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Wednesday, 10 September 2003

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

RESTORATION OF BILLS TO THE NOTICE PAPER

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.31 a.m.)—At the request of Senator Coonan, I move:

That:

(a) the second reading of the Superannuation (Surcharge Rate Reduction) Amendment Bill 2003 be restored to the Notice Paper and be made an order of the day for the next day of sitting; and

(b) that bill may be taken together with the Superannuation (Government Co-contribution for Low Income Earners) Bill 2003 and the Superannuation (Government Co-contribution for Low Income Earners) (Consequential Amendments) Bill 2003 for their remaining stages.

Senator SHERRY (Tasmania) (9.31 a.m.)—The Labor Party will not be opposing this motion, but I make a couple of comments because there are some fairly unusual circumstances surrounding the restoration of these two bills to the Notice Paper. Some senators at least may be aware that the legislation proposed to be restored to the Notice Paper contains a measure to reduce the tax rate for high-income earners with respect to their superannuation, coupled with a measure matching contributions by government to voluntary additional contributions to superannuation for low-income earners. Those two matters that are coupled together have been well canvassed in their original form both in the Senate chamber and in the Senate Select Committee on Superannuation when examining the details of the two proposals.

We now know that the two proposed measures have been substantially changed as a result of a package deal, an agreement, between the Australian Democrats and the government. I do not complain about that. They got a deal; that is their prerogative. However, the nature of the deal means that the legislation is substantially different from the bills that have been examined in detail by a Senate committee and by this chamber on a previous occasion. So there will not be the same opportunity to examine the details of the package of measures that have been agreed to between the government and the Democrats. There will not be the same opportunity either before a Senate committee or before the estimates committee, where the original proposals were examined.

Senator Ferguson—Can’t you understand them?

Senator SHERRY—I certainly understand them.

Senator Ferguson—You’re so dumb you want another hearing!

The PRESIDENT—Order!

Senator SHERRY—I will take that interjection. Obviously it will be put in Hansard. If you want to make that sort of stupid comment, and you want cooperation in dealing with these issues and you want to minimise the time wasted in the chamber, then that is an example of the sort of stupid comment that we should not be getting. The Labor Party will not be opposing the motion. However, it is my understanding that the government, certainly when notifying the Labor Party yesterday afternoon that it intended to list this motion this morning, intended to deal with these bills on Thursday. I indicate that, whilst we are a cooperative opposition, we want to deal with this legislation and there is a deal between the Democrats and
the government, I think it is totally unrea-
sonable to expect this chamber to deal with
these bills on Thursday—not just from the
Labor Party’s point of view, I might say. We
obviously have significant resources and
expertise in this area, but I think it is very
unreasonable to expect the chamber to deal
with what is a significantly rewritten pack-
age with significant implications. It is very
unreasonable to ask certainly the Independ-
ent senators and the One Nation senator to
deal with that sort of detail on Thursday of
this week without the opportunity to go
through the traditional Senate process. It is
very unreasonable.

I understand, because I have spoken to
Senator Cherry, who has spoken to the gov-
ernment, that these bills will not now be
dealt with on Thursday. That is fine. I know
that, as a matter of courtesy, the office of the
Minister for Revenue and Assistant Treasurer
did ring my office and inform us that it was
proposed to put the Superannuation (Sur-
charge Rate Reduction) Amendment Bill
2003 back on the Notice Paper this morning.
However, they did not inform us that the Su-
perannuation (Government Co-contribution
for Low Income Earners) Bill 2003 was in-
tended to be put back on the Notice Paper
this morning. I would assume, as a matter of
courtesy, that the minister’s office should
have informed us, in trying to maximise co-
operation and placement of the program, that
both bills were intended to be put back on the
Notice Paper—but that was not done. It
would have been nice to have been told that.
I do not know what those on the cross-party
benches were told, but it would have been
nice if in a spirit of cooperation they had
been informed that these bills—or certainly
one bill—were intended to be put back on the
Notice Paper and dealt with on Thursday.
I make those comments about process.

Finally, we do not have the opportunity to
examine what is a major package. I am not
going to the merits or otherwise of the pack-
age, but there are very substantial changes to
what was originally presented to the Senate
through committees and through the cham-
ber, where we had the opportunity to ask
questions and debate these measures. The
very substantial changes do require some
considerable—

Senator Ferguson—It’s a change in the
rate and a change in the—

Senator SHERRY—It is not that simple,
Senator Ferguson. Because of those changes
a series of questions arise in respect of the
assumptions made by the government about
the costings of its proposal: the take-up rates
at low- and middle-income levels—up to
$40,000, for example—who benefits and the
number of people who are assumed to bene-
fit. All those assumptions will have to be
made in costing the proposal. It is the same
with the tax cut for high-income earners.
What are the numbers of people that will
benefit? At what income levels? For exam-
ple, at what level do politicians benefit?
These are the sorts of detailed questions we
will not have the opportunity to pose, and
hopefully receive a response to, because the
normal processes in examining these bills
will not apply.

I want to make it very clear to Senator
Campbell that, when Senator Coonan pre-
sents these bills and we move into commit-
tee, the Labor Party expect advisers to be
here to be able to answer detailed questions
on the sorts of issues that I have just touched
on. That should not be any surprise to you.
We would expect detailed answers on the
costing assumptions of the new package. I do
not think that is unreasonable. We do not
want ministerial waffle; we want detailed
answers and we want advisers here. If you
want cooperation on the program—and we
do not want to unnecessarily prolong debate
on these two measures once they are consid-
erected by the Senate—we want detailed answers to the questions that will be posed in the committee stage; otherwise, we could be dealing with these bills for longer than would be necessary.

With those particular comments, the Labor opposition do not oppose the bills being placed back on the Notice Paper and we look forward to dealing with this package, whether it is next week or in a following sitting week. I wanted to make sure those comments were put on the record, because we did have some concerns about the process and our ability to analyse who will benefit, or allegedly benefit, from these two measures.

Senator BROWN (Tasmania) (9.40 a.m.)—The Greens oppose the sudden reinstitution of these measures onto the Notice Paper for the purpose of debating them tomorrow. I hear Senator Sherry say the government has made a commitment that the debate will take place next week. We share the same concern that the information base is not available to the Senate; therefore, the interaction with the community that is required for important legislation like this is not able to proceed as it should. There has been a deal made with the Democrats to allow for the two pieces of legislation. On the one hand, there is ostensibly an advantage in superannuation through copayments being made by the government to match payments up to $1,000 by low-income earners—people earning up to $27,000 a year—but the real drive in these two pieces of legislation is the reduction for high-income earners from a 15 per cent surcharge to a 12½ per cent surcharge. That is going to be a $100 million break for the already rich, including every member of this chamber. Under the standing orders we will all be required to declare an interest—and I do so now—in the forthcoming debate on these matters.

Obviously, we are not going to be able to prevent the sudden reinstitution of these measures onto the Notice Paper. They have to be debated, of course, and we will be taking part in a vigorous debate on the legislation next week. I can tell the house that the Greens will be moving very strongly to amend this legislation so that the $100 million that will help increase the gap between rich and poor in this country is, rather, committed to decreasing the gap between rich and poor in a country that the Prime Minister espouses has the motto of ‘A Fair Go’.

Very early on I also flagged the concern of community interest groups on this, who point out that even the low-income earners are not going to be able to put out the $1,000 a year. People on under $27,000 are not going to be able to afford $1,000 a year to put into a superannuation scheme to get the matching grant from the government, unless they are spouses of high-income earners. So it is really a double benefit for the rich that is being put forward here, and I really do not know how the Democrats fell into that trap. But we will have a debate on it next week.

I can also flag that it again raises the opportunity to remove the discriminatory Commonwealth legislation against same sex and other partnerships in superannuation. The states have done so. The Labor government in Tasmania, supported by the Greens, brought in sterling legislation on that just a week or two ago.

Senator Sherry—I did have the same thought.

Senator BROWN—I will be facilitating the opportunity for Labor to support that as well; and I hear the Democrats are looking forward to it as well. It is a very important opportunity and I will be circulating an amendment to that effect later in the day. I flag to the government some substantial debate next week when this legislation comes
on, and some important amendments to improve social justice in this country rather than to make things worse, which is what this legislation does.

Senator CHERRY (Queensland) (9.45 a.m.)—The Democrats will be supporting this motion, but I note the concerns of Senator Sherry that we really should debate this legislation next week rather than this week. That is certainly the view the Democrats have put to the government. I would expect that view to be taken on board.

Senator CHERRY—Exactly: it is just a mechanical motion. I note for the record that this matter was dealt with by an extensive Senate committee inquiry. Senator Brown referred to the need for information. Senator Brown was not at any of the committee hearings; I was, and a lot of issues that Senator Sherry raised about possible take-up rates of the co-contribution were canvassed in some detail. I would be interested to see what further issues will be raised in the parliamentary debate next week. I really cannot see what new issues could come out other than the material we have already had before the Senate committee and when we went through this legislation a couple of months ago.

It has always been my preference for these two bills—the Superannuation (Surcharge Rate Reduction) Amendment Bill 2003 and the Superannuation (Government Co-contribution for Low Income Earners) Bill 2003—not to be dealt with together, but the government has made it clear that they are a package and, with some reluctance, the Democrats have agreed to deal with them on that basis. The concern which we felt always was that the principal criterion should be to ensure that maximum benefit went to low-income people. In the package presented to the Senate, 66 per cent of the benefit will go to low-income people—90 per cent will go to low-income people in the first year. The government has made it quite clear, by packaging these two bills together, that one will not pass without the other. That is something which Senator Brown and Senator Sherry will need to take into account in determining whether they decide to spike these bills next week by moving other amendments. The Democrats are well on the record as saying that we support reforms to ensure that same-sex couples are recognised, but there is no definition of ‘spouse’ anywhere in either of these bills. The appropriate place to do that is in the choice of funds legislation.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (9.47 a.m.)—What we are doing here today is restoring the Superannuation (Surcharge Rate Reduction) Amendment Bill 2003 to the Notice Paper—that bill was obviously negatived on 24 June. The Superannuation (Government Co-contribution for Low Income Earners) Bill 2003 has always been on the Notice Paper. We are doing a mechanical thing here in bringing those two bills together. As Senator Cherry has pointed out articulately, the government has always regarded these bills as a package. They contain measures that only people with an obscure view of the world would view as doing anything other than increasing equity. The Superannuation (Government Co-contribution for Low Income Earners) Bill 2003, with the proposed changes negotiated by Senator Coonan and Senator Cherry, will make a remarkable difference to low-income earners. The co-contribution bill will make a remarkable difference to the opportunities, economic security, empowerment and self-esteem of low-income earners. I was astounded to see an organisation like the Australian Consumers Association comment on this legislation—no, I was not astounded; they were right on the hymn sheet of an or-
ganisation that seems to have become part of the Australian Labor Party. Catherine Woithuizen of the Australian Consumers Association said that low-income earners cannot afford to save for their retirement. What a stupid, paternalistic thing to say.

**Senator Mackay**—You’re debating the bill.

**Senator IAN CAMPBELL**—No, I am addressing what Senator Brown said. He said that this is going to worsen the difference between the rich and the poor. It is actually going to give poorer people in Australia a serious opportunity to provide for their financial security, by the government matching their $20 a week contribution with a $20 a week government contribution. Mr Acting Deputy President, I think you would be pleased to know that, if you are earning around $27,000 a year and you start putting $20 a week into a superannuation policy, which is matched by the co-contribution in this legislation which we are seeking to debate in the Senate, and if you keep saving, with very standard assumptions about income growth and—

**Senator Mackay**—You’re debating it.

**Senator IAN CAMPBELL**—I am responding to a debate.

**Senator Sherry interjecting**—

**Senator IAN CAMPBELL**—Yes, we are going to have a debate. Senator Sherry has said that we should have another committee reference. Every time you have a renegotiation or discussion, we have to go through some other process, and I am going to respond to the points because there is a very important point to make here. Senator Brown said that this widens the gap between the rich and the poor. What it actually does, Senator Brown, is empower poor people and say to them, ‘We’re not going to say that you’ve got to be on the pension, you can’t have retirement savings and you can’t have superannuation. Only the middle-income, chardonay socialist set can have superannuation. Only the middle class can have it.’ As Liberals who believe in empowering people and giving people opportunities, we are saying, ‘We will help you up. We will allow you to make provision for your own retirement and we won’t condemn you to be on the pension.’

What happens to that person who is on $27,000 a year who starts saving and getting a hand from the government is that, by the end of their working life, when they are 65, they could have over $1 million in superannuation savings—that is, someone on $27,500 now. It is a fantastic measure and on the figures I have—and I am sure Senator Sherry has done a far more detailed analysis of the assistance it can give to the lowest paid—the co-contribution for someone who starts saving at the age of 25 and saves through to the age of 65 will make them around $66,000 better off on retirement.

Senator Brown, I really urge you to look at what this can do for the poorest people in Australia. It is a very sound measure. You can have a disagreement over the surcharge rate reduction—I respect you for doing that—but do not ignore what the co-contribution does as an equity measure for poorer people in Australia. This is a measure designed to bring these bills on. The Senate has voted down the surcharge bill; we are now bringing it back on. We have negotiated—as we have to—to get this package through. All this motion does is bring these two bills together and allow them to be debated. This is a fair process. As I understand it, the minister’s office, and others, did discuss whether or not we could bring them on this week. Senators Sherry and Cherry both said, ‘No, we can’t do it this week.’ so the government is going to do it next week. I find it quite bizarre that we are actually having a debate about this.
Senator Mackay—You’re the one who has had the debate. You could have said it all in two minutes.

Senator IAN CAMPBELL—We could have had a vote—it would have taken three minutes—but Senator Sherry wanted to get up and grandstand. If he wants to do that, I will debate it, Senator Mackay. If you want to have a debate about it, we will have a debate about it.

Senator Sherry—I wasn’t debating it.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Senator Sherry, you are not helping Senator Ian Campbell conclude.

Senator IAN CAMPBELL—I did not start the debate. We would not have had a debate except that Senator Sherry is feeling so—

Senator Chris Evans—You have won the grandstanding award.

Senator IAN CAMPBELL—Thank you, Senator Evans. Senator Sherry is embarrassed about superannuation policy because he has been in and around this portfolio for 7½ years and has not been able to produce a single policy. He has told us that it will be coming in November. We look forward to that. The last time he tried to bring out a discussion paper everyone in the industry basically shot it down in flames. He has just licked his wounds and recovered from that. We look forward to his new policies. When the government finally gets its own policy across the line with the support of the Australian Democrats, who have actually been constructive in this process, Senator Sherry finds it very hard to deal with, so he has to get up and take some sort of obscure technical point. If he thinks he can get up and have a free shot on that without me responding then he has another think coming.

Question agreed to.

BUSINESS
Rearrangement

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.54 a.m.)—by leave—I move:

That government business notice of motion No. 2 standing in the name of Senator Ian Campbell for today, relating to supplementary hearings on the Budget estimates 2003-04, be postponed till the next day of sitting.

Question agreed to.

Consideration of Legislation

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.54 a.m.)—I move:

That the provisions of paragraphs (5), (6) and (8) of standing order 111 not apply to the Australian National Training Authority Amendment Bill 2003, allowing it to be considered during this period of sittings.

Question agreed to.

HEALTH LEGISLATION AMENDMENT (PRIVATE HEALTH INSURANCE REFORM) BILL 2003

In Committee

Consideration resumed from 9 September.

Senator PATTERSON (Victoria—Minister for Health and Ageing) (9.55 a.m.)—I move government amendment (6) on sheet PC210:

(6) Schedule 1, item 68, page 42 (line 20), omit “Refugee or”, substitute “Refugee and”.

Senator CHRIS EVANS (Western Australia) (9.55 a.m.)—Could the minister just provide a short explanation of the amendment? I am not sure if this is a typographical error that is being corrected or whether it is actually a change in policy and I just wanted to double-check. So could the minister give a short explanation as to what is being achieved by this amendment?
Senator PATTERSON (Victoria—Minister for Health and Ageing) (9.56 a.m.)—The purpose of this amendment is to correct an error in relation to the citation of a class of migrant visa.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator PATTERSON (Victoria—Minister for Health and Ageing) (9.57 a.m.)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

QUARANTINE AMENDMENT (HEALTH) BILL 2003

Second Reading

Debate resumed from 21 August, on motion by Senator Hill:

That this bill be now read a second time.

Senator CHRI S EVANS (Western Australia) (9.57 a.m.)—The Quarantine Amendment (Health) Bill 2003 makes sensible amendments that modernise and improve the Quarantine Act 1908 and, in some cases, bring the law into line with current practice. Labor supports all the provisions in this bill, which include a new section, 32B, to enable aircraft to be automatically cleared for health purposes except in specified circumstances. This, I think, reflects the modern reality that it is impractical for a health assessment to be conducted of each plane entering Australia each day. Labor is also glad to see that under this amending bill a person will not need to be shown to have an infectious disease before they can be quarantined because now reasonable suspicion of infection or exposure will be sufficient. Obviously this is an improvement when considering conditions such as SARS or chickenpox where the symptoms of ill health do not necessarily occur until some days after infection.

I am aware that Qantas have had some concerns about this bill and were not consulted about it between 2000 and last week when Labor drew it to their attention. While I understand Qantas’s concerns have been satisfied, I record Labor’s view that it is important that Qantas are afforded full and co-operative consultation while the regulations are developing over the coming months. This is important to ensure that the practical implementation of this legislation is consistent with the intentions expressed; that is, to update legislation and support current practice. Labor supports the bill and will not be moving any amendments.

Senator ALLISON (Victoria) (9.59 a.m.)—The Democrats will also be supporting this bill and will not be moving any amendments to it. We think the quarantine measures that have been put into this bill are sensible and we have nothing further to say about it.

Senator PATTERSON (Victoria—Minister for Health and Ageing) (9.59 a.m.)—Oh, that all bills were so easy! I thank senators for their contributions. I will not outline the reasons for the bill; the details are in the second reading speech. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.
Debate resumed from 21 August, on motion by Senator Hill:
That this bill be now read a second time.

(Quorum formed)

Senator CARR (Victoria) (10:02 a.m.)—I would like to speak today about the Education Services for Overseas Students (Registration Charges) Amendment Bill 2003. The immediate purpose of this bill is to introduce a new regime of registration charges for Australian providers of education and training of international students—that is, institutions, colleges, schools and universities that provide educational service onshore in Australia are required to be registered with the Department of Education, Science and Training. This bill would increase the registration charges substantially, especially as they apply to higher education institutions and other providers with large enrolments. I acknowledge that the Australian Vice-Chancellors Committee has expressed concerns about the potential impact of these increased registration fees, but I wish to return to this matter in a little while.

The underlying purpose of the bill before us is to increase the financial resources that are available to the education department for the monitoring and the compliance activities that it should properly undertake as part of its overall administration of the ESOS regime. I am sure that senators would be too well aware that, in the year 2000, there was a series of five bills passed through this chamber following amendments instigated by the opposition, which introduced a thoroughly revamped, strengthened regulatory framework for Australia’s international educational industry.

A crucial aspect of that raft of legislation was the provision of additional powers, to be administered by the education department and the minister for education, as well as the department of immigration, which were designed to improve the compliance on the part of providers. The government has said in the explanatory memorandum to the bill that is currently before the chamber that the ESOS regime was designed to ensure that only courses and providers registered on the DEST register—that is, CRICOS—can offer courses to students from overseas, that overseas students get what they have paid for by way of education and training that meets appropriate quality requirements and that, where a provider collapses or closes, the financial liability for the provision of tuition fee refunds to the international student does not rest with the Australian taxpayer. Clearly these are principles that I strongly support.

The act came into effect in mid-2001. However, as the government noted, it provided for the enforcement of a new regime which many believed lacked vigour and effectiveness. The government admits this in its own explanatory memorandum, where it says:

Enforcement actions that have been undertaken to date have demonstrated that each case will be time consuming, require intensive investigation and usually be unique in the issues that must be addressed.

The department is limited to acting reactively. The estimates committee has been told that additional revenue collected through this imposition of provider charges would enable DEST to employ an extra 40 staff to engage in compliance activities. I take the view that these staff are sorely needed. As the government itself admits, despite the introduction of the new, tougher ESOS regime, there remain serious risks to Australia’s international educational industry posed ‘by mismanaged and/or disreputable providers
and non-bona fide students’. The explanatory memorandum also says:

... too little action has been taken against rogue providers who, for example, offer courses at below cost to students whose primary purpose is to gain entry to Australia, which calls into question the integrity of the industry as a whole.

This is an industry which is of profound importance to Australia. Its value is about $6 billion per annum. It is one of our most significant export earners. It creates many thousands of jobs for teachers, academics, support service providers and, of course, Australians in the general economy. There are a whole series of people in this country who are directly employed in providing services to overseas students. No matter where the students live and no matter where they travel, as their families are attracted to Australia and there are other benefits through tourism, this becomes a vital, national economic issue.

It is also important for us in terms of our diplomatic standing and our relationships with other countries. The students who come here—and this should be the focus of our attention—should be able to develop lifelong links with this country based upon good, successful experiences and interactions with Australians. Currently, I am sad to say, that is not always the case. This is an industry which has a small but nonetheless significant number of rogue operators who are able to cause immense damage to the overwhelming majority of people who behave properly. Despite the new powers under the ESOS Act, the government has not dedicated sufficient resources to enforcement and compliance activities or to our providers to encourage them to ensure that the centre of their operations is the welfare of the students, not the making of money. There is far too much direct evidence now that poor educational experiences in this country are having a detrimental effect on the industry as a whole.

