identity which comes from the sharing of wonder and gratitude for what was endured, but at this particular time it also reminds us of the real cost of war in human terms.

War is truly an awful thing. Not only does it impoverish nations for generations, it destroys life and parts of civilisations for a very long time. As we reflect, therefore, we need to appreciate that cost and the justification that is necessary before we proceed to inflict that cost further. As we are collectively engaged in that debate right now with respect to Iraq, it is salutary to remember events of the past as a benchmark at least, against which we can measure that justification, and with full knowledge of the real cost.

If we look back to the years of 1941 and 1942 in particular, justification of our role in war was not an issue. There was no choice. The mad men of Germany, Italy and Japan were on the rampage and world domination was their single aim. We were at war all over the world. 1941 was a very dark year. Apart from early successes by the Australian 6th Division against the Italians in North Africa and some other gains in the Middle East by the 7th Division, the progress of the Germans into North Africa, Russia, Greece and Yugoslavia was seemingly inexorable. The 9th Division became besieged at Tobruk and Crete fell at the end of May, with many Australians taken prisoner. In November both HMAS Sydney and HMAS Parramatta were sunk, followed shortly thereafter by the Japanese attack on Pearl Harbour.

By the start of 1942 the war was suddenly very much closer, with Australia torn between its commitments in the Middle East and North Africa on the one hand and in our near north, where retreat before the Japanese was well under way, on the other. Singapore fell on 15 February and Darwin was bombed four days later. Surrender to the Japanese at Ambon, New Britain and Java added to our pain and loss. Yet, faced with this impending peril on our doorstep, we were still fighting the Germans and Italians in North Africa, with a now well documented debate on the
effort of Prime Minister Curtin to bring those forces home. So the darkness continued to spread, with Papua New Guinea invaded by Japan, retreat along Kokoda and major naval losses at Guadalcanal. Yet there were soon to be some rays of light. We have just commemorated the about-turn on the Kokoda Trail, which saw the Japanese tide reversed for the first time, and we are about to do the same with the Battle of Milne Bay, on which I spoke in this chamber some weeks ago. And here I must express my gratitude for the opportunity to be able to accompany a party of veterans back to Milne Bay and Popondetta at the end of this month.

At the same time, our troops under British command in North Africa were about to have some success as, on 23 October, the Battle of El Alamein commenced under Montgomery. It is fair to say that without the 9th Division it might never have achieved its objective without extraordinary extra cost. Strategically, North Africa was vital. The German objective pressing east was clearly to seize Egypt and the Suez Canal—a major allied lifeline. Possession of the northern coast was either a defence of southern Europe for the Axis or a springboard for invasion by the Allies. Just as the success of the Australians along Kokoda was a critical turning point, so was El Alamein for it turned the German juggernaut into retreat for the first time. Again, it was the Australians in the form of the 9th Division who were so critical. The British 8th Army, of which the Australian 9th Division was but a small part, was faced with an enormous task. The front was very long—over 14 kilometres—but the allied forces were clearly superior in strength, with 220,000 men, 1,100 tanks and 900 field guns. Against that, Rommel had 180,000 men, 600 tanks and 500 guns.

Much has been written on the conduct of this battle, with interesting comparisons between the strategies of Montgomery and Rommel, but the critical thing for Australia was that it was the 9th Division, which had the northern coastal sector, which gained the early initiative along the coast and bore the brunt of Rommel’s assaults. In short, by doing so, it is said that Rommel’s losses and diversion of forces from other sectors quickly allowed Montgomery and the rest of the allied force to break through to the south with relative ease in Operation Supercharge. The battle raged 60 years ago, from 23 October until 5 November when Rommel, in disobedience to Hitler, turned and fled.

Montgomery became a hero, but beneath him, as we know, there was a gallant band of Australians without whom his task would have been immeasurably more difficult—a fact which he, to his credit, was quick to acknowledge. But there was an awful cost and, returning to my opening thought on the need for justification of war, we need to remember that 660 Australians died at El Alamein, almost 2,000 were wounded and 130 were taken prisoner. While Australians comprised only 10 per cent of the total force, the casualty ratio was 22 per cent. That in itself is awesome testament to their effort. I relate that to the Senate this evening not only as a reminder of the nature of military commitment and the responsibility we bear but also in commemoration of those who served.

It would be remiss of me, too, to overlook in my tribute to these veterans the outstanding leadership provided by the then Lieutenant General Leslie Morshad. Clearly, from what has been written, he was an outstanding commander, possessing all the skills of leadership and determination which are more often judged to have been lacking in so many others. Much has been written on the relative competence of military leaders. As Australians, of course, we are quick to deride what has often been described as the ineptitude of the British officer class, particularly in World War I in France and at Gallipoli. To be fair, though, the same criticism has been levelled at some Australian officers. Sir Leslie Morshad, however, is written of in very high terms, and his politeness and deference to his British commanders is said to have covered an inner frustration which, fortunately, was something shared by Churchill, resulting in the appointment of Montgomery.

There is more to it than that, though, for it seems that his frustration also included the failure to gain sufficient support when he so needed it. The failure of the British armour—so necessary in the early days of El Alamein—to arrive as scheduled, exposing
the 9th Division to the full front of Rommel’s panzers, was a case in point. It is gratifying, though, that not only was Montgomery quick to give credit but so were Churchill and the British Crown, who recognised his effort immediately with the award of Knight Commander of the Bath.

As 23 October approaches, the 60th anniversary of the Battle of El Alamein, we should all stop to remember the significance of that time in our history and to remember those who were lost to their families and to the nation. We should also remember that, for those who were fortunate to return home immediately after the battle, the task became even tougher as they took on the Japanese in the jungles of Papua New Guinea, where they again fought for their country, this time in its direct defence. We should also send our best wishes to those veterans who have recently made the pilgrimage back to the battlefield of El Alamein. We wish them well.

**Senate adjourned at 8.00 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Australian Film Commission—Report for 2001-02.
- Australian Film, Television and Radio School—Report for 2001-02.
- Australian Fisheries Management Authority—Report for 2001-02.
- Australian Industrial Relations Commission and Australian Industrial Registry—Reports for 2001-02.
- Australian Transaction Reports and Analysis Centre (AUSRAC)—Report for 2001-02.
- Dairy Research and Development Corporation and Dairy Research and Development Corporation Selection Committee—Reports for 2001-02.
- Defence Housing Authority—Report for 2001-02.
- Department of the Prime Minister and Cabinet—Report for 2001-02.
- Film Australia Limited—Report for 2001-02.
- Fisheries Research and Development Corporation—Report for 2001-02.
- Grape and Wine Research and Development Corporation and Grape and Wine Research and Development Corporation Selection Committee—Reports for 2001-02.
- Indigenous Land Corporation—
- International Air Services Commission—Report for 2001-02.
- Land and Water Resources Research and Development Corporation and Land and Water Australia Selection Committee—Reports for 2001-02.
National Registration Authority for Agricultural and Veterinary Chemicals—Report for 2001-02.
Rural Industries Research and Development Corporation and Rural Industries Research & Development Corporation Selection Committee—Reports for 2001-02.
Sugar Research and Development Corporation and Sugar Research and Development Corporation Selection Committee—Reports for 2001-02.

The following documents were tabled by the Clerk:
Commonwealth Authorities and Companies Act—Notice under paragraph 45(1)(c)—Membership of Aboriginal Hostels Limited.