It was Labor that drew attention to these rorts and other behaviours by rogue providers—‘rogue providers’ is the term the government now uses—and the exposure of these rogue providers through this parliament was forced on this government. I believe it is the government’s lack of proactive action against these crooks that, as has been explained to us by so many of our peak educational institutions and industry organisations, has exposed the industry to serious risk. Effectively the education department has relied far too much on meagre resources and far too much on the opposition to do the basic detective work that it should have been undertaking within the corridors of the bureaucracy. It is a fundamental failure on the part of the government because it has taken so long for it to acknowledge its responsibilities in this regard.

The new actions we see here today are a step in the right direction. The processing of framing legislation was, of course, essentially bipartisan in nature. As far as the Labor Party are concerned, we acknowledge that the government is now moving in a bipartisan manner on this issue, but we believe any quality assurance regime should have genuine rigour and not just be another paper tiger. Unfortunately that has all too often been the case. I want to emphasise that the majority of the providers are honest, respectable and genuine in their determination to provide high-quality service, but it takes only a few rotten apples in this barrel to cause immense damage.

I repeat my concerns about the government’s failure to establish an effective fit and proper persons regime with regard to the operations of the ESOS Act. Last year we saw, for instance, the Australian College of Technology in Sydney go bankrupt. It was an outfit run by two colourful identities within the field: Mr Michael Megas and Mr Nabil Nasr. They have, of course, been associated
with a number of questionable providers in the past. There were some 140 students at the college who remained unaccounted for when it collapsed. There were serious sums of money missing and serious breaches of student visa requirements. After the college collapsed, it went into liquidation. The proprietors alleged that they did not have the money to pay out the staff. Taxpayers’ money was required to be used, and $144,000 was paid to bail out the entitlements of former employees. I think this is an appalling situation. It should not have happened. It is an example yet again of where we are able to identify through the parliamentary processes the inadequacies of the government’s actions.

I was given a series of documents in this matter. At the bottom of that very large pile of documents I found a copy of a statutory declaration which attempted to describe the circumstances regarding the sale of this college. The declaration was signed by someone who is now familiar to us all in this parliament: Mr Karim Kisrwani. The document I refer to claimed that Mr Kisrwani was present with Mr Megas and Mr Nasr when they negotiated a possible buyer for the college. Mr Kisrwani has some very interesting business links, as we have seen in recent times. They go all the way to the minister for immigration. It is clear in this case that a couple of convicted embezzlers were able to establish businesses and enjoy the extraordinary licentiousness that is occurring within the international education industry.

I am not suggesting that there is anything wrong with Mr Kisrwani appearing with these two gentlemen, but it does suggest to me that this industry is capable of attracting highly dubious characters. The government must do a great deal more to ensure that the fit and proper persons test is applied in this industry. The international reputation of this country is at risk. At meetings that were held in February this year between a Labor Party delegation and senior officials of the government of the People’s Republic of China—at vice minister rank—those officials indicated to us their concerns. The failure of quality assurance remains one of the greatest stumbling blocks in the development of this industry and the relations between this country and China. The People’s Republic of China has directly requested an intergovernmental working party to move these issues forward. The governments of India and Malaysia, as well as the People’s Republic of China, have indicated to the Australian government their deep concern about the unsatisfactory nature of the quality assurance regime in this country.

A number of universities operating in the Shanghai region have undertaken MBA courses which have been the subject of considerable criticism in China for admitting students who do not meet the criteria for admission to Chinese universities in the same region and for providing courses on a fast-track basis, which means that students are able to exit those programs in a shorter time frame than they could domestically and are on the job market with qualifications that many believe are below standard. Perhaps as many as three out of four of the partnership arrangements are technically illegal because they do not have local registration in the People’s Republic.

The education agents operating in this industry have been allowed to get away with far too much for far too long. There is no effective registration provision for education agents. Agents are providing services for students in a manner which leads me to the view that they are outside the current regime. They are unregulated, they are untrained and they are exposing this industry to great risk. I have evidence before me from the department of immigration regarding education agents operating offshore providing educational services to students. Australian educa-
tion agents recruiting students overseas have had a visa rejection rate of 43 per cent—total rejections being some 16 per cent overall. Some 25 agents are in excess of that average and a further 15 have exceeded the average rate of rejections across the sector as a whole. There is a very high level of refusal rates and cancellations by what I regard as rogue providers in the education agents sector of this industry. There is a basic lack of regulation and quality assurance. There is a desperate need for enforcement action in this area when the legislative framework is put in place, because there is none at the moment.

While a majority of institutions act in a bona fide way, there are problems with the employment of some education agents who have a demonstrable record of failure in regard to the number of student visas rejected. The evidence is available to this government from the department of immigration, yet we hear nothing on these issues from the department of education. Channel 9 has picked up these issues recently and drawn attention to the University of Newcastle, where student plagiarism has clearly gone unpunished—one might argue rewarded—in a desperate attempt to provide students with qualifications which they do not deserve. There is clear evidence of plagiarism. There is direct copying from essays. The whistleblower is the one who is punished, not those who appear to be organising these things.

In my judgment, the franchise arrangements that are occurring across the sector are likely to do considerable damage to the reputation of this industry and this country at serious risk. This is all a direct result of the pressures being placed on universities by the Commonwealth government forcing universities to attract fee paying students. Our reputation is being put at risk by a government whose policies are predicated on the assumption that there are ever increasing numbers of people out there who are prepared to pay for the services provided by universities.

The Commonwealth has a direct responsibility here. It cannot maintain the claim that it is someone else’s fault—be it the states or the universities—for not providing the services for which students rightly pay. It is not satisfactory for the complaints being received from international students about their treatment in this country continuing to go unattended. There is far too much evidence—evidence put before the Senate estimates committee—of students’ unhappiness with the way universities have been treating them. Universities have been isolating them and not providing the full educational experience. They have not been meeting the reasonable and proper demand that international students get the opportunity to mix and work with domestic students, with Australians, so they get the full benefit of their time in this country. International students are all too often treated as cash cows. They are open to exploitation and abuse, which is no credit to this country.

This industry of such importance, which should provide an experience of lifelong value to the students and which ought to be of enormous value to this country, is not being successfully managed, so this industry’s full potential is not being realised. This is a classic case where the failure of the market, compounded by the failure of regulation, has produced a situation whereby this country is the dramatic loser. So, with those words in mind, I suggest that this is legislation we ought to support because it is at least a step in the right direction. It is too little too late but it is better than no action being taken at all. I understand Senator Stott Despoja will be moving a second reading amendment. (Time expired)
Senator STOTT DESPOJA (South Australia) (10.23 a.m.)—Following on from Senator Carr in relation to the second reading amendment that I will move at the end of my comments, I foreshadow that I will amend that shortly. After those spirited words from Senator Carr I actually thought he was going to say that the Labor Party was opposing the Education Services for Overseas Students (Registration Charges) Amendment Bill 2003, but in fact, as he said in the dying minutes of his comments, he thinks that this legislation is overdue and is a step in the right direction. The Australian Democrats think it is a wrong step and we are among a number of groups that feel that way, not the least of which is the Australian Vice-Chancellors Committee, arguably a key stakeholder in the higher education sector and a group that I would not define as the most radical in the higher education sector. Along with the AVCC, there has been some outcry from groups such as the National Union of Students and CAPA, the postgraduate association.

Certainly international students, through postgraduate and undergraduate representative bodies, have made their views on this legislation felt. The government’s proposals for visa increases would hit hard not only those overseas students who are here but those who are planning on coming to Australia. They see this legislation as having a deleterious effect on our reputation. It has been made very clear that international students and organisations that represent them are prepared to run international campaigns that will raise awareness of Australia’s view of overseas students as cash cows.

The legislation that we have before us in relation to increasing charges for overseas students is clearly, blatantly a revenue-raising measure. That was the reason the Australian Democrats moved to disallow the initial visa increases. We fought valiantly in that debate but lost, for the same reason I expect we will not succeed in opposing this legislation today. The opposition, despite the rhetoric we have heard, joined with the government to allow those increases to go through in a regulatory form—that was the Migration Amendment Regulations 2003—and now they are supporting the passage of this legislation, albeit with a second reading amendment, I hope, by the Australian Democrats. But that is not good enough.

I think in this debate we need to get a perspective on how charges have increased for overseas students. We also have to be mindful of the fact that education is one of Australia’s most successful areas of export. We make billions of dollars through overseas students, but, as we all know, education generally and higher education specifically have a public good. When it comes to overseas students we cannot underestimate the cultural exchange, the social, intellectual and other benefits, as well as that economic impact. Being mindful of that, we also have to get some perspective on visa charges and the increased costs and charges that we in Australia have slugged overseas students with over a number of years. I put on record during the disallowance debate some of those increases. For those students wondering why Australia is doing this and for those education groups concerned about these increases it is worth putting on the record again exactly how Australia has fared. In 1998 visa charges, including work rights, were $285. As a consequence of the latest fees hike being supported—and it is being supported—the charges will be $455, including work rights. That is an astonishing 60 per cent increase in only five years. It is an extraordinary impost and it is undeniably quite a large jump.

By way of comparison, in 2001 there was a study conducted of the costs of education for international students in Australia, New
Zealand, the United Kingdom, the United States and Canada. IDP Education Australia did that study. They found that the costs in Australia were significantly higher than those of our main competitors in the international market. If you look at the comparison of the rates in that survey in 2001, you will see that Australia was the equivalent of $US156; New Zealand was between zero US dollars and $US70; Canada was the equivalent of $US82; the UK was the equivalent of $US48; and the US was $US45. So Australia was a standout at $US156. It should also of course be noted that the Australian dollar has increased in US dollar terms in recent years. I acknowledge that visas are only a minor part of the total outlay of overseas students who choose to come to Australia—and they are getting more and more picky about what export education services they will use. Clearly, I hope, Australia does not want to lose its pre-eminence in this area. We do not want to lose the fact that we are a good place for people from all around the world to come and study.

So this bill is just the latest attempt by the government to increase the costs of education for overseas students. It reinforces the fact that the government views overseas students as cash cows, as revenue-raising sources. It is undeniable that this legislation will make money for the government. The Bills Digest acknowledges that, the government’s own figures acknowledge that and, indeed, figures that have been provided by other groups such as the Australian Vice-Chancellors Committee bear that out as well. We believe it is unacceptable and that is why we are opposing the legislation.

The bill essentially aims to change the annual registration charge structure for education service providers. This would result in a huge cost increase for registered providers with higher enrolments. The current annual registration charge, as people may know, is a tiered structure which relates to ranges of the number of student enrolments. In 2003 the registration charge ranged from $432 for providers with one to 10 enrolments to a maximum of $8,462 for providers with more than 400 enrolments.

The government expects to get $1.8 million in revenue for this charge in 2003. This bill proposes to change this fee structure to a $300 base charge and an additional $25 charge for each enrolled student. Although this would link the charge more directly to the number of students enrolled with each provider, it is clearly an attempt to slug those who provide education services to overseas students with higher costs—and, we can predict, to slug international students themselves because of those other outlays that they have to bear. For example, a provider with 9,000 enrolments would currently be charged $8,462. However, under the new charge you are looking at $225,300. This would place an unacceptable burden on international students, but it would also place a burden on those providers of education services for overseas students. It is inequitable that international students should be forced to foot the bill for measures that we believe the Commonwealth should be assisting with.

According to the explanatory memorandum, the government states that it will receive an additional $5.1 million over four years on an ongoing basis if this bill is passed. The government claims these increases are necessary to meet the costs of increased compliance and enforcement activity of those organisations that provide education services for overseas students. The government states—again in the explanatory memorandum—that the ESOS Charges Act returns insufficient funds for proactive enforcement action. How can the government argue this when the government’s own forward revenue estimates show a total of $6.1 million in 2006-07? That is actually more
than three times the amount that the government has estimated it will require to cover the costs of its own ‘stronger regulatory responsibilities’; it is arguing that it needs around $2 million a year.

Despite the government’s treatment of international students as primarily a revenue-raising mechanism, it is clear that the internationalisation of education provides considerable benefit to this country, to our government and to the entire community. I touched on those points earlier—the public good that comes with education generally, but specifically the cultural and other exchange that comes with overseas students being in Australia, and the economic benefit that is very clear not only from the fees that students pay but also from the money that students spend when they are living in this country. Does it not make sense for the government to be investing in this area of export—investing in education generally, but specifically this area—and not be attempting to profit from such provision of education to overseas students?

I mentioned that a number of key groups in the higher education sector were concerned about these issues and indeed were lobbying parties and groups in the chamber to oppose this legislation. I mentioned the Australian Vice-Chancellors Committee. My understanding also is that the National Tertiary Education Union, the National Union of Students, CAPA and other bodies, and specifically their overseas student wings, have made very clear their concerns about this legislation. They are concerned not because they do not expect to pay something but because our costs are so radically out of step with other countries with whom we are competing and because of the fact that it will deter students from coming to study in Australia.

The AVCC, as senators would know, have been particularly strong and vocal in their criticism. They have done quite a few studies to estimate the impact that this would have in financial terms. They are arguing that the imposition of an additional registration charge of $25 per student on education institutions which enrol overseas students will have a dramatic effect. Using the DEST estimates, they claim that this will result in additional revenue of more than $20 million over four years. For universities with the largest number of overseas students, this will result in an increase in charges from just over $8,000, as I mentioned, to around $200,000. They have asked us to put these figures on the record today and also to ask the government what is the rationale behind these revenue raising mechanisms, given that this is—if you use the most conservative figures—at least three times the amount that the government needs.

According to the AVCC, the government want to build up the number of providers—and they could be schools or private colleges—but why should universities which are already extremely underfunded pay more money for the government to be able to build up additional providers? That came from the new President of the AVCC, Professor Di Yerbury. She has condemned the proposals. In fact, using a specific example relating to 8,600 students, they have singled out Monash University as a case in point. Monash, which has more than 8,600 overseas students and now pays the existing maximum registration fee of $8,462, would instead pay $250,975. That is a thirtyfold increase. This is why the AVCC and other groups are so angry.

The University of Melbourne and RMIT are other examples. Currently they both pay $8,462. Under this proposal, the University of Melbourne would be paying $165,500 and RMIT would be paying $145,500. No won-
der the AVCC is arguing that this ‘$3 billion industry’ is being milked. Universities say they are being milked by the federal government for their success in attracting international students. The government cannot have it two ways. This cannot be an area that we are particularly proud of or that we boast when at the same time the government puts these barriers in the path of those universities that are attracting overseas students and most notably puts barriers in the path of those students who would come to Australia to study.

However, given the current climate in relation to higher education policy and debate, is it that surprising? On the one hand we have universities that are desperately in need of funds, we have universities that are arguably in crisis, we have academics and general staff who deserve pay increases and some degree of security, we have students who are paying among the highest fees and charges in the industrialised world and who are soon to be slugged with additional fees and charges if the current government reforms are passed not only in the House but also in this place, and we have a recognition that universities deserve more support in the form of operating grants and finances. Yet, on the other hand, we have a proposal from government that does not look at the prospect of additional public investment in a sector that has been underresourced for many years, not just by this government but by the previous government as well. And what is the answer? Cost shifting to students.

Students have already borne the high cost of their own education because notions of public good went out the window in the late eighties with the Labor government. It is now proposed to increase HECS fees by up to 30 per cent for students studying at public universities around Australia. It is a move that the Democrats strongly oppose, as do the key groups in the sector. When the universities say they could help finance some of the activities they provide through internationalisation of education—and, admittedly, some universities acknowledge the revenue-raising aspects and appeal of overseas students—what does the government do? It imposes increased visa and registration charges for providers that mean universities will probably see a decrease in the number of students who come to Australia.

Australia has a proud record on international education. Many people know of the Colombo Plan that was established after the Second World War. It had a far-reaching effect in building cultural, strategic, political and other relations—notably in the South-East Asia region. I have put on record before in this place that in 1985 the Australian Labor Party commenced the shift to treating international students as a market by opening up those fee-paying arrangements. Since then, but particularly since this government got into power, international students have been an increasingly important source of revenue for universities. That is partly, as I have mentioned, because this government has reduced—and it has in real terms—its higher education spending on students.

International education has a fundamental value to this nation. It is extraordinary in its value in economic terms. In financial or dollar terms, it is worth around $5 billion per annum. It is the third largest services export and the eighth largest sector overall. Moreover, the sector has grown primarily through the initiatives of universities, with little Commonwealth assistance. The universities have provided a lot of the initiative and have done a lot of the work in promotion—and certainly in resource terms—to increase our share of export education. That is why we should be listening to what the vice-chancellors have said on this issue. We should be taking into account their views, the views of key stakeholders.
Even the Bills Digest acknowledges very clearly the criticisms in relation to this legislation, as have all those groups I have mentioned in this debate, the Labor Party and a number of us around the chamber. I include Senator Harris in that, and I should put on the record that Senator Harris did support the disallowance motion to the migration regulations moved by the Democrats a couple of months ago. Those groups have made a very clear criticism, and it is one that the government has yet to respond to, of the lack of consultation with the sector. That criticism of government is acknowledged in my second reading amendment. But I would prefer to get a response from the minister on behalf of the government as to why these ad hoc and quite radical changes to our policy and the funding of international education have been made not only without broader reflection on the impact of the changes but also without consultation with the sector. Surely some of these problems and criticisms could have been avoided if the government had consulted with those notable groups in the sector.

I acknowledge that there are some positive reforms in the package proposed by Minister Nelson in relation to international students. There are some good programs and some good ideas in the reform package, such as increased funding for the Endeavour program scholarship, the four centres of excellence and an increased focus on compliance and quality. We have no problem with those measures. In fact, we commend them. But why should international students have to fund them through yet another hike in the cost of visa applications? Indeed, why should registration charges be increased?

When it comes to marketing, we acknowledge that the largest item of expenditure in the package is the promotion of international education. I think it is around $41.7 million. But the reality is that a lot of the promotion and a lot of the marketing—and successful marketing at that—has been done by the universities. This is not an area that the Commonwealth necessarily need to be putting funding into. They should not be slugging students—or, indeed, their providers—who come to this country in order to fund that kind of marketing. Universities are quite happy to be involved in the marketing. International students should not be responsible for DEST’s funding of promotional activities.

I put on record again the Democrats’ strong opposition to this legislation. We hope to find some supporters, including Senator Harris. Considering the strong words we heard from the representative of the opposition, Senator Carr, the Labor Party could at least match that rhetoric with a vote today. Government should go back to the consultation table, back to talking to students and their representatives, and find out how they could deal with this in a much better way—a way that does not have a deleterious effect on the sector, the stakeholders, the students and our country’s reputation. Some of my concerns are addressed in the Australian Democrats second reading amendment standing in my name. I move:

At the end of the motion, add:

“but the Senate:

(a) condemns the Government for treating international students primarily as a revenue-raising mechanism;

(b) acknowledges that the internationalisation of education provides a considerable public benefit and, as such, it warrants direct Commonwealth investment; and

(c) condemns the Government for not adequately consulting the higher education sector on this bill”.

Senator HARRIS (Queensland) (10.43 a.m.)—I rise to speak on the Education Ser-
vices for Overseas Students (Registration Charges) Amendment Bill 2003. One Nation does not support the government’s proposal to increase fees and charges on overseas students and Australian education institutions enrolling overseas students. The bill will cost the education export industry $90 million over the next four years. Firstly, the bill will result in an increase in the cost of student visa application charges from the present $315 to $400. The Department of Education, Science and Training budget papers estimate that this increase will net an additional $69.9 million over four years.

Secondly, the bill will impose an additional registration charge of $25 per student on educational institutions which enrol overseas students. DEST estimates that this will result in additional revenue of $20 million over four years. For the universities with the largest numbers of overseas students, this will result in an increase in charges from over $8,000 to almost $250,000. This is encapsulated very well in an article from the Australian on Wednesday, 21 May headed ‘$3bn industry milked: AVCC’. It states:

However, Professor Yerbury, the vice-chancellor of Macquarie University, said the history of the Australian Education International counsellors had been mixed. “At times the universities have walked away from the AEI and its predecessor, whose efforts have been pretty patchy,” she said.

In a separate initiative, the Budget allocated $35.5 million for the establishment of four new international centres of excellence, plus further support for the existing Centre for Sustainable Tourism.

The new centres are for: Asia-Pacific studies and diplomacy; maths education; water resources management; and sports science administration.

Again, these would be partly funded by revenue raised from international students and the universities, in a formula that the AVCC said would not benefit all universities.

“This will take money from international students and out of the universities to fund four new centres which may go to only four universities,” Professor Yerbury said. “The package is supposed to be about supporting universities, not taking money from them.”

That really sets out the basis of what is going to happen should this legislation be passed here today.

The majority of international initiatives proposed in this bill were developed without consultation with the universities about the best use of any additional expenditure. It should also be noted that from 2005-06 the amount of revenue raised directly from universities will be significantly higher than the planned expenditure put forward by DEST. Put simply, this represents a levy on universities to cross-subsidise other functions within the education portfolio. As the Australian Vice-Chancellors Committee notes:

We are concerned about the negative impact that these changes will have on the competitiveness of one of Australia’s major export industries. This is occurring at the same time that our major competitors are introducing incentive programs to attract students to their universities and away from Australian universities.

It is no secret that the federal government wants to facilitate greater cross-border flows of students and education service providers. It is part of the negotiating proposals for Australia at the WTO. As we debate this bill here today, that process is actually occurring at Cancun in Mexico. One of the major criticisms of the process that the government is conducting at present is that it is largely carried out in secrecy. There are no public procedures—either prior to or after these meetings—to look at what has been agreed to. We have a situation where the Australian government, through the WTO and the GATS, is negotiating with other countries and making decisions that will impact, One Nation believes, very adversely on our education sys-
tem. The Department of Foreign Affairs and Trade’s own web site states:

Australia also sees the liberalisation of trade in education services as the most effective way of encouraging the internationalisation of education and enhancing flows of students between countries.

It goes on to discuss the purported benefits of education liberalisation, concluding with this statement:

These significant benefits underpin the desirability of facilitating greater cross-border flows of students as well as educational services providers.

I wonder what consultation the government engaged in when developing this negotiating position, particularly with the entities that this is going to impact on. What discussions has the government had with the Vice-Chancellors Committee and with the individual higher education groups around Australia? What input have they had in relation to the commitments to education that this government is going to make under GATS? I believe there has been none.

Let me be very clear about the future of education if we continue to pursue trade liberalisation via the General Agreement on Trade in Services through the WTO. Services are the fastest growing sector in international trade and, of all services, health, education and water are shaping up to be the most potentially lucrative—I repeat that the greatest trade that there is going to be in the future will be for the corporate sector. Let us get this straight: we need to understand very clearly that, yes, governments are participating in the GATS process, but the process is being driven by corporate entities who will benefit from the outcomes. Investment houses like Merrill Lynch predict that public education will be globally privatised over the next decade. There is an untold amount of profit to be made when this happens. The conquest of foreign markets has now become a common strategy among higher education institutions around the world. Already over 40 countries, including all of Europe, have listed education with the GATS, opening up their public education sectors to foreign based corporations.

The WTO now refers to the ‘education market’. It is symptomatically subjecting education, training and research to market laws. The federal government must allow Australia enough policy-making freedom to ensure that the education needs of our people can be met now and in the future. Education is of such critical importance to the social, cultural and economic development of our society that it should not be subjected to the binding rules of an international treaty that prioritised trade liberalisation over other goals. We cannot afford, in this country, to allow our education to become subjected to the bottom line, because that is where we are heading. With the corporatisation of education in Australia and worldwide, it will not be the benefit of the student that is the priority; it is going to be the bottom line—the return to the shareholders of these corporations, who ultimately will run these megauniversities.

The WTO negotiations under GATS are proceeding on the basis that individual WTO members will commit to opening up particular sectors to international trade with the aim of ‘achieving a progressively higher level of liberalisation’. The WTO negotiations are predicated on members making two major commitments in the education sector. The first one is market access. Go and have a read of article XVI of GATS. According to the article a market access commitment means that a WTO member agrees not to impose limits on the number of foreign education service providers, the number of foreign services personnel that may be employed in the education sector, the legal form of a foreign-owned/based education service provider, or the use of foreign capital. It is
permissible for WTO members to enter partial commitments, with some reservations to aspects of the market access requirement.

We have it very clearly set out that, when Australia does commit to article XVI of GATS, we will not be able to control the number of foreign providers, we will not be able to control the number of people they bring into Australia to provide those services, because GATS carries with it a definition of a natural person. Why? It is very easy to work that one out. For foreign corporations to be able to bring their workers into Australia under GATS, they need a definition of what a natural person is. If we go further, the second issue is national treatment and for national treatment we look at article XVII of GATS, which says that a national treatment commitment means that a WTO member agrees not to modify the conditions of competition in favour of domestic education service providers. In other words, this commitment means that governments must facilitate an “equal playing field” for both domestic and foreign education service providers.

Where have we heard that cliche “equal playing field”? Everywhere. It is a common denominator. What does it mean? It means that the people of Australia who commit funds to our universities—we are providing the funds for the Commonwealth government to fund our Australian based universities—will have to provide under GATS exactly the same funding for overseas corporations. It says that a WTO member agrees not to modify the conditions of competition in favour of domestic education service providers. It is there—it is clear. As I said earlier, the negotiations on these are happening now, while we are here in this chamber, in Cancun, Mexico. I believe the Australian people have a right to know what is actually being set out.

WTO members may enter into additional commitments, and there are five subsectors of education. The first commitment is primary education—this includes both primary and preschool education. We need to look at the definition of services that are provided under GATS as government services, because we are being told that all of our education is excluded from GATS. I refute that, and refute it very clearly, based on the definition of what is government service provision. For any segment to have that exclusion, that service cannot be provided by a public entity. If we look at education, have we got private universities? Of course we have: Bond University, in my own state. Do we have private high schools? Of course we do. We even have private state schools. Under that definition in GATS, if that service is provided by a corporation, then that service is not protected from GATS. Read the first two pages of GATS—that is, if you can find a copy.

The second commitment is secondary education. This includes all general and higher education schooling and all technical and vocational training below the university level. So look out for the TAFE colleges. If you have any corporate private service providers, you will find that under GATS they will be eligible for exactly the same funding as government services. We note that under international human rights law the primary and secondary education sectors constitute compulsory education.

The third commitment is higher education. This includes all post-secondary education, particularly education leading on to a university degree or its equivalent and the subdegree technical and vocational training. The fourth commitment is adult education. This includes education for adults outside the regular school or university infrastructure—for example, day or evening language classes. The fifth and final commitment is other education services. This is a catch-all
category that includes all other types of education. This subsector has not clearly been defined.

Under GATS we have a commitment that ultimately will be honoured by this government. If it is not going to be honoured, then why has the government committed to continual five-year rounds of negotiations with the ultimate aim to remove all exclusions? WTO members make commitments in each of the subsectors separately. The number of commitments entered into across education subsectors 1 to 4 is relatively constant. It is surprising that as many liberalised commitments have been entered into for primary education as for higher education. Current international trade involving higher education is much greater than that for primary education, and other education is the least committed subsector.

It is one thing to oppose a bill, but we need to put something in its place. One Nation believes that there should be a compulsory contribution by corporations to a trust fund from which the education system, universities, can draw on merit for the benefit of both the students and Australia as a society.

Senator PATTERSON (Victoria—Minister for Health and Ageing) (11.03 a.m.)—I thank honourable senators for their contributions to this debate on the Education Services for Overseas Students (Registration Charges) Amendment Bill 2003. It takes me back a bit to my days as parliamentary secretary when one of my tasks was to reform the student visa program. We inherited a system that was less than thorough and less than appropriate and colleges and educational facilities were being run that did not really deserve the name of an educational institution. It took 2½ years to work through that and to work with the industry to find a much better way of ensuring that students coming here to study in Australia were coming to institutions that were worthy of being called an educational institution and that they would get an education and be assured that the fees that they were paying were going to an institution that would deliver a course. We found significant difficulty in ensuring that the registration of these institutions, particularly in New South Wales and Victoria—and I think Senator Carr will remember that it was one time I have been able to work cooperatively with Senator Carr on some of these issues—and two of the states were less than—

Senator Carr—She did drag the chains for years. We had to educate her!

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order, Senator Carr! You are being complimented.

Senator PATTERSON—Senator Carr would not know when he is being complimented. I am glad you pointed it out to him. I was just saying that at least he cooperated in that effort.

Senator Kemp—This is the first time you have paid him a compliment.

Senator PATTERSON—No; he would not accept that. We realised that there were two states in particular which were less than forthcoming in supervising or carrying out the inspections of these colleges to ensure that they were meeting the criteria on which they had been registered.

Senator Carr—I knew you were going to attack the Labor government and that is why—

Senator PATTERSON—I was one of each at that time. It was important that we had those significant changes to the ESOS Act, and also to the immigration act, to tighten the regulation of education and training services for overseas students studying in Australia on student visas. I think it made a significant difference. They were particularly
pertinent when those changes came in just after September 11. If I recall correctly, some of those people who committed that appalling act of flying into the World Trade Centre two years ago this week were on student visas. In fact, some of them had not had their student visas finalised, so it was very prescient that we had been working for 2½ years to tighten our student immigration program and also to put tighter restrictions and surveillance on those institutions registered in the states and for which the states had basic responsibility. We had no power or authority to close them down if they were not performing appropriately.

So there were significant changes, but the government was of the opinion that further changes were needed. In the last budget, $113 million was committed for a package for international education, which involved scholarships and various other supports for what is a very important international program but also an important export earner. It is also important for developing significant relationships with the countries from where students come to study. Many of them are from the Asia-Pacific region, but we have a lot of students coming from countries like Norway and Sweden. Norway has a particular program and we see quite a significant number of students from there studying here. That means that we have enormous bonds. There are also students from America. They are important bonds that Australian students develop with them in terms of trade, exchange and research, and nobody can ever estimate the value of those students.

It was evident that the fee structure was not as fair as it ought to have been. The new fee structure in this bill will mean that no provider will pay any more than any other provider for each international student. Many providers will pay less in the future than under the current tiered structure. Obviously, those providers with large numbers of international students and large revenue streams will have a larger total annual fee because they have more students. It is only fair that those providers that stand to gain most from Australia’s reputation as a quality study destination contribute equally to maintain that reputation. We must remember that part of this is to maintain the reputation of the industry as a whole. If it is weak in one area, that affects the whole range of educational institutions. Families may come to study at a TAFE, a private institution or a university—they do not all come to study at a university—and, if we maintain the standards and the reputation of the industry as a whole, all will benefit.

It is important I make the comment that overseas students were consulted following the budget announcement. I have been advised that the overseas students said that as long as they could see there was value for money in this they did not have an objection to it. The value for money is in the fact that the standard will be maintained. That is not only important for Australian education but important for the standard of the qualification the overseas students take home and the standing in which that qualification is held. When that was explained, they were of the opinion that this fee was appropriate. When you look at overseas students studying in Australia, you also have to put the fee in the context of the Australian dollar. With the cost of education compared with some other countries, it is still value for money. The fact that students can work for 20 hours a week during term time and full time during holidays—I am seeing if I can remember this from the deep, dark recesses of my mind when I was parliamentary secretary for immigration—and that in many other countries they are not permitted to work means that there is still significant value in coming to Australia.
Some comments have been made about the impost of this cost and the effect it will have on education. I can remember when I was making the changes to immigration the world was going to fall in; the overseas student market was going to come to an end! It did not. We had a much better system where we could ensure the institutions that were registered in the states were actually providing an education and were not shonky or ripping the students off. That has added value to the industry. This will add value to the industry in making sure we maintain the reputation and standard of the educational institutions. As I said, that benefits both Australia and the students from overseas who will be studying in those institutions. I commend the bill to the Senate. I indicate that we will not be supporting the second reading amendment of the Democrats.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

AUSTRALIAN NATIONAL TRAINING AUTHORITY AMENDMENT BILL 2003

First Reading

Bill received from the House of Representatives.

**Senator PATTERSON** (Victoria—Minister for Health and Ageing) (11.11 a.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

This bill is to amend the Australian National Training Authority Act 1992 to provide for an Australian National Training Authority Agreement, 2004 to 2006.

The Australian National Training Authority Act 1992 (the Act) establishes the Australian National Training Authority (ANTA) to promote the development of the national vocational education and training system, in accordance with the objectives of the ANTA Agreement.

The ANTA Agreement between the Commonwealth, States and Territories, sets out the planning, accountability and funding arrangements for the national vocational education and training system, and is re-negotiated every three years. The Agreement for 2001 to 2003 expires at the end of 2003 and a new Agreement for the period 2004 to 2006 is being negotiated.

This bill complements the Vocational Education and Training Funding Amendment Bill 2003, introduced in this year’s Winter sittings of Parliament. The Vocational Education and Training Funding Amendment Bill will provide funding support for the national VET system in 2004, the first year of the new Agreement. Subsequent annual legislation will give financial effect to the terms of the new Agreement.

Vocational education and training underpins the competitiveness of our industries and supports Australia’s economic and social development.

The latest available figures indicate that in 2002 there were around 1.7 million students in VET, representing more than one-ninth of Australia’s working age population. Participation in VET for Australia’s youth exceeds one in four, for those aged between 15 and 19 years. These figures are higher when students undertaking VET programmes at school are taken into account.

New Apprenticeships have grown to over 391,000 in training at 31 March 2003, up by 177 per cent on December 1995. Today, New Apprenticeships are available in more than 500 occupations; in-
cluding aeroskills, electrotechnology, process manufacturing, information technology and telecommunications.

This growth has not been at the expense of the traditional trades. There were 137,000 traditional trades New Apprenticeships in training as at 31 March 2003. “Trades and related occupations”, encompassing trades such as carpenters, plumbers and electricians, make up 35 per cent of New Apprentices in training. Over the last five years, while employment growth in trades and related occupations grew at an average annual rate of 0.8 per cent, New Apprentices in training in trades and related occupations grew at an average annual rate of 1.6 per cent.

We are also seeing record numbers of New Apprenticeships completions. There were over 118,500 completions in the twelve months to 31 March 2003, up 19 per cent from the previous year.

There is increasing participation by groups in the community which suffer greater disadvantage. Indigenous people make up 3.5 per cent of all vocational education and training students, and their numbers are up by 129 per cent since 1995. People living in rural and remote areas make up 34.0 per cent of all vocational education and training students, and their numbers are up by 45 per cent since 1995.

Record levels of Commonwealth funding are contributing to these achievements.

Over the next 4 years, the Government will spend over $8.4 billion on vocational education and training encompassing $5.04 billion in funds for the vocational education and training sector, most of which is for distribution to the States and Territories through the Australian National Training Authority. The Commonwealth will also provide nearly $3 billion for employer incentives, New Apprenticeships support services, and other New Apprenticeships costs of the Commonwealth. In addition there will be $0.4 billion for other vocational training programmes funded by the Commonwealth.

In 2003-04, the Commonwealth is providing a total of $2.1 billion for vocational education and training. This encompasses an estimated $682 million to support New Apprenticeships arrangements, including employer incentives, and over $1.1 billion provided to the States and Territories under the new ANTA Agreement.

The offer for an ANTA Agreement 2004 to 2006 would provide funding of $3.57 billion over three years.

The Commonwealth’s offer includes $218.7 million in additional funding compared to 2003 levels. The offer also reflects $325.5 million in continued funding for growth; and $119.5 million for Commonwealth priority areas, including older workers and people with a disability.

The offer reflects average real growth in recurrent funding of 2.5 per cent per annum.

The total increase in funding over three years is 12.5 per cent, compared to total funding for the 2001-2003 Agreement.

The Commonwealth’s proposal for a new Agreement seeks matching funds from the States and Territories totalling $445 million over three years.

Commonwealth priorities for the next Agreement include improving quality of training, addressing skills shortages, providing an open and flexible training market; and strategies for practical reconciliation for Indigenous Australians.

Through these measures the Commonwealth will provide $119.5 million over the period 2004 to 2006 for Commonwealth priority areas including older workers, people with a disability, and parents returning to work. The States and Territories have been called on to match this funding. If the States and Territories were to match the offer, up to 71,000 additional places will be available in vocational education and training over the next three years.

I am pleased to report that the States and Territories have agreed to work collaboratively on developing a new, forward looking Agreement for 2004 to 2006, reflecting national priorities for vocational education and training to be collectively agreed. I am confident that the new Agreement will over its duration deliver improved outcomes for employers, individual Australians, and communities. I look forward to a satisfactory outcome from the negotiations.

When negotiations are finalised and the new Agreement is signed by all Commonwealth, State
and Territory Training Ministers, I will make the Agreement for 2004 to 2006 public by tabling it in both Houses.

This bill will also amend the Act to increase, from seven to nine, the number of members on the ANTA Board. The ANTA Ministerial Council, which the ANTA Board advises, resolved late in 2002 to approach me, as the Commonwealth Minister responsible for vocational education and training, to request this amendment to the Act. The Ministerial Council’s strongly held view is that the capacity of the Board to provide high quality advice will be strengthened by increasing the number of its members. I support this position.

In accordance with normal practice, the Ministerial Council, comprised of the Training Ministers from all the States and Territories and the Commonwealth, will be responsible for deciding on the filling of the proposed new positions.

This bill will provide for the continuing successful operation of Australia’s world class vocational education and training system into the future. I commend it to the Senate.

Senator CARR (Victoria) (11.12 a.m.)—The Labor Party will not be opposing the Australian National Training Authority Amendment Bill 2003, but there are some issues I would like to canvass in relation to the bill. I would like to consider some matters that go to the general position of the government’s policy directions on this particular bill. The bill sets down provisions for us to appropriate moneys for indexation, which I think is about 1.8 per cent for the program this year. I note that the 1.8 per cent indexation arrangements for the vocational education sector is substantially lower than the indexation arrangements for the school sector and lower than the indexation arrangements for the university sector. In that sense, there is a fundamental inequity in the arrangements that this sector of the education industry has to deal with.

The other measures go to the appropriation of additional moneys for the new agreement, the vocational education and training funding, which has been announced in previous times and does not represent new moneys as such, despite the claims made by the government regarding the new ANTA agreement. They are the normal arrangements entered into at this time for the funding of the new training agreement. The offer that has been presented to the states has been exposed for what it is, insofar as it maintains a funding position that is grossly inadequate to deal with the demands of the sector itself.

This is an opportunity for me to congratulate the new ANTA CEO, Janina Gawler. I trust she will do well in the job and I look forward to working with her and discussing these critical issues. I have no doubt we will be seeing a great deal more of her. I am sure Ms Gawler will come to appreciate the opportunities to discuss these matters with the parliament, as have her predecessors over the years. This is obviously a matter of considerable interest to the opposition. As we move into the next election, there will be opportunities to transform the approach that will be taken by the new Labor government which will be elected.

Senator Kemp—That’s what you said at the last three elections.

Senator CARR—This opportunity is desperately needed, Senator Kemp. It is desperately needed because what we are faced with is the fundamental fact that the national vocational education and training agenda in this country has stalled. We all understand in this parliament—we ought to understand—the critical importance of vocational education. This issue developed on a bipartisan basis throughout the early 1990s. Now, just over 10 years later, when we are examining the operations, we look back and see what has been achieved in the formation of the Australian National Training Authority and the aspiration for the development of a genu-
inely national vocational education program which is accredited in a way that can be acknowledged internationally to be of the highest quality.

The vocational education and training sector caters for 1.8 million Australians. This sector has nearly three times the enrolments that our university system has. It operates effectively, though, on half the unit costs and, of course, on substantially less than half the budget. Vocational education and training is a cinderella sector within education in this country. However, this is a sector which, we must all maintain, is of absolutely vital importance to our national social and economic development.

We face a situation in the labour market in this country where, with the ageing of the population and the demographic challenges facing our population, there is increasing pressure on the Commonwealth—the government primarily responsible for these matters—to front up to the difficulties that we are currently encountering. A declining percentage of the population is engaged in employment. To put it crudely, there is enormous pressure on this country to produce enough highly skilled workers and, as the population ages, this challenge will become more acute. In turn, the response to that challenge will require us to look increasingly to education, to research and to training as a mechanism to improve productivity in the country.

This government’s view of improving productivity is to smash workers’ living conditions, to force people to accept lower wages and work longer hours in far worse conditions. Labor’s response to the productivity challenge is entirely different. We say we have to work with people to provide highly skilled, high-wage jobs in a mechanism whereby we get the very best out of our population by enriching the assets available to us—that is, fundamentally, our people. These questions are fundamental to our long-term economic sustainability and to our national prosperity. That is why I say that, when we have a situation where the vocational education agenda is effectively stalled, we have a serious problem in this country.

The government pays lip-service to a whole range of issues which essentially remain unresolved. I will address some of them today, although by no means will I be able to do justice to all the questions that concern me. We can look at a number of issues as a litmus test of the failure of government to fulfil its responsibilities. First and foremost, if we look at the issue of funding, we know the problems in regard to the failure to provide adequate funding for growth of the sector. We can start from that premise; it cannot be argued anywhere that the Commonwealth has not fulfilled its obligations in that regard.

To come back to the other questions that stem from that, we can begin by examining the fundamental issue of whether or not we have a national system in this country. Do we genuinely have a national system of vocational education with nationally recognised, accredited training of the highest quality? My answer to that question is no. We still have a multitude of systems. We still have an essentially 19th century view of the way in which the management of vocational education should be undertaken in this country. A couple of years ago, there was a discussion within the sector about the need for national uniformity, for nationally consistent quality assurance mechanisms across the country. What did the government do in that debate? It went to the lawyers and got legal advice which said that the second-best option was to try to get model clauses introduced around the various parliaments in this country so that we could have what would purport to be some sort of uniformity. Some three or four
years later, we notice that we still do not have national uniformity in a quality assurance regime. We are still relying upon each state and territory to come forward to give more than lip-service to the proposition that there should be national uniformity in the approach taken to quality assurance. Essentially, that is because the model clauses approach, as the legal advice pointed out at the time, was dependent upon each jurisdiction in the Commonwealth sticking to its agreements and to the provisions so that we have genuine uniformity in those arrangements.

What we have got, in essence, is a situation where, some three or four years after these debates occurred, it will not be until 2004 that legislation will actually be implemented in each of the jurisdictions. As of June this year, when I asked these questions at Senate estimates, we had a situation where key jurisdictions were yet to prepare legislation, let alone take it through the legislative processes in each state. Who knows what it will look like at the end of that process. In Victoria, New South Wales and South Australia there are as yet no legislative models in place consistent with the so-called model clauses approach on quality assurance.

I want to turn to another issue which I think highlights the need for a national accreditation system—that is, the quality assurance regime in the administration of ITABs. While we are supposed to still have mutual recognition across the country, that does not necessarily exist. We have a situation where the enforcement mechanisms, in particular, are different in each of the states. We have some jurisdictions that are soft and some jurisdictions that are hard. I acknowledge the work of the private providers in this regard. I note a recent speech made by Mr Mark Lucas from ACPET at a conference. He spoke on the provision of vocational education in Brisbane and said that we can only survive in this industry if we go for the top end of the market—if we have the highest and most stringent commitment to quality assurance. That is the future for us in regard to vocational education. We have discussed this in regard to international education today; the same principles apply in the domestic arena. Mr Lucas said that, as far as he is concerned, the only way we are going to survive in the industry is by being at the top end. Quality is vital. He said:

... regarding many of our competitor countries, I know for a fact that they cannot guarantee the kind of quality that we have to teach courses and, of course, for their premises.

I say that the same provisions ought to apply at the domestic end. I understand that, within a few years, the VET in Schools program will be aiming to teach three out of four students in years 11 and 12 in this country. Yet there remains no agreement around the quality assurance issue, no agreement on adequate funding, no agreement about the provision of adequately qualified teachers, no agreement about the provision of adequate premises and no agreement about the registration of providers.

Some systems are currently seeking to register the whole system as one RTO, or registered training organisation. It is as if, with a tick and a flick, an entire system of schools can be ticked off as being compliant for quality assurance purposes. Just think about that. Some systems might have 1,000 different schools operating. We are being told that, with a tick, a system can now be accredited on a universal basis. We are talking here about some pretty basic issues that go to occupational health and safety, qualifications and providing a quality educational experience. Trying to do these programs on the cheap may well turn students off these experiences for life. You may well have students injured by equipment or have circumstances where they are maimed for life. You could have a situation where the programs
being taught might not been recognised by anybody. This would further undermine attempts to attract people to the high-skilled trades, because we have a situation where unqualified people are being asked to teach these programs.

I would like to turn now to the question of who actually owns the system. Who are the people we are dealing with? What is the meaning of the word ‘industry’? This government is seeking to move away from a system which says that the whole vocational education system should be geared towards encouraging partnership arrangements—where industry means not just the bosses but the workers as well. We have a system which says that the working people of this country are entitled to be considered, to be consulted and to participate in the management of the vocational education system. This government says that the only people who should have a say are ministers and the CEOs of big corporations. That is what this government means by ‘industry focus’. As I say, the Labor Party does not view the world in those terms.

The traditional forum that has been used to provide industry advice for vocational education is the ITABs, the industrial training boards. In a period of 10 years there have been four reviews of the ITABs. The latest review has come up with a real beauty of an idea! It says that we should reduce the number of ITABs—I think there are about 21 at the moment—to nine or 10. It is saying, ‘We want to make sure that we push as many people together as possible to make consultation irrelevant and meaningless. We are trying to make sure that there is such a divergence of views as to ensure that you do not have to take any notice of anybody.’ Those are the circumstances we face at the moment with these new ITABs that the government is seeking to impose upon the sector.

We could look at a whole range of areas in terms of the various sectors of the economy, but time does not permit me to develop that issue. It does strike me that this is an example where we find, yet again, questions being raised about the way in which the system is operating. The provisions of this bill show that the government is seeking to walk away from its responsibilities. It is not seeking to promote the issues, because it is still dependent upon this basic assumption that the system should be driven by the employer incentives, that the system should be driven by the New Apprenticeships system—despite the fact that it only constitutes 23 or 24 per cent of the system and I think it consumes about 29 per cent of the resources—and that no other aspect of vocational education warrants serious debate.

We have a situation here where the questions of quality assurance remain unresolved. There are far too many examples of where there has been a misuse of those employer incentives—where there are large chains of fast food outlets using far too many trainees without proper supervision in a dangerous industry like that. There are circumstances where the subsidies are being used not for further promotion and the development of training in areas of skills shortage but as wage subsidies. We have a situation where the government seeks essentially to allow the system to roll along.

But now I come back to this essential point: there is a need for vocational education to be at the forefront of public debate. This is a government that cannot, essentially, run and chew gum at the same time. The education department at this time is consumed by the higher education debate—despite the way it has to doctor its reports. It will not actually come forward with all the information it needs to in that regard—it cannot even do that right. That is understandable: it has been cut to ribbons. The
bureaucracy has actually been reduced to a situation where it cannot do its job properly. It certainly cannot do it when it is required to also manage a vocational education system and, as well as that, prepare for a major reorganisation of the research funding in this country. I understand it currently has some 11 reviews operating in the research area.

Regarding Dr Nelson’s predecessor, Dr Kemp—and I see that Senator Kemp is in the chamber today—I did not have much from Dr Kemp that I could say I agreed with. I think he was an obsessive ideologue. I know that Dr Nelson has pinched many of his ideas and has sought to implement them in the higher education sector. We saw that, because Mr Norton, as his former adviser, has obviously left a great stain on the operations of the department. What we have got here is a new minister who has fixed up Mr Hampton—and he leaves another great stain on the system.

But what essentially we had with Dr Kemp was this: he was committed—I will say this for him—to pursuing these issues. I may strongly disagree with the directions he took, but he could actually try to pursue a couple of agendas simultaneously so that universities, TAFE and vocational education were able to be addressed—in a totally unsatisfactory way but at least simultaneously. If I recall rightly, Dr Kemp also pursued his agenda in regard to schools, so he actually had three big pots on the stove at once. They all tipped over and scalded him something shocking and, of course, he was in a situation where the Prime Minister had to sack him—and I know how difficult those circumstances must have been for him personally—but I will give him this: at least he was able to cook with the three food pots at once. (Time expired)

Senator ALLISON (Victoria) (11.33 a.m.)—I also rise to speak on the Australian National Training Authority Amendment Bill 2003. The bill would amend the Australian National Training Authority Act 1992 to increase from seven to nine the number of members on the Australian National Training Authority and to no longer require that the new ANTA agreements be incorporated in a schedule to the act. The first amendment, that of increasing the board, is something that came out of an agreement, I understand, to have a more appropriate number of people on the board and reflects the need for certain people to be on the board.

The Democrats hope that this increase will see the appointment of people with the skills to ensure that the operation of this vital body is done in such a manner that we will see continued improvement in this vital and growing sector of education and training, so we are very happy to support that change. However, we are concerned about the proposed changes to schedule 2. ANTA is the body that distributes the funds given to VET from the Commonwealth to the states, and distribution is done by means of an agreement struck by the Commonwealth and the states about every three years. Once this agreement has been struck, the ANTA Act is amended to include the new schedule—schedule 1—for distribution of funds. The new schedule replaces the one from the existing agreement and is referred to in subsection 4 of the act.

As there has been a process of striking an agreement, the actual amendments to the ANTA Act are not opposed in parliament but they have provided a platform for opposition parties to debate the overall policy position and the direction of the government on VET funding. I think that this process offers an important opportunity for public scrutiny of the priorities and the funding arrangements that are undertaken by the government through ANTA. Because the current negotiations will probably not be concluded until
late November, we understand that the department feels that it will be impractical or near impossible to get the new agreement through the parliament before the end of sittings this year. This, as we understand it, would have a substantial effect on the ability to place funding in the first quarter of next year. On this basis, whilst I am not sure that I entirely agree that it would be impossible to get legislation through, it seems the minister has left us with little choice but to agree to those changes. So, to be able to have the new agreement being acted upon, these amendments—albeit a little cumbersome—would seem an appropriate manner to get the outcome that is required.

The Democrats would like to make it clear that we are somewhat discomfited by the fact that the bill will change the manner in which future agreements are dealt with by the parliament. Provisions within acts to have public scrutiny, as I said, are important, and any action to remove them should be treated with the greatest caution. The amendments would require the ANT A Act to be amended to take account of the new agreement for 2007 to 2009. The difference is that the actual agreement would not itself be up for debate, just the fact that there is an agreement. Although this minister has said he will table the agreement, there is nothing in these bills to compel him to do so. There is also nothing compelling a future minister to table the agreement or to have it debated in this place. So, when we get to the committee stage of this legislation, the Democrats will be proposing an amendment to see that the agreement is tabled as part of the process of debate of changes to the act for the next agreement. We hope that the government will support this amendment.

I would like now to turn to the broader question of funding for, and provision of, support for the training and further education sector. I think it is fair to say that no education policy is credible if it does not fully recognise the vital contribution that training and further education can play in innovation. This sector plays a critical role in Australia’s social, cultural and economic development. As Senator Carr has already indicated, the TAFE sector provides access to education and training for 1.75 million Australians, and that is three times the number who are in our universities. But chronic underinvestment and the coalition’s aggressive policy of insisting that TAFEs do more with less have undermined the sector’s capacity to fulfil its potential. The Democrats take the view that the Australian National Training Authority agreement requires significant additional funding. While we have seen some increases, there is a significant need to have a greater level of growth funding. The Democrats believe that changes to TAFE funding profiles need to occur so that a minimum of 70 per cent of content is delivered by permanent, professional and accredited teachers. TAFE needs greater recognition for its role in innovation. We need to strike a better balance between training and education and, importantly, we need to see funding models put in place which reward quality, student support and successful completions.

I will be speaking later today in the debate on the vocational education and training bill about students with a disability, which is a clear area of need, but I also want to talk today about the drop-out rates in New Apprenticeships, which remain far too high, and the government’s obsession with traineeships that are not serving the students or the community well. Teaching is, of course, one of the first casualties of the Commonwealth’s cutbacks, with job insecurity and increasing casualisation damaging morale and the quality of teaching. The debate in the House of Representatives has been very predictable. We have seen the usual mud-slinging across the chamber, with Labor complaining, as
indeed we are, about the level of funding and the coalition simply pointing the finger at Bob Carr and his 300 per cent fee increases. When we can get to a point where both parties can see that education is fundamental in advancing our society, both economically and socially, we will be a lot better off. When I say we need to get to that point, I mean we need to get to the point where appropriate funding and support are offered to this vital sector.

In the time that I have had responsibility for this portfolio, I have travelled around my home state and elsewhere and visited a number of TAFE colleges, and there is absolutely no doubt in my mind that the system is in trouble. In particular, in rural and regional areas there is a very inadequate level of access for students, and that has exacerbated the difficulties being faced by institutions themselves as well as by students. The crisis was, I think, brought about largely by the funding freeze prior to the last agreement, and it is still affecting that sector in serious ways. Basically, the TAFEs are being asked to do more with less, and that has undermined their ability to deliver high-quality services and high-quality education and to meet the current and future needs of students.

One of the biggest issues that comes up as I talk with staff and students at TAFE colleges is the emphasis on cost to students and the fact that many students from low-income families simply cannot afford those costs. Unfortunately, some of those students do not succeed at secondary school but, after a couple of years of getting the run-around and being on the treadmills trying to find unemployment benefits mixed with casual work, they make the decision to go back to study. For many of them, it is a very important and significant decision, but it is then difficult for them to stick with. There are courses for them. Some of the entry-level courses may not be all that expensive, but once you start looking at the courses that will really deliver a job you are looking in many cases at thousands and thousands of dollars, and students simply cannot raise that sort of money. For some of them, it means trying to work extensive hours in casual and part-time jobs, and that leads to failure. They cannot keep up with their study requirements as well as the hours they are expected to work to get money to study. We have seen increased failure rates and withdrawal rates at TAFEs under this government.

It is also the case that institutions are under enormous pressure. They are often in crumbling and inadequate facilities, facilities that urgently need upgrading—they are not quite as bad as those in the state school system, I might say, but nonetheless there are great needs there. I found recently some evidence that facilities for hospitality training had been improved in some cases, but in other cases buildings looked like they were really on their last legs. The pressure on staff from all of that is enormous. They have increasing workloads and increasing casualisation, and I am amazed to find that even in some areas such as IT, where there is an enormous shortfall of qualified people, there are teachers on six-month by six-month contracts—if that. People are put under enormous pressure, and eventually they just give up, go out and find a job or start a small business that has some future for them, and yet another TAFE course collapses because there is nobody left to teach it. Unless we address the serious problem of casualisation and pressure on staff at TAFE colleges, the potential of the sector will never be achieved.

The continuing underfunding and resource pressure in the area basically point to the need for an urgent policy shift in the government’s attitude to what education is. Of course, we say time and time again in this
place that education needs to be seen as an investment, not as something that we have to find a couple more dollars for because it is a cost. There must be a genuine commitment by government to equitable access. The issue of public funding comes up time and time again. It is a public responsibility to ensure that Australians have at least basic access to adequate education. We are urgently seeking from the government a reaffirmation of the primacy of public funding by means of putting into that sector what should be put in.

Turning in conclusion to the specifics of the bill, I remarked earlier that during the committee stage we will be moving an amendment. We have a long history of trying to ensure the highest level of transparency and public scrutiny of the actions of government. The changes we will be asking for are not an enormous burden but we think will improve the legislation presented to us so as to keep as much as possible the status quo. In closing, I make the point that I look forward to one day coming into this chamber and being presented with legislation that will seriously fund education and training and do so without increased fees and charges, particularly charges like those we have seen in New South Wales recently.

Senator SANTORO (Queensland) (11.45 a.m.)—I cannot believe that Senator Allison would come into this chamber and talk about the funding of vocational education and training in the terms that she has. This government is renowned—admired—throughout the VET community of Australia for the enormous funding increases it has put into vocational education and training that she has. This government is renowned—admired—throughout the VET community of Australia for the enormous funding increases it has put into vocational education and for its effort in policy direction. Every major initiative has been hailed as a good initiative, particularly by industry and particularly by the students. I also cannot believe Senator Carr was so critical of an area where the performance by the Howard government is exemplary and where it leads the rest of the world in terms of policy formulation, legislative construction and practical implementation, particularly at a workplace level.

ANTA has clearly, from our point of view, been a successful agency. It was established in 1992 to provide a national leadership role in the development of this country’s vocational education and training capacity and in the development of a national plan for the skills of Australia so essential for the future of our economy and our international competitiveness. ANTA was created to establish effective industry leadership and the development of a focus recognising the absolute importance of industry in the process, which is an objective that seems to have escaped members opposite, particularly those who have spoken before me. Equally, ANTA plays an important role with each state and territory government, and that needs to be stressed. It needs to be stressed that the federal government regards it as a partnership. Clearly it seeks to assist state governments and territory governments in the administration of Commonwealth funding for VET programs, with the bulk of all that funding going to state governments and territories.

The Australian National Training Authority Amendment Bill 2003, which we are debating today, is clearly modernising legislation that aims to improve the way in which the Australian National Training Authority manages Australia’s training and vocational education. As such, it is legislation that should be supported by everybody who is interested in advancing VET reform in Australia. The bill will put in place arrangements that will help establish national standards in training and vocational education that are urgently needed. The best way for Senator Carr to address the concerns that he expressed in terms of national recognition is to support the bill before the Senate today.
The bill cements the Commonwealth’s vital leadership in this field. Training and vocational education are fundamentally areas where a fully national approach is essential. The key is to provide for flexibility within a national framework so that states and territories can take account of regional requirements—for example, in particular skill sets or training needs—and, ideally, also very localised requirements. This requires the states and territories to be as flexible within their jurisdictions and within their own briefs as the Commonwealth is in its jurisdiction and brief. A particular case in point in Queensland, for example, is the vital role that agricultural colleges play not only in the state’s pastoral and cropping industries but also in the regional communities. We are at a point in our history in Australia where we really need to get our training and vocational education system into a unified and single-purpose framework. This will help Australia fully capitalise on its natural advantages in the global economy. A flexible and forward looking national training system is a powerful tool in nation building.

The bill amends the Australian National Training Authority Act 1992 to provide for the Australian National Training Authority agreement—when an agreement is concluded—by amending the definition of ‘agreement’ under the act and deleting the schedule to the act which contains the current agreement. It also provides for an increase in the number of members of the ANTA board from seven to nine. This was a request of the ANTA Ministerial Council—the training ministers from all states and territories, who currently, and unfortunately, happen to be Labor colleagues of those opposite—and was agreed to by the Commonwealth. In an environment in which ANTA’s workload is growing and its reach expanding, it makes sense to add an extra two members to the board.

Removing the schedule from the act, as this bill proposes to do, means that the amending legislation can be introduced while an existing agreement is in place. The present agreement expires at the end of this year. This is also a sensible measure that ensures negotiations can commence for future agreements with enough time to iron out any bumps before the deadline. Too often in this country we see last-minute deals and eleventh-hour solutions, not to mention carefully stage-managed walkouts by ‘angry’ premiers, that do nothing for sound governance.

There are some really interesting figures in the training and vocational education area that I believe are worth putting on the record in the Senate, particularly after the contributions by the two speakers who preceded me. In particular, the growth in the number of new apprenticeships and their spread throughout the Australian work force are very pleasing. I mention my appreciation of the time I worked with the federal minister who preceded the current excellent minister, David Kemp. I am pleased that his brother is in the chamber because undoubtedly at the dinner table tonight he will pass on directly to his brother the sincerity and the strength of my remarks. He was a really good minister. He took a pioneering, vital, specific and detailed interest in the issues we are debating today. He led the reform charge. Dr Nelson, an exceptional minister in his own right, is very lucky to be following in the footsteps of a minister whom I came to admire and had the privilege to support for 2½ short years in implementing this government’s reform agenda in such a vital area of policy.

The Minister for Education, Science and Training, when he introduced the ANTA bill in the House of Representatives, highlighted the 171 per cent increase in the number of new apprenticeships since 1995. They totalled more than 391,000 in training at the end of March this year. That is a very credit-
able performance by all involved and certainly indicates that in Australia we have truly taken up the training challenge. New apprenticeships now account for more than 23 per cent of the total number taking part in vocational education and training nationally. Another statistic that is interesting and which bodes well for the future is that women now represent 37 per cent of all new apprenticeships, up from 34 per cent 12 months ago. Senator Allison should have highlighted that figure, coming from the perspective she does. Of great importance for Queensland, Australia’s most decentralised state, is that people in regional areas have increased their participation in new apprenticeships significantly, to more than 97,000 places compared with fewer than 40,000 in 1995. As a senator who obviously has a very strong regional perspective to my job I find that a very reassuring statistic.

In terms of the difficulties older workers experience in getting jobs, it is pleasing to see that proportionate growth in new apprenticeships has been strongest for people aged 40 and over. Numbers increased nearly sevenfold in the five years to March 2003 and that is indeed an achievement by the system that this government is seeking to foster in the VET sector. That is certainly a figure worth boasting about and worth noting in this place.

Some of the national-Queensland comparisons are also instructive. There has been a 32.8 per cent increase in national enrolment numbers in the VET system since 1995; in Queensland the increase is 54 per cent. Nationally, 25.7 per cent of all Australians aged 15 to 19 participated in VET in 2002; in Queensland the figure was 24.8 per cent. So there is still a skill deficit under Beattie Labor. Nationally there were 391,672 new apprentices in training at the end of March 2003—a 15.1 per cent increase since March 2002. In Queensland there were 141,392 in training. In Queensland there were 66,146 new apprentices in training at the end of March 2003—a 12 per cent increase since March 2002—and there were 28,759 in training in 1995. Nationally there were 185,520 VET in Schools students in 2002, a 97.2 per cent increase since 1997, and this represented 44 per cent of senior secondary students in a total of 1,996 schools. In Queensland there were 50,690 VET in Schools students in 2002. That is a 63 per cent increase since 1997.

Nationally there were 10,892 school-based New Apprenticeships commencements in the year to March 2003—a 50.8 per cent increase over the previous year. In Queensland the relative figure was 26,078 commencements—a 27 per cent increase. In 2003 there were 137,002 new apprentices in the trades and related workers category nationally—35 per cent of the total New Apprenticeships participants, up from 120,785 in 1995. In Queensland there were 27,656 new apprentices in the trades and related workers category—42 per cent, up from 24,458 in 1995. Nationally, there were 10,892 school-based New Apprenticeships commencements in the year to March 2003—a 50.8 per cent increase over the previous year. In Queensland there were 4,493 school-based New Apprenticeships commencements—a 14 per cent increase over the previous year and, incidentally, Queensland contributes fully 41 per cent of all Australian school-based New Apprenticeships commencements.

At the risk of having bored some of the senators in this place with that detail, I think those figures were worth quoting. They are figures that show that the federal government and the state governments can work together and achieve results like that and, in the context of this bill’s debate, show the Howard government providing strong policy and legislative leadership in this policy area.
I want to turn now to an issue that is of great concern to practitioners within the VET system. I think that today, as we debate this ANTA bill which seeks to expand the capacity of the agency to achieve its critical objectives, we need to have a look at how its philosophical aims and direction are in fact being stymied by administrative and legislative actions within state governments. It is critical to examine the philosophy of ANTA and how the current reversions of some state governments are jeopardising much of the good work that is being and has been achieved by ANTA. In this I refer to one of the most successful national strategies—which of course has been achieved by this government, and which I have sought to document and define by the statistics I have just put into Hansard—the New Apprenticeships program.

Senators would be very well aware, with over 390,000 Australians undertaking nationally accredited training through their employment as new apprentices, that the New Apprenticeships initiative has been very successful. Over the past five years this government has massively lifted Australia’s standing amongst OECD countries, so that we now rank in the top four countries in terms of the proportion of the population being employed and trained through this pathway. This achievement has been underpinned by commendable priorities which have been established by ANTA, some of which I have already mentioned, but it is worth putting them all in context. These are: the availability of national industry accredited training packages; implementation of nationally consistent administration practices for apprenticeships and traineeships; support for New Apprenticeships centres and group training organisations; the AQTF, ensuring continually improving quality in our training; research and resources dedicated to improving the flexibility of learning pathways; and, importantly, encouraging the opening of the training market to ensure that employers have choice—and I stress choice—of training providers to deliver to the new apprentices.

This latter national priority has been possible through this government’s deliberate support, through successive ANTA agreements, for the establishment of competitive training markets under the principle of user choice. Put simply, employers and new apprentices should have choice amongst registered training providers that are funded to deliver training for the new apprentice. This ability to select the training provider of choice, and to be provided with a clear understanding of the funding and obligations of the provider, underpin the future success of VET in Australia. It underpins flexible and responsive training delivered in a high-quality system where the enterprise and the individual are the most important elements, not the training regulators and training institutions, as has been suggested in this place already today.

These priorities under the ANTA agreement and ANTA’s expanded capacity under this bill are being threatened by the current attitudes of the states—in particular, the Queensland government—towards user choice. Here we have a state that in the past has taken a leadership role in so many areas of VET policy development which has now decided to wind back the clock, with no sound consultation with industry—and I stress that—or with communities or individuals that the government purports to represent.

The basic tenets upheld by the ANTA agreement supporting the New Apprenticeships program are being frustrated by the Queensland government, where we see a massive shift back in government funding policy, effectively removing choice of provider for the vast majority of employers and
individuals who now want to commence a new apprenticeship. What happens when you restrict choice? You of course reduce demand. If you restrict choice, you also reduce flexibility and responsiveness of the training system, and this means that you also, more importantly, reduce jobs for new apprentices. That essential bottom line, the ability of a new apprentice to gain a job, is massively undermined and in fact reduced by Queensland state government policies.

Let me repeat: it really means that you reduce jobs for new apprentices. At a time when we continue to have skill shortages in many key industry sectors and regions throughout Australia, this simply does not make sense. Australia can be justifiably proud of its achievements in New Apprenticeships. In three months, in six months, or even in 12 months, when the Queensland government policy starts to bite into the employment attitudes of employers, will we then be proud of that achievement? Of course we will not be. It is just a disgraceful policy.

For the ANTA Ministerial Council, all states have agreed to national principles on user choice. These principles are established with the support of ANTA and quite clearly provide an overarching framework for an open, contestable market where reasonable choice of training provider is available for each new apprenticeship. As with all principles, implementation relies on the goodwill of the participants to stick to the intent of the agreement. This is the crux of the point I am trying to make. What we are seeing in Queensland is a clear and deliberate play at this intent—a play and a ploy to frustrate and, indeed, destroy the intent. Is the intent to revert to a system where the most important part of VET is the public institutions and their unions—not the employers, not the industry, not the community and most importantly not the individuals who want to start their careers? Is the intent to see a dramatic reduction in the choice of private training providers funded to deliver training? Is the intent that, if you want choice, you have either the publicly funded TAFE system or you have to pay?

This is the particular point I want to pick up, the one made by Senator Allison in her speech where she started accusing the federal government of frustrating TAFE. In terms of VET, there is a record amount of dollars going to each state and territory government. It is up to the state government to decide whether indeed it funds TAFE primarily through the dollars it receives from the federal government, or whether indeed it puts it into a system that can be genuinely described as a user choice system. It is state governments who are responsible for TAFE systems. When I came into the chamber and I heard Senator Allison talk about the Commonwealth role in the running of TAFE systems, which are state responsibilities, I did not quite believe what I was hearing.

Is it the intent that states fail to plan and budget for the growth in their apprenticeships and traineeships systems? Is it the intent that it is the Commonwealth that constantly has to make the continuing commitments in terms of growth funds? Are the states ever going to get serious in providing growth funds according to the demands that they put on the federal jurisdiction? Is it the intent that the fundamental tenets of the ANTA agreement are to be threatened? Unfortunately, I conclude that that is the intent: the undermining of the ANTA agreement and of a genuine national VET system. Unfortunately, Queensland is not alone in its reverisionary attitude. It is arguable that no state has fully implemented the agreed ANTA Minco user-choice principles. The other states are watching very closely the developments in Queensland and, as I understand it, have also refused to commit to the current
offer of the ANTA agreement presented by this government, which provides security and growth in the funding for the future of VET in Australia. What we are doing here today is calling on the states to support the full and effective implementation of the user-choice principles within the spirit of their intent. We are also calling on the states to fully support the ANTA agreement offer for future year funding.

You can see from the tone and the content of my remarks that I feel very passionate about this particular bill. I had two most enjoyable years as a person administering a state training system. What was most impressive about that experience was the commitment to genuine partnership by all the players and all the participants in the system. Unfortunately, despite the best efforts of the federal government and ANTA agreements such as the one that we are debating today, I see that commitment declining, particularly from one of the major administrative stakeholders—and that is the states. It is about time that they woke up. Without that commitment, the national training market is not going to be as good as it could be.

Senator WEBBER (Western Australia) (12.04 p.m.)—The Australian National Training Authority Amendment Bill 2003 is an important piece of amending legislation, because it ensures that there will be an ANTA agreement for the next three years. Since the ANTA legislation came into being in 1992, provisions have existed that require that new ANTA agreements are included as a schedule of the act. This provision ensures that the final form of the three-year agreement between the states and the Commonwealth is included in the amended act. These amendments before us today, however, go beyond the normal three-year amendment of the act to include the new agreement as a schedule. Now we have a number of other changes taking place. The first of those is to increase the size of the ANTA board—excluding the chairperson and deputy chairperson—from five to seven. I wonder why we need this change.

I understand that the ministerial council is involved in the filling of the vacancies and will be charged with the responsibility for filling these new positions, one of which—as I understand it—is to go to a representative of the Australian Chamber of Commerce and Industry, the other to a representative of the Business Council of Australia. But I wonder why we need this increase. Does the increase of members from five to seven add to the deliberations and activities of the board? Does the need to amend the legislation to deal with quorums, carrying of resolutions and allowable vacancies add to the quality of work that ANTA needs to undertake?

We are told that the decision to increase the size of the board comes from the ministerial council and is about increasing the capacity of the board to provide high-quality advice. I have examined the list of the current board members and believe that they are capable of providing that high-quality advice at the moment. The current board has some very talented people on it, and I support its continued existence. Surely, if the board or the ministerial council determined that more expertise was required in a particular area, they could resource that on a one-off basis rather than by increasing the number of board members.

I am concerned that we are increasing the number of board members on this board solely on the basis of providing high-quality advice. Given that this board has responsibility at some level for driving the training needs—and, one trusts, the future skill needs—of Australian industry, then a board of five, seven or even 20 members makes little difference to the provision of this high-quality advice. The nature of Australian in-
dustry’s training needs, and likely future trends, is not covered any more by a board of seven than it is by a board of five. Our industries, the range of occupations and the training requirements are so diverse that increasing the size of the council by two members will do little to address this need for high-quality advice. Why not, for instance, just coopt expertise when it is required? Why increase the size of the board at this time? I, for one, find the published reasons for this less than compelling as to why we should agree to this amendment.

The other significant change is that no longer will the new ANT A agreement between the states and the Commonwealth need to be included as a schedule to the act. Here, I share some of Senator Allison’s concerns. Currently, the ANT A agreement for the period ending 2003 is included as a schedule of the act. The next agreement, for the period 2004-06, will not be included. Again, I have to ask myself why this change is being made. There is nothing in the explanatory memorandum that goes to the reasons for this amendment.

Indeed, in the other place the Minister for Education, Science and Training was able to talk at length about the importance of the sector to Australia’s future but did not mention one word about why the ANT A agreement for 2004-06 will not be included as a schedule to the act. I am prepared to acknowledge that this may seem of little relevance, especially when the minister has stated that he intends tabling the new agreement in both houses of this parliament. But, again, I find myself asking: why change the requirement to include the agreement as a schedule of the act when he intends to table the document anyway? I suppose I will be told that it is for reasons of efficiency, that in the future there will be no need to go through the process of amending the legislation to include the new agreement. But I think we demonstrated in this place today and in the other place yesterday that the parliament can be very efficient in amending acts to ensure that these agreements are concluded.

Also, as Senator Allison has pointed out, we now will only have the minister’s word that such tabling will occur; there will be nothing to compel future ministers to table future agreements. The government’s argument on this is no more compelling than the one about increasing the size of the board. I, for one, would prefer to see the agreement as a schedule to the act for the simple reason that it allows this parliament to be involved in the process. I endorse the minister’s view that this is an important part of Australia’s future. The need of this parliament to be involved in the process that details the Commonwealth’s commitment of grants for vocational education and training is not one that should be lightly legislated away. I understand that the actual appropriation is covered under a different act, but this in no way diminishes my argument and, as I understand it, the separate act contains no actual growth in that funding.

In my view, this parliament needs to demonstrate the importance it attaches to vocational training and should go through the process of amending the act to include the agreement as a schedule on each occasion. Although we have the minister’s assurance that he will table the new agreement if this legislation passes, we have no actual guarantee. Is it not reasonable for any government that talks about accountability and transparency to retain the requirement to include the agreement as a schedule of the act? Making this change leads us to a future where there is no need to table the agreement at all. If we are serious about our collective support for the importance of ANT A and its activities then we should still require that the new agreement be part of the act.
I would now like to make some general comments about the provision of vocational education and training throughout Australia. Firstly, I would like to congratulate the deputy opposition leader, the member for Jagajaga, on the work she has done in formulating Labor’s commitment to the provision of 20,000 additional TAFE places. To my mind, this is a significant hallmark in expanding the provision of all education and training places throughout Australia and recognises the need to not only meet current skill shortages but also ensure that we have a skilled labour market for the jobs of the future.

In dealing with this current agreement and the current provision of vocational education and training places, I think there are a number of other significant issues that need to be considered. It is my view that we need to consider the establishment of an incentive scheme to ensure the provision of real training—that is, that it is not only provided but also rewarded in apprenticeship schemes. We need to establish a national training system with agreed standards throughout our nation, given the increased mobility of our labour market. We need to consider capping the percentage of employees in any one workplace that can be classified as trainees. This would be an important step towards guaranteeing real training and support for those trainees.

Finally, we need to restructure the current system to ensure that there are increased incentives for longer term, real traineeships that will ensure that we have a skilled and valued workforce that enables all of those who complete them to work in high-skill, high-value and, therefore, high-income sectors of our labour market. Until we have a serious debate about the provision of long-term training for people in our labour market, it would be a real pity for us to remove parliamentary scrutiny of future agreements on the allocation of training within the Australian labour market and the necessity to amend the act.

Senator NETTLE (New South Wales) (12.14 p.m.)—The Australian National Training Authority Amendment Bill 2003, together with the related legislation—the Vocational Education and Training Funding Amendment Bill 2003—gives expression to the government’s continuing inability to recognise the significance of education in building this nation and, therefore, to invest properly in the sector. The ANTA bill we are dealing with today seeks to remove the requirement for government to incorporate the details of each ANTA agreement, when resolved, into the principal act by way of amending legislation. The Minister for Education, Science and Training has failed to adequately explain the need for this change, and I look forward to his response in the chamber to those comments. The change clearly removes an opportunity for parliamentary review of the agreements.

These agreements touch the lives of millions of Australians. The minister himself noted in his second reading speech that the VET sector currently involves over 1.7 million students. He might also have noted that thousands of staff, most Australian communities and, as a result, the vitality of our society and our economy are also affected by these agreements. Yet the minister does not see the need to have the details of these agreements debated as a matter of course, instead offering a one-off tabling of the current agreement in order to make the details public.

The Australian Greens are keen advocates of open government, of disclosure and of transparency. We will be supporting amendments that require the government to table the contents of the agreements for parliamentary scrutiny. I will also be moving an amendment to ensure that ANTA agreements
are made available on the web. Indeed the amendment of the ANTA Act is the only opportunity that the federal parliament has to debate VET policy, once every three years. This legislation proposes to remove that level of scrutiny and opportunity for the federal parliament to discuss the VET sector.

The history of this government’s commitment to the funding of VET is not a happy one. Perhaps it is not surprising that the minister seeks to downplay the parliament’s capacity for debate on this issue, given their woeful record in the funding of VET, in particular their support for Australia’s world leading public VET sector—the TAFE sector. The public TAFE system meets the needs of the overwhelming majority of the 1.7 million VET students and this system is in desperate need of increased levels of public funding that reflect the real growth pressures that the sector has and continues to experience. The tragedy is that TAFE should be the real success story of the Australian public education system. TAFE has been accessible and relevant to millions of students who have enjoyed the benefits of further education when all other avenues were closed to them. The TAFE sector is the envy of other countries.

The success of TAFE says a lot about Australia’s commitment to equity. It, along with the public school system, is perhaps the greatest contributor to the maintenance and development of Australian society as a place of equity and opportunity for all, regardless of their background or their ability to pay. It is only through the provision of a strong, accessible, well-resourced and high-quality public education system that we can build the vibrant, diverse and cohesive sort of society that we all want to live in. But this is a vision that the government has shown by its actions that it does not share.

Education is not just about equipping people for the job market. To limit the scope of our educational institutions to that narrow focus is to sell short the future of our kids and our communities and it is to underestimate the true value of public education services to the whole community. This is no more true than in the TAFE sector. For millions of Australians, TAFE is the provider of their future education needs. It is the source of continued growth through education for far more Australians than those who attend universities. It is also the sector that services the largest proportion of those students who have done it tough at school and who are second-chance learners.

TAFE provides vital retraining opportunities for those who fall foul of an uncertain job market or who make an active career change. Among my own group of friends, I know of many in those circumstances who have utilised the TAFE sector in order to make those changes in their lives. These kinds of opportunities are being lost by the continued underfunding of VET, particularly the underfunding of TAFE. Opportunities last year were denied to 40,000 applicants who could not find a place at TAFE. That is 40,000 lives put on hold largely as a result of the underfunding that is perpetuated by the coming Vocational Education and Training Funding Amendment Bill 2003.

But funding is not the only issue. The government are not content with having starved the TAFE sector of funds over the last seven years; they are also hell-bent on the introduction of a competitive market in the VET sector—that is, the privatisation of the VET sector. It is an ideological move, not just a mean cost-saving measure. The current ANTA negotiations will no doubt reflect this approach, as they did last time. We know this not because of any leaks from the department, not because of any up-front approach by the minister, but because this govern-
ment’s vision for TAFE is part of a well-rehearsed ideological script for a play that we have seen before in a whole range of different sectors. The record in the TAFE sector and the VET sector is there to see.

In 1996-97 the government introduced a so-called efficiency dividend, which actually resulted in a five per cent reduction of funds provided to ANTA, coupled with the abolition of real growth funding to the value of five per cent of total funding. The screw was tightened again in 1998 with further reductions in TAFE funding of $20 million, again in the name of efficiency. When we use the term ‘efficiency’, we mean of course doing more with less money.

As this funding squeeze continues, access to VET funds for TAFE competitors in the private sector is increasing. In 1995 the total funding for non-TAFE providers was $58.6 million. By 2001 it had increased to $318.7 million. The impact of this government sponsored privatisation of vocational education and training on a weakened TAFE sector is significant. These are not the actions of a government that cares about the TAFE sector and what it provides for our community.

The minister claims that the new funding arrangements incorporate growth funds, but the facts tell another story. With growth running at nearly six per cent, the government’s two per cent funding can hardly be seen as providing for growth. In fact, the total 2001 Commonwealth contribution to operating revenue of $912.9 million was $34 million less than in 1997—again, not addressing this growth.

It is important not to forget that it is not just the federal government that has been busy undermining the effectiveness of the TAFE sector. The Labor government in my own state of New South Wales has recently got in on the act. Instead of showing the leadership and the vision to safeguard the accessibility of TAFE, the Carr Labor government has increased fees by 300 per cent. Perhaps most damaging, it has introduced up-front fees of $350 for entry level courses—courses that were previously provided free to students. This comes in New South Wales on the back of all of the state sponsored casualisation of TAFE teachers, reductions in course contact hours, the sacking of over 1,000 departmental staff and rising workloads for the remaining full-time teachers in the TAFE sector.

The Australian Greens absolutely reject this continuing attack on the TAFE sector—a sector that is too often forgotten—and, as a result, becomes easy prey to cost cutting and privatisation. It cannot be said often enough that the public TAFE system is a great Australian education resource that drives equity and opportunity in our society, and it desperately needs our wholehearted support. For the Greens, this means integrating TAFE into a high-quality, well-funded and free-to-all-students public education system from preschool through to TAFE and university. It is only through a public provider that we can focus on the benefits of education for the whole of society: that is, focusing not just on training but on the development of good citizens, focusing not just on the needs of one employer but on the needs of the whole economy, focusing not just on making money but on building a successful and equitable society by recognising the role that education has to play in such a quest.

The Greens are absolutely committed to a well-funded public system of TAFE colleges remaining the dominant provider of vocational education and training and, indeed, increasing its market share within the VET sector. In New South Wales, my colleague Greens MLC Lee Rhiannon has introduced a ‘Save TAFE’ bill, which is to restore TAFE funding and to secure a strong and dynamic future for it as a dominant provider. At a fed-
eral level, the Greens are committed to reversing the trends of decreased funding per student. That means we need growth in Commonwealth funding of TAFE to meet demand. It is a pretty simple concept to me: more students going into TAFE and ensuring that more funding goes into TAFE. That means returning to a policy we had in the early nineties where funding increases met that growth in demand. This would involve about $180 million per year—based on 5.8 per cent growth per annum—beyond the existing Commonwealth budget. In addition, the Greens support additional funds of $180 million to remove tuition fees, making TAFE free to the student. The Greens believe that for every one per cent of growth in demand for the TAFE sector an additional $27 million per annum should be made available on a cumulative basis.

There also needs to be catch-up funding for this lack of growth funding since the coalition government came into power at a federal level. That means an additional emergency payment to redress the damage done by Dr Kemp’s ‘growth through efficiency’ measures and the absence of growth funding in TAFE and the damage that has done to the sector. The Greens also believe that we need to end the growth in user-choice funding of private providers. That means an immediate freeze on any new funding for private providers. The Greens support a ban on the funding of private providers where TAFE can, or could, provide the training. That means an end to public funding of private registered training organisations that directly compete with the efficient and public TAFE sector. The Greens also call for and support a public inquiry into appropriate standards for registered training organisations. We believe that the current Australian Quality Training Framework proposals would severely undermine the quality of training in Australia and should not be implemented. A public inquiry should be convened to establish and implement appropriate standards.

These measures and visions that the Australian Greens have for the VET sector—and the TAFE sector, in particular—may not appear to be revolutionary. I do not think I would describe them in that way. Certainly, they are not unaffordable, but they would make a huge impact on the vitality of TAFE and, as a result, benefit millions of Australian families, many of whom come from low socioeconomic backgrounds and many of whom are the battlers that this Prime Minister claims to represent.

The government has a clear choice: it can choose to invest in the future—in the education of society that benefits the entire community—or it can continue with its miserly user-pays ideology that cares not about the wealth of the whole society but only about the benefits achieved by individuals. This bill seeks to remove some of the opportunities for this debate on these vital issues to occur in this parliament, and the Greens do not support that. We do not support the shunting of TAFE onto the sidelines. TAFE should be at the heart of an equitable, accessible and top-quality public education system that is supported by government for the benefit of the whole of the community.

Senator GEORGE CAMPBELL (New South Wales) (12.29 p.m.)—The Australian National Training Authority Amendment Bill 2003 amends the ANT A Act 1992 to provide for an ANT A agreement covering the period 2004-06. Furthermore, the bill seeks to increase from five to seven the number of members of the ANT A board and seeks to amend the ANT A Act 1992 to remove the requirement that new ANT A agreements be incorporated in a schedule to the act. Labor has already stated that it will not oppose this bill. This said, however, this bill and the Vocational Education and Training Funding

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Amendment Bill 2003, which will fund any new ANTA agreement, demonstrate a disappointing lack of commitment to vocational education and training on the part of this government. A healthy VET sector is vital for so many reasons. VET provides our young people with the training they need to find employment. It is also a vital component in meeting the current skills shortages gripping our nation. This government’s policies fail the community on both counts.

In his second reading speech on this bill, the Minister for Education, Science and Training painted a rosy picture of the state of VET in Australia. Unfortunately, the only rosy thing about this government’s attitude to VET is the coloured glasses that the minister donned to deliver an address riddled with hyperbole and hypocrisy. VET in this country has been run into the ground by a government unwilling to provide the funding that this important sector needs to survive. Nothing has changed with the introduction of the government’s current pieces of legislation. Let us get one thing straight: in these bills the government is not providing one extra cent of growth funding for the proposed 2004-06 ANTA agreement. The $218 million of so-called extra funding offered by this government is a total sham. It is nothing more than the $119.5 million which has previously been announced as part of the welfare reform measures, and three years of indexation of both base and growth funding. Under this offer, base recurrent funding remains at the 2000 level, while growth funding barely keeps pace with indexation. It is no wonder that state and territory training ministers are reluctant to sign the new ANTA agreement. They have recognised that this offer in its current form does not even allow for wage increases, let alone provide for the resources that we need to ensure that our VET framework can meet the needs of the nation.

Perhaps we should not be surprised at this government’s continuing lack of interest in the benefits that VET offers Australia. Its indifference has always been plain to see. This government’s record on funding vocational education and training has been abysmal from its first day in office, when it reneged on the Commonwealth’s commitment to the original agreement that Labor signed with ANTA. Since that time the government has cumulatively reduced Commonwealth funding for vocational education and training by over $200 million.

Another example can be found in the 2001 ANTA funding agreement, which provided only a third of what state and territory ministers said they needed to sustain an effective training and education framework. The government short-changed VET in this country; at the same time enrolments grew by a massive 20.4 per cent—and now history is set to repeat itself. This government’s current offer will not sustain the future growth of VET in this country. With estimates placing future growth in demand for VET at between 2.8 per cent and 5.7 per cent per annum, unmet demand is likely to reach 40,000 places per year. Despite this frightening truth, the government is refusing to resource new enrolment growth that will occur during the life of the proposed agreement. The minister has told anyone who will listen that he plans to focus on TAFE and VET, yet all that has materialised is inadequate funding and a proposal to undermine TAFE as a public provider of training by expanding the competitive training market through the user-choice mechanisms.

Why should job seekers and young Australians suffer because this government is obsessed with an extremist market driven ideology? Let us for a moment compare this government’s attitude to TAFE and VET with that of Labor. This government pays lip-service to the future of TAFE. Labor, on the
other hand, has made a public commitment to the future of this great institution. Under this government, 15,000 school leavers miss out on a TAFE place, even though they have earned a place on merit. Under Labor’s TAFE policy, Aim Higher: Learning, Training and Better Jobs for More Australians, we will create 20,000 new TAFE places throughout Australia to meet this demand. But, while this government has shown itself unwilling to fund the backbone of our VET network, it has been more than happy to throw tax dollars away on self-indulgent, ideologically driven hobbyhorses.

Putting aside for a moment the debacle that is Job Network, I would like to focus on the New Apprenticeships scheme. In his second reading speech, the minister held up this scheme as a shining success. But is this the real story? What actually lies behind the glossy brochures and television advertisement campaign which, by the way, has cost the taxpayers of Australia $15 million? The sad truth is that the New Apprenticeships scheme is failing to address the widespread skills shortages that currently exist and, in many cases, is failing the job seekers of Australia—a fact the minister conveniently forgets in his regular raptures about this program.

The minister claims that, under his government’s watch, the number of people undertaking apprenticeships and traineeships has doubled. Of course, his implication is that this means more young Australians are being prepared for employment and that there will soon be a skilled work force to meet the skills shortages. He could not be more wrong. The vast majority of this growth is occurring in short-term training programs in industries such as retail or fast food where there are no significant skills shortages. However, in the wide range of industries where there are skills shortages, such as in health, building, child care and manufacturing, the shortage of trained labour just keeps getting worse. And, in the short- to medium-term, the news will not be getting any better.

Data from the last quarter of 2002 shows that 6,000 people began apprenticeships in the traditional trades. This is the lowest number of commencements since the June quarter of 1998. Concern at the failure of the New Apprenticeships program is being expressed by parents, by students, by unions and, more importantly, by business itself. Even Heather Ridout, from the Australian Industry Group, has noted that the New Apprenticeships scheme has disguised an ‘alarming fall in technical and engineering apprenticeships’. What is more, there are significant question marks about the quality of much of the training provided under the New Apprenticeships scheme. Reports are growing ever more common of employers using New Apprenticeships to secure cheap labour. Naive young job seekers are being signed up on low wages, used up and thrown away, only to be replaced by yet more vulnerable young people. And, while they are being exploited, they do not even receive quality training that will assist them in building a career for the future.

Under this government, we have the absurd situation where completing training can be more of a hindrance than a help when it comes to finding work. I take no pleasure in recounting the failures of this government but, if you turn to the human face of its neglect, its disturbing impact cannot be ignored. A recent report by the Dusseldorp Skills Forum entitled ‘How Young People Are Faring: key indicators 2003’ paints a damning picture of this government’s policy failures with respect to educating and training young Australians. In May 2003 a quarter of all 18- and 19-year-olds were not in full-time education or employment. This becomes even more pronounced in the 20-
24-year-old age bracket, where 23 per cent of young adults were not in full-time education or full-time employment. When we turn to the Indigenous community, we see that a staggering 45 per cent of Indigenous teenagers are not in full-time education or employment. This government is simply not providing pathways into effective training and eventual employment for young Australians. Yes, more and more people are undertaking VET, but with damning figures like these the minister should be doing more to ensure that at-risk young people are undertaking quality training, instead of crowing about participation rates. As the report rightly points out: A national policy approach to the learning and work needs of Australian youth has slipped as a central focus in Canberra.

Predictably, the government responds to this crisis in the only fashion it knows how: by tearing away the funding. At the very time young Australians need support from the Commonwealth, the government has announced it will reduce spending on youth transitions by $4.1 million over the next four years by abolishing the Enterprise and Career Education Foundation, which has had great success in bringing schools and industry together to provide young people with the skills that will improve their long-term career prospects. Of course, by the time the Prime Minister gets around to responding to his own Youth Pathways Action Plan Taskforce, which reported to the government some two years ago, these young people will have become the chronically long-term unemployed.

We cannot sweep this problem under the carpet. The government seems to think that youth unemployment and a crippling skills shortage will just go away of their own accord. I have news for it: they will not. As chair of the inquiry into current and future skills needs, I have travelled the length and breadth of Australia and seen the problems first-hand. Unless this government urgently commits funding to the VET sector, we run the very real risk of stunting the growth of entire industries and denying the next generation the chances they need to prosper. The time to act is now. It is a truism to say of our young people that 70 per cent of them do not go on to higher education—30 per cent do, but 70 per cent do not. That is the future skills base of this country. What is this government doing to address it? Nothing. There is a chronic shortage of funds in the vocational education and training sector to enable these young people to get the training necessary to get them into employment—to provide them with the skills that will give them the secure futures and well-paying jobs that the country needs.

Talk to business and they will tell you where the shortages exist. They will tell you that the shortages exist in the metal trades area and in the building area. But what are we doing? We are channelling funds into new apprentices—into short-term training where people are being trained, retrained and trained again with skills that are not usable in the long term. As soon as they move from one employer to another, they have to go through another retraining process. Instead of providing young people with a skills base that will enable them to move across the labour market, to be flexible in the labour market and to secure long-term jobs, we are simply ignoring it.

A major crisis is going to hit this country in the metal and engineering industry as a result of major projects that are planned for the Kimberleys in Western Australia, for the Iron Triangle in South Australia and for Central Queensland. In the next three to five years we are looking at something like $30 billion worth of construction work. That is going to rip the heart out of the metal and engineering industries in the metropolitan areas. There will be no shortage of skills on
those projects because they will have the capacity to pay the wages to attract the skills. Where are they going to get them from? They are going to rip them out of the traditional jobbing shops in the metropolitan areas, and many of those will finish up hitting the wall as a result of the lack of skills that are available in those areas to meet the demand they will require.

This government is doing nothing to address those skills shortages, which are glaring at the moment. We are doing nothing in putting resources into the schools sector to increase its capacity to deliver VET in Schools to provide the opportunity for young people to get a feel for what careers in industry are available and can be provided. The neglect that is going on in this country by this government of the skills base of the nation is criminal. Nothing in these bills will address that skills shortage, and this government is going to need to address it in another form.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

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

Western Australia: One Vote, One Value

Senator EGGLESTON (Western Australia) (12.45 p.m.)—Today I would like to make some observations regarding the principle of one vote, one value in Western Australia. This issue is currently topical because the WA state government—the Gallop, 1930s socialist-style government—has introduced legislation for one vote, one value in Western Australia, legislation which is currently the subject of a High Court challenge on constitutional grounds. In addition, Senator Andrew Murray has introduced the State Elections (One Vote, One Value) Bill 2001 [2002] in the Senate calling for universal adoption of one vote, one value.

It is undeniable that the principle of one vote, one value is the democratic ideal, and in a perfect world, in which the population was evenly distributed throughout Western Australia, it would be a fine system. But, as we all know, we do not have the luxury of living in a perfect world. We have to deal with reality, and the reality is that Western Australia is a vast, highly centralised state.

Senator George Campbell—So was Queensland, but they gave them one vote, one value there.

Senator EGGLESTON—Western Australia is much bigger than Queensland, I assure you, Senator Campbell. You should visit sometime and have a look around. Western Australia covers one-third of the continent, an area of more than 2,500,000 square kilometres—more than three times the size of the entire state of New South Wales—with a total population of just 1,900,000-odd people. The vast majority of the population is concentrated in the south-west corner of the state, with the remainder of the state being relatively sparsely populated. The population of Perth alone is 1,413,700, with the rest of the south-west having a population of just under 200,000—with the result that something like 84 per cent of the population of Western Australia is concentrated in the south-west corner, with the rest in the east and the north-west of the state. According to the Australian Bureau of Statistics, WA has five of the 10 least populated regions in Australia, these being the Kimberley, south-eastern Western Australia, the Pilbara and the Central and Upper Great Southern statistical divisions.

It is precisely because of Western Australia's unique demographics that vote weighting is desirable and has been the tradition in Western Australia ever since responsible government was established. If you go to the members entrance of the Legislative Assem-
ably in Perth, you will find a list of the original seats. It is apparent that the need for regional representation as a formula for providing the best government for Western Australia was recognised even at that time as there were a large number of seats located in the south-west and, interestingly, also a large number of seats located in the Pilbara and the Kimberley, where in the late 1800s the population must have been quite small. Nevertheless, these regional areas were given representation because then, as now, most of the wealth of Western Australia was generated in the regions. In consideration of this, and the large distances in Western Australia, it was thought appropriate to provide representation in the state parliament for people living in those different regions. That rationale is as valid in 2003 as it was in the 1890s. Today, the wealth of Western Australia is still generated in the regions and the circumstances of life, needs and priorities of the people living in, for example, the tropical far north of WA, as in other regions of this vast state, are different from those living in metropolitan Perth.

Another equally valid practical matter is that excessively large electorates are virtually impossible to adequately service. Country people deserve to be adequately and reasonably represented in the state parliament. The only way to ensure that country people in WA are not disenfranchised is to have vote weighting in country electorates. Currently, as it is, metropolitan electorates take up an average of 158 square kilometres for each electorate. Conversely, country electorates cover a combined area of 2,521,827 square kilometres, or an average of 109,645 square kilometres for each electorate. On 4 August this year, the Western Australian Electoral Commission announced the results of an electoral redistribution that will take effect at the next state election, due in 2005. One of the new seats created, Murchison-Eyre, will cover almost half of the state. By way of contrast, the three smallest metropolitan electorates, Alfred Cove, Girrawheen and Perth, each cover an area of only 21 square kilometres. If the Western Australia Attorney-General, Mr McGinty, has his way, eight lower house seats will be appropriated from the country and given to the city. Based on the recent WA Electoral Commission redistribution, if Mr McGinty’s High Court appeal succeeds, the seats of Murchison-Eyre, Greenough, Merredin, Wagin, Stirling, Murray, Collie-Wellington and Vasse are all likely to be abolished.

Ostensibly, the Gallop government is pursuing one vote, one value in the interests of fairness, but I ask: what is good or desirable about so drastically diminishing the voice of regional Western Australia in the state parliament? It amounts to nothing more than a cynical attempt to effectively disenfranchise regional Western Australia. The Gallop government is notoriously city-centric, with no demonstrated regard for the interests of country people. Indeed, it might be said that the government’s only interest in country people is to disenfranchise them.

Regional Western Australians have been neglected by the Gallop government: they have lost services, endured funding cuts, had their local hospital boards abolished and witnessed the centralisation of their health services. Despite WA having the largest area of dryland salinity in the nation, the Gallop government has been conspicuous in its inaction on this problem.

Senator Ellison—Shame! It is very important.

Senator EGGLESTON—I agree with you, Senator Ellison; it is very important. The government’s blind pursuit of the green vote has seen it consistently undermine the regions. An example of this is the government’s undermining of the Regional Forest
Agreement for the South-West Forest Region—as is the decision on Mauds Landing and numerous other decisions which have seen regional Western Australia disadvantaged by the Gallop government.

Imagine how much worse this neglect of the interests of country people would be if the Labor Party could in future be elected to government without winning a single country seat. That would be a possibility if the proposal of McGinty and Gallop goes ahead. In fact, this would be the effect of taking eight seats from the country and giving them to the metropolitan area. What will the consequences of this be for the good and effective government of Western Australia? The only answer can be that the consequences would be extremely adverse. The truth of the matter is that the political interests of metropolitan urban people in terms of law and order, health, and education services are already adequately covered by the existing composition of the state parliament. The proposed reduction in regional representation will mean that the state parliament will be less focused on the potential of the great regions of WA, which contribute so much to the Australian economy.

It is interesting to look at some of the comments on the Labor Party’s legislation from the member for Pilbara, Mr Larry Graham, who is an Independent but who is able to speak from the unique perspective of having been a long-time member of the Labor Party, which he represented in the state parliament for 10 years. Mr Graham has said:

This legislation is the most treacherous act the Australian Labor Party has ever carried out on country people in this state. I get no pride or joy from saying that. This party has put its urban and suburban interests at the forefront of politics in Western Australia ... It is a centralist piece of legislation that will completely disenfranchise the people who are worst off in this State.

As I have said, excessively large country electorates have no regard for community interests and are difficult to adequately service. This was reflected in comments from Mr Barry Court, the President of the Pastoralists and Graziers Association, when he said, ‘Some of the biggest electorates in the world are in Western Australia. It is hard to service them now—to reduce country representation by eight seats will make it impossible to service them.’

Who better to talk about the difficulty of representing a large country electorate than some of the members themselves? I want to go back to Mr Graham, whose electorate covers an area of some 858,700 square kilometres. He said:

It takes a lot of work to be a member in a big electorate. Every year on average I drive some 80,000 kilometres, I travel some 250,000 kilometres by aeroplane and I spend some $15,000 to $20,000 to charter vehicles and aircraft to get around my electorate.

The Hon. Bruce Donaldson, who is an upper house member in the Western Australia parliament, has said:

All members of this House would be aware that it is very difficult to get around a region, especially in the country. People want to see their members and not necessarily be talking to them at the end of a telephone line. Each and every one of us would have to knock back five or six invitations a day because there are only 24 hours in a day and seven days in a week. As country members must travel vast distances to get from A to B, it makes it even more difficult for them.

George Cash, another upper house member in Western Australia, referring to a committee inquiry into this matter that was held in recent months, said:

A number of submissions were made by members of the public ... They made the point that country people certainly should not be treated as second-class citizens. However, the big point that was made continually was that there was no call across the State for more members in the metro-
Those people could not understand why there was a determined effort by the Government to transfer members from the country to the metropolitan area. From my experience, people in the metropolitan area have said to me that they think they have too many members of Parliament in the metropolitan area.

If the Labor Party had the courage of its convictions, it would put the issue of one vote, one value to a referendum, but it has not because it knows that most Western Australians oppose it. So the Labor government has refused to hold a referendum on the issue. Two Westpoll’s have demonstrated that the Labor Party’s so-called reforms do not have a majority approval among West Australians and, significantly, that only 26 per cent of country voters support the proposals. Such is the depth of feeling against Labor’s attack on regional representation that a country alliance of the Liberal and National parties, the WA Farmers Federation, the Pastoralists and Graziers Association and the Country Shire Councils Association of WA was formed to fight the Labor Party every step of the way. These people have been very generous in their support to oppose the High Court appeal by the Labor Party.

One vote, one value is a longstanding obsession of the Labor Party. New South Wales based former Prime Minister Mr Gough Whitlam has written of the Labor Party’s efforts to impose one vote, one value on state parliaments since the 1960s. In May this year Mr Whitlam went so far as to attack Mr Kim Beazley, the current member for Brand and former federal leader of the Labor Party, questioning Mr Beazley’s ‘ticker’ and bemoaning:

Hansard reveals that Kim Beazley has never denounced or even mentioned the malapportionment.

Senator Ellison—It would be a big problem in Brand.
A couple of months ago, on 7 July, a Queensland family sat down after dinner to watch the 7.30 Report and were shocked to see a report that concentrated on the tragic suicide of Private Jeremy Williams at the Singleton Army base. As many senators would be aware, Private Jeremy Williams took his own life after a terrible period of denigration and harassment directed at him after he had injured himself while on the trainee course at the camp. As a result of his loss of self-worth and his distressed state, he ultimately took his own life. The family who were watching this 7.30 Report story were not shocked for the same reasons many of us who saw the report were; they were concerned and disturbed by this tragic story more than most because of the feeling of deja vu it engendered in them—the fact that their own son had been in a very similar situation only two years before. In this contribution, for the sake of protecting his privacy, I will refer to their son as Private James, which is not his real name.

Luckily Private James was rescued by his parents prior to doing himself any damage when he got into a terribly distressed state as a result of his humiliation, denigration and harassment while at Singleton Army base in the course of his training. His parents were absolutely shocked to see the story of Jeremy Williams, which was their son’s story repeated but with a much more tragic outcome, because they had been assured by the Army following an investigative report—which had been commissioned only after they sought answers about their son’s treatment—that the systems at Singleton had changed. They had been assured that the Army had addressed their concerns and had addressed the concerns contained in the report of their own inquiry into the matter, and that such instances would not occur again. Unfortunately what they saw on television that night was the same story of denigration, humiliation and systemic mistreatment of young soldiers who had been injured while on the Army training course.

As I said, the family of Private James were extremely upset by what they saw. They contacted the Defence Force and brought to their attention the fact that this had occurred previously with their son and that they had been assured that changes had been made so that such things could not occur again. There is an uncanny similarity in the circumstances of the two cases, and that is where my concern particularly lies. The story of Jeremy Williams’s death is an awful and tragic story and, as a result of getting access to the report of the inquiry into the case of Private James, we now know that it could have been prevented. But the Army did not respond after the investigation it conducted. It did not respond to its own findings and recommendations and, in effect, it allowed the Singleton Army base culture to return to one of denigration, harassment and humiliation of young soldiers injured while in training. That culture played a large part in the suicide of Private Williams.

The report into the treatment of Private James was completed in March 2001. It is a damning report on the treatment that Private James received at the hands of his instructors and fellow trainees. It lays out in detail the fact that he was subject to verbal and emotional abuse and belittling and humiliating treatment. The Army is of course investigating itself in this matter—and I will come to its findings shortly—but this is the Army’s report into its own treatment of one of its young soldiers. As I said, it found that there was belittling and humiliating treatment and verbal and emotional abuse. Private James was actually arrested and confined in custody unlawfully after refusing to go over an obstacle at the training course. His life was made hell and he came very close to doing something drastic when he was in the depths
of despair. He had very negative feelings and a lack of self worth. The Army report concluded that there was an aggressive and at times verbally abusive style of training within depot company and at times when Private James underwent training. It also found that no formal disciplinary action should be instigated against any member mentioned in the report, despite finding that these very serious allegations were proven.

The report goes on to say, effectively, that, while Private James’s allegations about his treatment were proven and were of the most serious nature, not only would no action be taken against any of those involved but the parents of Private James would be reassured that there had been changes in management systems and changes in medical treatment—implemented as a result of Private James’s treatment and the resulting investigation—which would provide a much better system and which would prevent such instances occurring in the future. As I said, it was a very damning report on the treatment of Private James: he was not only abused but unlawfully arrested. It was only by the involvement of his parents that he was effectively rescued and discharged after coming to a very low emotional and psychological ebb.

The Army concludes in the report that a range of initiatives are now being taken to solve the problems. The report was to be forwarded to the minister’s office and a range of measures—such as splitting the holding platoon, improving medical treatment, ending the abusive, derogatory and humiliating treatment of those assigned to the holding platoon when injured during training—had all been implemented. It is tragic that the summary of the report—the full report has not been made available to us—released just two weeks ago makes it very clear that Private Jeremy Williams, who took his own life as a result of his treatment, went through the humiliation, the denigration, the foul language and the completely abusive culture that led to him feeling total despair and contributed to his taking his life.

We now know that the systems that were supposed to have been changed had not been changed. The Army had not responded to its own recommendations, had not addressed the cultural problems and had not implemented many of the recommendations that they had promised. It is not just me who says that. On any reading of the two reports no fair-minded person would come to any other conclusion. The Army’s own report into the death of Jeremy Williams made the same finding. It says:

The manner in which Holding Platoon members were treated in 2000, according to Lt Col X’s findings, bears a remarkable similarity to the manner in which Recuperation and Discharge Platoon members were treated in late 2002-early 2003.

The nature of the remedial action in 2000-01, and the apparent resolution of the previous problems, also bears a remarkable similarity to a number of the changes recently introduced ... and the current sense that R&D Platoon problems have been addressed.

Either the ‘substantive changes’ identified by Lt Col X were not followed through by the chain of command in 2001, or they were lost in the space of a single posting cycle ...

Army concedes that the changes were not made, that the hierarchy did not respond to its own report and findings on Private James and that, as a direct result of that, the culture continued. We then had the terrible treatment of Private Williams that led to his death.

This is an Army report and quite frankly they are very soft on themselves. They are not as harsh a critic of themselves as perhaps you might expect. I do not mean to cast aspersions on anyone, but on reading the report you would have to say that they have been pretty soft on themselves. The report concludes:
It is believed that the inability to learn from the lessons of the Investigation—
and establish lasting mechanisms to ensure ongoing compliance with the Appointing Authorities
directions represents a failure in the system of control.

It is not a failure in the system of control; it is the loss of the life of a young man—a young man who volunteered to serve his country and deserved to be treated with respect and dignity. Instead, as a result of injuring himself while on a training course, he was humiliated, denigrated and suffered a complete loss of self worth. When he turned to others in the unit for support he met a culture that accused anyone injured of being a malingerer, that denigrated and humiliated them and ensured that they felt no pride and no self worth. That was a large contributing factor in the death of Private Jeremy Williams.

Even the Army concede in the report into his death that that was a large contributing factor, although, again, the Army are very soft on themselves. In the Army’s formal report they rank first among the contributing factors to the death of Private Williams the excessive alcohol consumption—because he had consumed a lot of alcohol on the night. They at least concede as the third point ‘the inappropriate culture and environment at SOI’ and say that that contribution was substantial. It was substantial; it is clear that it was substantial. That inappropriate culture and environment is the culture and environment that they said, two years ago, they would fix. Two years ago, when Private James was humiliated, arrested unlawfully and treated in an abdominal way, they assured his family that those problems had been fixed and that the commanding officers would know that this was an inappropriate culture, that it would be addressed and that it would not happen to anybody else’s son or daughter. But it did happen to Private Williams. Even the Army’s finding was that that culture did contribute to his suicide. I think the Army have a lot to answer for and have to be held accountable for this because unless we get changes in the culture we will be here again in two years time dealing with some other family whose son has lost his life because of the failure to deal with that negative culture and the belittlement and harassment of a young person injured while in training.

The Army, in their finding of the contributing factors to the death of Private Williams, rate as the sixth point the ‘inability to learn the lessons of the XX inquiry’—by that they mean the James inquiry. And they rate that contributing factor as moderate. I say that it was a lot more than moderate. I think it was a very serious contributing factor. I think we need further explanation as to why these problems were not addressed and we need reassurance that this time they will be fixed, because since the initial report a young man has lost his life. I think the culture and the inability to learn the lessons from Private James’s experiences were large contributing factors to Private Williams’s death.

Our Army has to do better. The Army cannot continue to just investigate itself and promise to do better next time. We have to get more transparency and more accountability. The families of young Australians who volunteer for the ADF deserve to be reassured that their children will get much better treatment than this and that Army and Defence generally will be much more responsive. Otherwise, as I said, we will be dealing in time to come with more deaths of young people. (Time expired)

Customs: Coastguard

Senator Murray (Western Australia) (1.15 p.m.)—I rise to speak this afternoon in my capacity as customs spokesperson for the
Democrats and as a Western Australian senator. In July I visited the Pilbara region in Western Australia to go on a familiarisation tour and to meet with a number of representatives from industry and from community organisations. In addition to its natural beauty, its fascinating history, its cultural heritage and its environmental importance, the Pilbara makes an immense contribution to the national economy. The Pilbara is a region of great national economic and strategic significance. Exports fetch billions of dollars. The Pilbara is responsible for the production of goods and services worth more than $16 billion per annum. This predominantly comes from the mining and petroleum industries. More than 95 per cent of Australia’s iron ore exports come from the Pilbara.

However, its largest export industry is oil and gas, which earns almost $10 billion per annum. The major oil and gas project in the Pilbara is the North West Shelf joint venture. In 2001, the venture produced around $8 billion worth of oil, liquefied petroleum gas, condensate and gas for the Western Australian market and for export to Japan as LNG. Now there is the China deal as well. The venture accounts for around one-third of Australia’s oil and condensate production and 44 per cent of Australia’s gas production. Woodside claims that the North West Shelf venture is responsible for creating and maintaining more than 80,000 jobs Australia wide through the greater economic activity generated by the project. This region is rightly regarded as a major contributor to the Australian economy.

In these worrying times of national security, border security and terrorism, any major economic and strategic area or infrastructure requires enhanced attention. There cannot be many places in Australia more major than the Pilbara. In a broad sense, I am aware of the police, intelligence, Navy, Air Force and Army facilities and resources available to react if vital areas of the Pilbara are threatened. But prevention and deterrence are key considerations. The Pilbara needs the addition of an extra deterrent capability that is presently absent. I have done some research, and must acknowledge the help of the Parliamentary Library as well as a number of individuals.

Just prior to my visit, a boat containing asylum seekers was seen not far off the coast of Port Hedland. It had apparently not been detected until it was quite close to the shore, despite the large number of petroleum exploration and production vessels and helicopters in the area. This raised public questions as to the level of security and surveillance in the area. Some of the people with whom I met offered suggestions as to how maritime security might be improved. One suggestion was that a coastguard service was a good idea. The coalition government have fought shy of the coastguard option, but its success for many countries means it is worth considering for Australia. The Pilbara offers a perfect opportunity to field test a coastguard option, not just for this critically important strategic area but for other strategic areas on the Australian coastline. My view is that a trial in the seas off Karratha and Dampier would be an excellent idea.

Given the public debate about border security and national security, the role of the Royal Australian Navy and the suitability of a coastguard for Australia, a trial provides a perfect and cost-effective opportunity to explore these issues in a practical setting. For operations in the Karratha area that would allow for coastguard type functions out to the 200 nautical mile limit in sea states up to and including sea state five, two 35-metre Bay class patrol vessels should more than suffice. These types of vessels are built by the WA shipbuilder Austal, but Tenex in Victoria or New South Wales could also undertake construction of this sort. Due to their costs,
catamarans of the type built by Incat in Tasmania are unlikely to be appropriate as a platform for the type of trial envisaged.

As we learned from the recent long sea chase to capture the toothfish pirates, Australian Customs already has maritime experience and capability. Customs currently operates eight vessels of the Bay class. There are no catamarans in enforcement or interdiction service in Australia. Given the sea conditions that dominate the proposed area of operations, the trial vessels could be of either aluminium or steel construction. Were operations to extend to waters off south-west Western Australia, where sea states conditions five and six are likely to be encountered on a regular basis, steel construction might be the preferred option. The advantage of steel construction is that in sea states three to five the vessels would ride better in the water. In sea states of six or more, a small vessel such as a 35-metre Bay class patrol ship would need to seek shelter in port. The advantage of aluminium construction is that the vessels would cost approximately 15 per cent less per day to operate at sea.

The key personnel issues to consider are as follows: a 35-metre vessel would require a crew of some six to eight persons. If there were a requirement for the vessel to also provide a boarding party, the minimum crew number would be 15 persons. The Navy tend to assign a crew to a vessel and then not rotate them off. Consequently, Navy crews tend to spend some six weeks at sea with a two-week rest period ashore. On the other hand, Australian Customs assigns two crews per vessel and rotates the crew off the ship. Customs crews do a tour at sea of three weeks, followed by three weeks ashore.

The key financial considerations are as follows: Navy officer personnel of the rank appropriate for service in small ships earn approximately $76,000 per annum while undertaking sea duty, while their Customs equivalent earns $95,000. However, Navy must maintain equivalent crew numbers in shore billets, while Customs simply rotates personnel from two crews. What this means is that the equivalent cost for Customs is one salary for one year versus the naval requirement to have, in effect, two salaries for the same ship each year. In addition Navy procurement methods are more complicated than Customs. For Navy, approximately an additional one person is salaried per five seagoing personnel. If the Customs personnel system were adopted, the trial would require four crews of 15 persons at an annual salary cost of about $5.7 million. Taking into account the total cost of operating, the Navy direct cost for one year would be greater.

A Bay class patrol vessel can be purchased for approximately $7 million. There would also be an option of leasing patrol vessels, the cost of which I do not know. The daily operating cost of a Bay class vessel is approximately $15,000. The annual operating cost for ensuring one vessel remained on station 365 days a year would be approximately $5.475 million. For two vessels total annual operating expenses would be approximately $10 million, understanding that storms and other contingencies would prevent both vessels being at sea 365 days a year. Roughly speaking, the total cost for two vessels looks to be just under $30 million for the first year of operation.

An important issue that needs to be considered is whether any fleet should be built to a commercial, as opposed to a military, standard. The chief difference—aside from the absence of major naval weapons system and classified electronic and communications suites—is that a warship for Navy is intended to float, move and fight, with considerable redundancy of onboard systems. Commercial vessels constructed for a coastguard would not be built with a view to sav-
ing the ship in the event of any accident; they are built to save the crew.

From a personnel perspective, Navy crews its smaller vessels in a manner conducive for quick transfer to billets in larger service combatants. Therefore there is both bridge and engine room watch-keeping in naval vessels, whereas in Customs and commercial vessels remote engine room monitoring is common. The monitoring requirements in naval vessels for other crew functions are also more rigorous than in Customs or commercial vessels. In addition, some functions, such as catering, are a dedicated function in naval vessels but a shared responsibility on Customs and commercial vessels. All of these factors add costs to naval operations not encountered by enforcement agencies. A coastguard service, in other words, would be more flexible and less costly.

There are a number of countries throughout the world that use coastguards. These precedents can provide us with guidance as to how to approach the task of a coastguard trial off the Pilbara in Australia. The largest coastguard in the world is the United States Coastguard. The US Coastguard has a military structure and is therefore similar to the Royal Australian Navy and it has law enforcement authority similar to that enjoyed by the Australian Federal Police and Customs. It undertakes humanitarian functions such as those exercised by the equivalent of the Western Australia State Emergency Service.

The United States Coastguard operates 137 patrol vessels up to and including frigates equivalent in size to the largest major service combatants in the Royal Australian Navy. It has a strength of 39,000 active duty personnel. In contrast, the Royal Australian Navy has 12½ thousand personnel. The United States Coastguard budget for 2002 was $US5.181 billion, a figure that equates to approximately half of the entire current Australian defence budget.

In contrast to the United States Coastguard—which might be regarded as a deluxe service—the Canadian Coast Guard is an organisation whose functions are focused on community safety in the maritime environment and enforcement of laws and regulations. There are no vessels in the Canadian Coast Guard inventory that could be classified as major service combatants and therefore this service more closely mirrors the type of coastguard that might be affordable in Australia if policy makers chose to divorce the coastguard function from the war fighting functions of the Australian Navy.

The maritime patrol area of the Canadian Coast Guard is broadly comparable with that of Australia, with an increased emphasis in their case on operations in Arctic waters. The roles of the Canadian Coast Guard include a collection of marine programs and services such as search and rescue, boating safety, environmental response, marine navigation services, marine communications and traffic services, and navigable waters protection. The Canadian Coast Guard does have law enforcement, border protection and immigration responsibilities. It also earns fees from undertaking ice-breaking services for commercial shipping, imposing radio tolls and so on. These services reduce the expense of running the coastguard. Opportunities for any savings in Australia through providing services for a fee might be worth considering.

My objective in delivering this speech is not to set out a particular coastguard model that would be appropriate for Australia. That is a matter for government and it is a matter for the government to consider at some length. My concern is that there is no sign that this government is prepared to consider this option with any seriousness. Yet it is
quite clear from my discussions in the Pilbara that the deterrent capacity which would be afforded by a coastguard function is just not available. Everyone who has had anything to do with the armed forces or security or intelligence knows that it is very difficult to protect any infrastructural facility completely, but a deterrent capacity has a great effect on general surveillance possibilities and the general ability of people to determine whether a place should be targeted or not. I have hoped through this speech to draw attention to some of the issues that surround the possible creation of an Australian coastguard. I am of the view that a trial would be worthwhile. It would be cost effective and it would be a very sensible option, I think, for Australia to pursue.

Senator McGauran—We have looked at it.

Senator MURRAY—I take the interjection from Senator McGauran. As the chamber knows, Senator McGauran has absolutely no experience in military affairs whatsoever and has no competence in this field. So he is just shouting there as a loudmouth through the chair. It would be better for the country if he kept his mouth shut on issues about which he knows very little. Given the immense strategic and economic significance of Karratha and surrounding regions, I think it would be a good location to trial increased security measures and I do hope that people more competent than Senator McGauran will look at this issue seriously.

Housing: Affordability

Senator BARNETT (Tasmania) (1.29 p.m.)—I rise to speak on the importance of home ownership. This area of public policy has been an outstanding success since 1996 and a highlight of the Howard government's initiatives over that time. I am proud to be part of a government that has delivered the lowest home loan interest rates for 35 years. This low interest rate regime is saving Australian home buyers $3,950 a year on a $100,000 home loan. Given that such a mortgage would be fairly common in my home state, I know the savings will mean a lot to Tasmanians.

In 1990 the home loan interest rate peaked at 17 per cent; now it is 6.5 per cent. In other words, home buyers were at one stage under the previous federal Labor government paying almost three times as much as they are paying out now in mortgage interest payments. The First Home Owners Scheme has helped 490,000 Australians to buy their first home over the past three years. That has been worth $3.9 billion to the Australian economy over that period. In my home state, the Australian government has paid out over $100 million in the first home owners grant to 13,500 Tasmanians since 2000. In the last financial year alone, more than $28 million was paid out to 3,800 Tasmanians. This has sustained a housing boom in Tasmania, where house prices and activity have risen dramatically. It has been a huge investment in the Tasmanian building industry at a time when it was desperately needed. It has been very much a pro-family, pro-building and construction, and a pro-real estate success story. I am proud to be part of a government that has made that happen.

I know the housing lobby wants governments to get off the backs of home buyers. That is why the First Home Owners Scheme was introduced—to offset the impact of the GST on housing. I think all Australians appreciate that the scheme did its job in spades and more. I also know how the Treasurer, Mr Peter Costello, has used his discretion under the new tax laws to make sure that many state taxes, fees and charges are free of the GST so that there is minimal double taxation—but not so for state stamp duty. The state governments around Australia are very happy to reap a fortune from the housing
boom by having stamp duty apply not only to housing transactions but to the GST as well. I say res ipsa loquitur—the facts speak for themselves—and you can see the stamp duty proceeds swelling the coffers of the state and territory governments around this country.

If a house is sold for $200,000 and where the GST is applicable at $20,000, the state governments are imposing stamp duty on $220,000. It is the same with housing insurance. A housing insurance policy of $400 becomes $440 with the GST and the state government levies stamp duty on the $440. This is wrong, and I know that the Housing Industry Association of Tasmania and the Real Estate Institute of Tasmania—and indeed their counterparts in other states and territories around this great country—are lobbying for governments to get off the backs of home buyers and sellers. I support their efforts and congratulate them on their initiatives. I suggest that in the first instance they take on the state governments. At least the federal government has taken steps to offset the impact of the GST with the First Home Owners Scheme, but I have not yet seen a state government overcome its greed and either reduce or offset the impact of stamp duty. But that is not all. All GST revenue goes to the states. So not only is Tasmania better off already; Queensland, Western Australia, the ACT and the Northern Territory are also already better off under this new tax system. The GST has replaced hidden, inefficient wholesale sales tax rates such as the 12 per cent on items including light fittings, baths and kitchen sinks.

With respect to the GST in Tasmania, in 2000-01 the revenue for the state government was $988.1 billion, the following year it was $1,059.8 billion, in 2002-03 it was $1,246.7 billion and the 2003-04 estimates are $1,320.6 billion. So the states in toto will receive $8.4 billion of stamp duty on property conveyances in 2002-03. This compares with around $3.1 billion in GST revenue from the residential housing sector. This is an enormous amount of money, and that is the benefit to the states and territories under this new tax system.

That is why the Australian government has established an inquiry into the cost of housing. It is an inquiry that is very much...
needed and is an important initiative by this coalition government. The government has asked the Productivity Commission to inquire into the affordability and availability of housing for families and individuals wishing to purchase their first homes. Specifically, the commission will examine impediments to first home ownership and provide assessments on the feasibility of reducing or removing impediments. It is a very good initiative and a very important inquiry. The Productivity Commission will report to the government early next year. I am certain that the Housing Industry Association and the Real Estate Institute of Tasmania will contribute, but I hope that other key stakeholders in the community, including the chambers of commerce, business entities and individuals who wish to have a say, will make a contribution to this very important inquiry.

In summary, we can see that the First Home Owners Scheme has been a great boost and support to the housing and construction industry. We can also see that the new tax system has delivered benefits—probably surprisingly large benefits to the states and territories around this country. The question is: as result of the property boom, why won’t the states and territories now reconsider the application of stamp duty to the cost of a home? I hope that, as a result of this inquiry, pressure will build. The facts will be on the table and the pressure will build for the states and territories to review their position and remove or alleviate the iniquitous stamp duty tax that applies to homes in and around this country. I support the initiative by the Treasurer to establish this inquiry into the cost of housing, and hope that it is a great success.

**Health: Commonwealth-State Health Agreements**

**Senator MACKAY** (Tasmania) (1.40 p.m.)—I rise today to speak about the vital issue of health care in this country and, in particular, the Australian health care agreements that the states have recently been bullied into signing. On 18 August in this chamber we heard the Minister for Health and Ageing, Senator Patterson, respond to a question from Senator Lightfoot. The minister said that she was grateful to Senator Lightfoot for "the opportunity of putting on record the actual facts" relating to the Commonwealth’s offer to the states. The minister then went on to trot out the same old rhetoric about how the Commonwealth offer was a $10 billion increase and 17 per cent over and above inflation. She then went on to detail the so-called increased offer to each state and told the chamber that my home state of Tasmania would receive $220 million extra. But the minister knows—and I hope the general public now know—that she is playing fast and loose with these figures.

What the minister knows is that, in spite of her so-called facts about how much extra each state will receive and how much above inflation this is, the new agreement represents a cut in funding from the previous agreement. I want to place on record the fact that, were the previous health care agreement to be carried forward, Tasmania would have received $40 million more than this offer from the minister that it has been forced to accept. The minister has changed the agreement so that Tasmania will get $40 million less than it would have previously. That is $40 million less for Tasmania’s public hospital funding. That is $40 million that could have gone to providing additional beds, reducing waiting times for
elective surgery, purchasing new equipment and meeting some of the myriad other costs that go into providing high-quality public hospital services.

The $8 million per annum cut to Tasmania represents the amount the state government in Tasmania spends in entirety on intensive care. That is what the quantum will mean for Tasmania and that is what the state government is currently faced with. I hope this is clear, despite the minister’s attempts to cloud the issue by bandying around all sorts of figures—and I notice she uses dollar figures much like Senator Barnett did with respect to GST funding. Those are meaningless unless put in the context of a whole lot of other variables, but I might give a speech on that later. It sounds like a lot of money but the truth is extremely simple: under the new agreement, Tasmania receives $40 million less over the life of the agreement. In my mind, and I am sure in the minds of Tasmanians, that is a cut and a pretty big cut at that.

Given that Tasmania is not the only state or territory to have been dudged by the minister, let me turn to where all the money the minister is saving is to go. Surprise, surprise, it is going straight into funding the Orwellianly titled A Fairer Medicare package. I have been following with interest the hearings of the Senate inquiry into Medicare, chaired by Labor Senator Jan McLucas. I took particular interest in the hearing in Hobart and the submissions received from Tasmania.

It does not matter where the hearings are held or where the submissions have come from; the message around the country is loud and clear. The government’s so-called A Fairer Medicare package is a total dud. It will not improve bulk-billing rates, which are at an all-time low. In Tasmania the bulk-billing rate has dropped to 54 per cent. It will not stop the mass exodus of GPs, and it certainly will not give us a so-called fairer system. In fact, a key theme of all the submissions to the inquiry is how this so-called A Fairer Medicare package will in fact increase inequity. There is a general consensus that costs for families will rise if the government’s plans are put in place. The inquiry has been told that concession card holders will get second-class care and that the working poor, who are unlikely to be able to access bulk-billing, will be unable to afford gap fees and will go without health care until their conditions worsen and they have to go to public hospitals. That will then feed into the cycle of more stress on the public hospital system, which is faced with a $40 million cut in Tasmania and a $1 billion cut in aggregate across Australia.

A submission from Anglicare’s Social Action and Research Centre, based in Hobart, said that the package would result in the creation of a tiered health system, with a number of serious consequences for low-income earners. The centre said:

- Reduced access for low income earners to GPs in areas with an income mix ...
- Increased pressure on public hospital emergency departments ...
- Increased cost burden on the ‘working poor’ ...

Let me reiterate Anglicare’s second point: increased pressure on public hospital emergency departments—the same public hospital departments that in Tasmania will be $40 million worse off over the life of the agreement under Minister Patterson’s new health care agreement.

As well as maintaining a keen eye on the Medicare agreement, I have also been following with interest, and with some dismay, the inquiry into poverty and financial hardship, chaired by Labor’s Senator Steven Hutchins.

Senator McGauran—You’ve been busy.
Senator MACKAY—I am always busy when my state’s interests are in jeopardy, Senator McGauran. The inquiry visited Tasmania in May this year. It received many submissions from Tasmanians and Tasmanian non-government organisations, all of which testified to the extreme difficulties faced. I could talk at length about the submissions from Tasmania and the stories that were told at the hearings but time does not allow me to go into detail today. However, of particular relevance to this issue of health funding was the very compelling evidence given by Mrs Ronda McIntyre of the Salvation Army. With respect to poverty in Tasmania, she told the inquiry:

Lack of access to medical services is a particular hardship for low-income patients. Those that do not have the money to cover the gap fees often put off seeking medical attention. One of the issues that impact on our emergency relief in Tasmania is that we are being asked to pay the gap fees for doctors. That is a situation that, in the past, certainly was not an acceptable use of emergency relief funding.

We should be ashamed to live in a country—an affluent country by any standards—where people have to go to welfare agencies and ask for emergency relief money to visit a doctor. I should point out here that there is little enough emergency relief funding to go around as it is, and this extra call on the money means that someone else who needs it has to go without.

The Anglicare submission to the Medicare inquiry is of particular interest, because it includes the voices of low-income earners speaking for themselves rather than having others speaking for them. We need to listen to what they are telling us. For the record, one person from Launceston quoted in the Anglicare submission says:

I can’t afford to go to the doctor and if I do go I can’t afford the medicine. Both my daughter and I need to go but we can’t. There’s no money until next Thursday. I owe the Northern Suburbs Medical Centre $9 for the last bill and I haven’t got it. If you can’t pay the bill the doctors charge an account fee and the bill increases.

Another person from Circular Head on Tasmania’s North West Coast talked about the lack of access to bulk-billing doctors. This person said:

Either you can’t afford to go or you owe so much that you’re embarrassed to go.

We have a health system in crisis, bulk-billing rates at an all-time low, a package supposedly aimed at fixing up Medicare that has been declared a failure by everyone who has had a look at it and struggling public hospitals that have had $1 billion of funding ripped out of them by this government to fund its useless Medicare package. And yet we have a minister who is continuing the furphy that health care is being adequately funded and that the solutions to the crisis are there. The only solution she has is to shift costs to the states whilst cutting their funding.

Let us not forget what this government did with funding for dental services—services that are vital to maintaining health and well-being. This issue has not been forgotten in Tasmania—the particular initiative that was taken way back when, unfortunately, the coalition first won government. Without adequate dental care we see elderly people unable to eat properly, people with such low self-esteem that they withdraw from society, and people disadvantaged in a highly competitive job market—not to mention people in pain on a daily basis. These are just some of the consequences of not being able to access adequate dental health care.

So what has happened to dental funding? In 1996 this government abolished the Commonwealth dental health program, which provided $100 million per year for dental care for low-income earners. And who
now picks up the bill for the care these people need, care that is now usually accessed at a much later stage of dental ill health? The state governments pick up the bill—the same state governments who have just had their funding cut by this government and who have been bullied and blackmailed into signing the new agreement.

I have painted a very grim picture, I am afraid. The picture is grim because the situation is grim. This government has no idea how to fix the health care system in this country. Its only ideas are based on Prime Minister Howard’s obsession with destroying Medicare, which has been on the record for many years, and shifting costs to the states. Fortunately, not everyone has given up. We in the Labor Party have not given up. We believe that Labor’s Medicare package will turn around the decline in bulk-billing. We are committed and we will save Medicare.

Similarly, at a state level, Labor governments are doing their best with what they have, and they are doing it well. I was heartened to see that in my home state of Tasmania the state Minister for Health, David Llewellyn—whom I have just spoken to, and I thank him for giving me some information—is getting on with the job, despite the disappointing outcome of negotiations on the Australian health care agreements. Yesterday, David Llewellyn announced the appointment of the expert advisory group, which will drive improvements in Tasmania’s hospital services. The group will be assisted by a specialist reference group comprising a broad range of health stakeholders, and the reform process will commence with a health roundtable to be held in Hobart next week.

I congratulate the state government for that initiative of attempting to find ways of coping with a $40 million cut over the life of the agreement without diminishing care—to the extent that it is possible, given that, as I stated at the beginning of my contribution, the $8 million per annum over the life of the agreement represents the entirety of what the state government in Tasmania spends on intensive care. The states know that they cannot wait for the Commonwealth government. My only hope is that Minister Patterson is true to her word on her commitment to participate in reform discussions and perhaps turn up on the odd occasion in respect of these discussions and not short-change the states yet again.

Immigration: Border Protection

Senator McGauran (Victoria) (1.52 p.m.)—I want to take a few minutes of the Senate’s time to respond to Senator Murray’s address to the Senate in which he opportunistically took up an interjection of mine. I was quite surprised by the viciousness of it, so I am compelled, in just a minute or two, to respond. Senator Murray told the Senate that he took a trip up to the Pilbara, a long way from the city lights that Senator Murray and the Democrats glow in. Actually, leaving the main city would be a big thing for the Democrats, let alone venturing up towards the Pilbara. It was obviously an early campaign venture by Senator Murray. He spoke to the locals there. As much as he was a fish out of water, he spoke to the locals, espousing the virtues of border security. This coming from the Democrats! How he could have done that with a straight face is beyond me, but I suppose if anyone in the Democrat camp could say it with a straight face it would be Senator Murray—espousing the virtues of border security and border control.

Senator Murray should have told them the truth—that the Democrats have spent the last year, basically since the last election but also before that, denigrating this government’s strong border security measures. What would Senator Murray want with border security—to stop the illegal immigrants coming in? Did
he bother to tell the people from the Pilbara
that that is what he and his colleagues have
been railing against in the Senate from day
one? Of course he did not. He was up in the
Pilbara to make friends. I see Senator
Lightfoot in the chamber. He is a long-time
visitor to the Pilbara. He tells it straight. He
will address Senator Murray’s false speech to
the Senate and his so-called sincerity to-
wards border control.

Senator Murray had the gall to tell those
who were listening what he thought one of
the solutions was, wheeling out one of the
Labor Party’s old policies—wheeling out the
easiest thing you can say to people—that we
will have a coast watch, a coastguard. He
says, ‘Don’t you think a coastguard is a good
idea?’ To the uninformed that sounds like a
great idea, but it has been looked at, Senator
Murray, and it is an absurd idea. What is
more, Senator Murray, a Rhodes scholar,
knows it all too well. He took the political,
opportunistic approach of making a speech
in this parliament. Obviously he is going to
send the Hansard up to those that he spoke
to, to say that he has been espousing the
costguard idea. It is very catchy, but it is a
very shallow policy, and the Rhodes scholar
should know better.

The policy is condemned because it is an-
other layer of bureaucracy. At the moment,
we place our trust and our faith in the Navy.
The Navy are carrying out the job of border
security, and they are carrying it out very
well. We do not need another layer—an ex-
pensive layer—of bureaucracy to protect our
borders. Who can do it better than the Navy?
I do not have the name of the new fast boats
that the Navy have ordered, but I should add
that we have just put in an order for 12 fast
boats—or ships; the terminology does escape
me.

Senator Troeth—Vessels.

Senator McGauran—Vessels. Thank
you, Senator Troeth—vessels, boats. Do
those on the other side find that amusing?
The vessels will be deployed in the west with
regard to border security. The Navy has the
capabilities, the expertise and the faith in the
government. To wheel out that old, hack-
neyed policy which is endorsed by the Labor
Party—isn’t that enough to put you off? The
idea that we should establish a coastguard is
to be condemned by Senator Murray, who
should know better. He took the opportuni-
stic, political approach towards policy.

Sitting suspended from 1.58 p.m. to
2.00 p.m.

QUESTIONS WITHOUT NOTICE
National Security

Senator Faulkner (2.00 p.m.)—My
question is directed to Senator Hill, repre-
senting the Prime Minister. Can the minister
confirm for the Senate that the distribution of
classified Office of National Assessments
documents to government agencies, depart-
ments and ministers’ offices is subject to
strict and enforceable procedures? Don’t
these procedures include ‘return and burn’—
the return of documents to ONA for destruc-
tion within a tight time frame—and the log-
ning in and logging out of all documents dis-
tributed? Can the minister assure the Senate
that all document logs and destruction re-
cords for the top-secret Wilkie report, includ-
ing specifically the period immediately prior
to the Andrew Bolt article of 23 June this
year, will be made available to the Federal
Police in their investigation of the leaking of
the contents of this report?

Senator Hill—The ONA asked the
Federal Police to investigate certain matters.
I think it obviously follows from that that the
ONA would be fully cooperative with the
requirements of the Federal Police. There is
not much point in asking them to do a job if
they are hamstrung in doing their job. I really do not see what the problem is.

Senator Faulkner—I will take that as the assurance I sought. Mr President, I have a supplementary question. Can the minister also confirm that a security classification for a document produced by ONA attaches to that document in its entirety and not just to portions of that document? That being the case, why then did the Prime Minister yesterday tell the House:

... ONA told the AFP that Bolt did not specifically quote any intelligence material.

That particular judgment goes to the very heart of this issue. We are talking here about a claim that ... material may have been leaked, yet the judgment made by the ONA as communicated to me was that the report did not specifically quote any intelligence material.

Minister, isn’t the real heart of this issue the fact that a report, all of which is classified top secret, was leaked to a person or persons without security clearance, and whether intelligence material was or was not quoted is both irrelevant and completely misleading?

Senator Hill—Senator Faulkner should take my previous answer as being that I said that I am sure ONA would be cooperative with the Federal Police, because ONA asked them to conduct an investigation.

Senator Ian Macdonald—It is pretty simple.

Senator Abetz—That stands to reason, doesn’t it?

Senator Hill—I would have thought so. In relation to the supplementary question, I do not know if anything has been leaked. That is presumably part of the investigation of the AFP. There are suggestions that something might have been leaked, and ONA has asked for an investigation. I am sure the AFP will do their job properly, as they always do.

Economy

Senator Barnett (2.03 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Would the minister inform the Senate about how the government’s strong economic management is protecting the most vulnerable in our community? How will the government continue to assist the vulnerable in our community?

Senator Vanstone—I thank Senator Barnett for the question. He, like all senators on this side, understands that a strong and stable economy is important not because it impresses academics and not because the Fin Review might give you a good write-up but because it is vulnerable people who are most likely to be protected. Of course, we understand, and all of Australia understands, that when you do not have a strong and stable economy—when you have a weak economy; when you take an economy into the recession we allegedly had to have—the first people who are hurt and the people who are hurt the most, the hardest and for the longest are the most vulnerable. It is the people with little education who are the first to be laid off. It is the people with little money who first have to say, ‘I can’t afford to pay the mortgage any more.’ They are the people that suffer—the weak and the vulnerable—and, boy, did they cop it right in the neck from the Labor Party government.

In direct contrast, people on this side of the chamber—in addition to having paid off $60 billion worth of Labor’s debt, borrowed from the next generation; in addition to reducing our interest bill by $5 billion a year, which could otherwise have been spent on good things, helping people—have a tremendous record. We have at the moment a historic and stable low interest rate: 6.55 per cent. I look across at senators opposite and I know plenty of them were alive in 1970—
and we have not seen interest rates that low since 1970. For those of you who do not remember, you might now know Michael Jackson in his current incarnation but, back then, he was in the Jackson Five singing ‘I’ll Be There’. That is how much has changed. They are the interest rates we had in 1970. We have not had interest rates that good for that long. For those of you who did not like the Jackson Five, Simon and Garfunkel were singing ‘Bridge Over Troubled Water’. We have not had interest rates that low since then.

Under Labor, interest rates were 17 per cent. Who could afford to buy a house? Who could afford to keep their small business going? Nobody. That is why nearly a million people were tipped out of jobs under the previous government. We have created over a million new jobs since 1996. We have got a current unemployment rate of 6.2 per cent, which we have not had since Vanilla Ice was singing ‘Ice, Ice Baby’. For those of you who do not know about Vanilla Ice, we have not had that kind of unemployment rate since Bette Midler was singing ‘From a Distance’—you might remember that. It is a long time since things have been that good. Under Labor, the unemployment rate was 10.8 per cent in 1992.

In addition, we have halved the number of long-term unemployed. It bears repeating: we have halved the number of long-term unemployed. The real value of the minimum wage under the government has gone up. Lower income people have got more money in their pockets because of a stable, well-managed economy. Under the previous government they had less money in their pockets. There are now many more traineeships and apprenticeships, with more than double the number that existed previously, because people opposite looked after the kids who went to university and did not give a tinker’s curse about the 70 per cent of kids who did not. We do care about them, and we have doubled the number of traineeships and apprenticeships. Spending on income support has grown, and real pension rates are now 8.5 per cent higher. (Time expired)

National Security

Senator ROBERT RAY (2.08 p.m.)—I direct my question to Senator Hill, representing the Prime Minister. Has the Office of National Assessments advised the Prime Minister that all copies of the ONA document on Iraq authored by Andrew Wilkie, dated December 2002 and classified top-secret AUSTEO have been accounted for? Were all copies of this document returned to ONA by government departments and ministers’ offices? Has ONA indicated to the Prime Minister whether a copy of this document was retained by Mr Wilkie? Did any department, minister’s office or government agency request a copy of the document in the days preceding the publication of Mr Andrew Bolt’s article in the Herald Sun?

Senator HILL—I have nothing to suggest that ONA has advised the Prime Minister in the terms of Senator Ray’s question. I have not got anything from ONA on whether all copies have been accounted for. It seems to me that this is a matter primarily for ONA’s concern—

Senator Robert Ray—Well, who’s responsible for it?

Senator HILL—The Prime Minister is ultimately—

Senator Robert Ray interjecting—

Senator HILL—You have had many years to answer these questions. You have now had seven years to practise asking them, so after seven years of practising asking them I would have thought you would await an answer. I have said that ONA obviously has some concerns, because it called in the AFP. The AFP is conducting some form of
investigation. Obviously I do not know the details of that; that is an operational matter. No doubt the AFP will report back to the ONA and the ONA will then take such action as may be appropriate, and the action that may be appropriate could well include informing the Prime Minister that there are problems or that there are not problems. That is the purpose of the AFP investigation. Not wanting to avoid the issue, it just seems to me to be premature to try to conduct the operation for the AFP. It would be much better to wait until the investigation has been completed and then we will all know the results.

Senator ROBERT RAY—Mr President, I ask a supplementary question. The last part of my question does not involve an AFP investigation and can in fact either be answered now or be taken on notice. I repeat that part of the question: did any department, minister’s office or government agency request a document in the days preceding the publication of Andrew Bolt’s article in the Herald Sun? You might follow that up by answering: if such a document was requested, can we be assured that the relevant security measures were taken to make this document identifiable?

Senator HILL—If the question is, ‘Did one of these bodies request a document of the ONA?’ then I can refer that back to the Prime Minister, who I am happy to concede is ultimately responsible as the portfolio minister for ONA.

Senator Faulkner—What a major concession that is!

Senator HILL—Well, there seemed to be some confusion on the other side. I am only trying to help. That part of the question I can refer to the Prime Minister. I have seen nothing to suggest that such a request was made by any individual or department in terms of the Bolt article, but I will refer that question to the Prime Minister.

Agriculture: Economic Outlook

Senator HEFFERNAN (2.12 p.m.)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry, Senator Ian Macdonald. Will the minister inform the Senate of the improved outlook of Australia’s agriculture sector? Will the minister advise of government support to assist farmers to deal with the worst drought on record?

Senator IAN MACDONALD—I thank Senator Heffernan for that question. Senator Heffernan continues to demonstrate why he is so well regarded as one of the great advocates for agriculture in Australia. Agriculture is a particularly important contributor to the wealth of Australia. I am pleased to note in the gallery the Mayor of the Mackay City Council. Mackay is, of course, an area which makes a great contribution to Australia through agriculture, tourism, mining and beef.

The widespread rains recently in the Australian grain belt will pour something like $700 million into a recovering rural economy. Of course, we do expect that we will be looking at the second biggest harvest of grain on record. The ABARE forecast for the next winter crop is that there will be a total production of some 37.1 million tonnes. That is a 10 per cent jump on the June figures and more than double last season’s crop. There is a forecast for Western Australia to more than double its grain harvest to a record 13 million tonnes, and in New South Wales, as Senator Heffernan will well know, there is expected to be a tripling of the crop up to 9.5 million tonnes.

Despite the bumper forecast, areas of northern New South Wales and Queensland are still gripped by the worst drought in 100 years. Livestock producers throughout Australia remain under pressure and face three to five years of low income until stock numbers
are rebuilt. Cotton and rice will also see difficult times because of the low storages in the irrigation areas.

Unfortunately, the responses from state governments to the drought have been disappointing to date, not only their drought assistance measures but also their unwillingness to support drought policy reform, particularly reform of ‘exceptional circumstances’. I call upon the states at the next ministerial council meeting, which is due shortly, to bring real dollars to the table to assist farmers.

Despite the meanness of the states, the Australian government has moved quickly in the areas it has jurisdiction over to help rural families and rural communities to cope with the drought and to speed the relief support to the needy. Over the last eight months the Australian government has been able to make decisions on an unprecedented number of EC applications. Of the 45 applications that have been assessed, 35 areas are now EC declared, and eligible farmers in these areas are receiving fortnightly income support, special access to health cards, family payments, youth allowance and Austudy, as well as business support through interest rate subsidies of up to 50 per cent.

For the current drought, most recent figures show that over 23,000 applications for income support have been approved and more than 6,700 applications for interest rate subsidies have also been approved. The Australian government’s current support during the drought for needy farmers amounts to almost $250 million. The number of recipients will, unfortunately, continue to rise. We expect the final bill to the Australian government to be in the vicinity of $1 billion over three to four years. I congratulate Minister Truss and the department on their work. I thank Senator Heffernan, who has made a significant contribution, and other government members who have contributed—none from the Labor side, unfortunately—such as Sharman Stone and Sussan Ley.

(Time expired)

National Security

Senator CHRIS EVANS (2.17 p.m.)—My question is directed to Senator Hill as the Minister for Defence and the Minister representing the Minister for Foreign Affairs. Does the minister recall the government’s immediate and heavy-handed response to allegations that a DIO officer posted at the Australian Embassy in Washington had passed AUSTEO classified documents to persons without Australian security clearances—namely, officers in US security agencies? Can the minister confirm that DFAT and Defence security staff were despatched from Australia to threaten with criminal sanctions this official, Merv Jenkins, who, as a result of their thuggish behaviour, took his own life? Can the minister explain why Mr Bolt has not been interviewed in regard to the massive security breach involved in the Wilkie top-secret report on Iraq? Why is the government treating a journalist so differently from someone who was serving his country loyally on official business?

Senator HILL—I think that is an offensive question, Mr President. The circumstances surrounding the suicide of Mr Jenkins are obviously distressing and the matter is subject to litigation at present. The honourable senator knows as well as I do that there was an independent investigation into those circumstances. To invite me to canvass the circumstances of that suicide is inappropriate and unwise. In relation to the matter concerning Mr Bolt, I presume that is referring to previous questions. It is true, as I have said before, that after the publishing of a certain article ONA asked the AFP to conduct an investigation and that that investigation is being conducted at present.
Senator Robert Ray—Is it an investigation or an evaluation?

Senator Hill—Is it an investigation or an evaluation?

The President—Minister, I remind you to direct your answers through the chair. Ignore the interjections.

Senator Hill—I do not wish to attach a particular science to the word ‘investigation’. What I can say is that my understanding is that the AFP were asked to assist ONA in relation to that matter, and that the AFP are assisting ONA. That seems to me to have been the proper course of action to take. That investigation, if I might describe it as such, as I understand it is still taking place. When it has been completed, no doubt there will be a report back to ONA. Then, as I said earlier, we will all be wiser.

Senator Chris Evans—Mr President, I ask a supplementary question. The minister may find it offensive, but I think what a lot of people find offensive—as the Blunn report did—is the oppressive way that Mr Jenkins was treated. That was a finding from the Blunn inquiry into the circumstances surrounding his death. The key question goes to why so much urgency was applied in that instance when there seems to be no urgency at all in relation to this matter, which is now more than 10 or 11 weeks old. I would like the minister, if he could, to explain to the Senate why there is a delay and why no such urgency has been applied in this case as compared to the urgency that was applied to Merv Jenkins. Could the minister also explain whether the government believes that a journalist who publishes extracts from an ONA document classified as top secret is entitled to protect his source or sources if those sources prove to be ministers or their officers?

Senator Hill—I do not understand the accusation that there has been no urgency because, after the publishing of the article, the ONA called in the Federal Police—


Senator Hill—My advice—

Senator Faulkner—It was yesterday.

Senator Hill—That’s right. That’s why I have some more information. My advice is that, shortly after its publication—

The President—Minister, I said earlier you should address your remarks through the chair and ignore the interjections. Senators on my left, please allow the minister to complete his answer.

Senator Hill—Shortly after its publication, the Director-General of ONA contacted the Prime Minister’s office advising of his intention to refer the matter to the Australian Federal Police. The director-general indicated that he had taken this decision after consultation with ASIO and the AFP. The formal letter from ONA to the AFP was sent on 4 July. So it seems to me that the matter was dealt with promptly and appropriately.

Housing: Affordability

Senator Bartlett—My question is to the Minister for Family and Community Services, Senator Vanstone. The minister would be aware of a briefing breakfast on poverty that was held this morning in Canberra by the UnitingCare group. UnitingCare and other church and community groups say that not enough is being done to address poverty. In reference to the minister’s previous answer to Senator Barnett’s question today where the minister said that it is poorer people who are the first to struggle to pay the mortgage or pay the rent—a fairly obvious point—what is the federal government doing to address the current crisis in housing affordability, a key factor in increasing poverty? This minister talks about the gains from her stable economy. How is this
delivering better outcomes for poorer people when the gap between the well-off and the not so well-off has grown since her government has been in power?

**Senator VANSTONE**—I thank Senator Bartlett for his question. Yes, I am aware of the breakfast—one of my senior advisers was at that breakfast. I think a light should constantly shine on the issues facing vulnerable people to make sure the policy makers do not forget and—let me go back briefly to my earlier answer—to make sure that policy makers never again think that you can just spend, spend, spend to keep yourself in government. That is what happened under Labor: they just kept spending and interest rates went up. They borrowed from the next generation. Interest rates went up, which meant that people could not afford their mortgages. It meant that small businesses were shut, and that meant that people lost their jobs, and that meant that people were therefore on welfare benefits, which were less than their salary, and so the cycle goes. Of course, the most difficult aspect in relation to the vulnerable—

**Senator Cook interjecting**—

**Senator VANSTONE**—If the senator wants to answer questions in this place, he will have to put some effort into getting back into government. The problem you have when you have a recession like the one we allegedly had to have is, as I have said, that the vulnerable people lose their jobs. When they are people with lower skills or perhaps skilled for industries that are no longer on the high-employment list, it is terribly hard to get those people back into work. That is why I mentioned that we have halved the number of long-term unemployed.

But as to your specific questions, Senator, I am sure it is a debatable point whether the rich are getting richer and the poor are getting poorer. I was certain that was the case under the Labor government, and when you recognise that the wages of low-income families—and low-income workers—fell under Labor it is certainly true that they were worse off. The wages of low-income workers have risen under our government. The Gini index is one indicator of this, although it is an indicator to be used with some care because of the size of the sample and the variations that you can have. I am happy to talk to you later about the technicalities of that. Sufficient it to say, I am not certain that what you say is correct.

Now, as to housing affordability, I am glad you have raised it, Senator. As you know, we on this side of the chamber have a very strong interest in that. That is why we have the matter being looked at. But, with respect, if you want to look at housing affordability, the first place you need to go is state governments because state governments control the release of land and the state governments control stamp duty on housing. I see that—even though it is a terribly expensive house—Lleyton Hewitt has bought a house in my state and the state government will get $170,000 simply because he bought this house. I do not have much worry with that, because he has plenty of money—it is a very high income earner’s house—but I do have a worry with the stamp duty on the lowest quartile of housing. For the houses in that price group the concessions are not enough. They vary widely between the states. It is my view that the states should give much greater concessions to low-priced housing to help people get in and get a house.

The final point I want to make is that the last piece of advice I had vis-a-vis housing affordability related to the percentage of income spent on housing, and I think there is a debate that we can have there. Nonetheless, low interest rates and therefore lots more people being able to afford a house—thank heavens—have the side effect of pushing
house prices up in some places where people want to live. (Time expired)

Senator BARTLETT—Mr President, I ask a supplementary question. UnitingCare and other church and community groups made the specific point that Australia is currently lacking a clear and coherent strategy to eliminate poverty. I would also highlight that we are currently lacking a clear and specific national housing strategy—beyond blaming the states and setting up an inquiry which ignores private rental and second home owners. What is the government’s national strategy to address poverty?

Senator VANSTONE—With respect, I cannot accept your proposition, nor the proposition apparently put this morning that we have no clear and coherent strategy to address low incomes in Australia. Senator, you have a government that have been in office about half the time of the previous government and in that time we have repaired a very significant proportion of the damage. If you think that was a happy accident, Senator, you are on something the Federal Police want to know about. It is no happy accident. Good government is a very difficult task. The members of the team here and in the lower house are all working together on a range of strategies that are working. Why are they working? Because we have lower interest rates, we have real wages for low-income earners that have gone up and we have more people in jobs. You might not like the reality of that, but that is the consequence of having a Liberal-National Party government that is constantly working on a strategy to help low-income earners. (Time expired)

The PRESIDENT—Before I call Senator Faulkner, I remind all senators that there is too much noise in the chamber today. Just keep it down.

**National Security**

Senator FAULKNER (2.29 p.m.)—My question is directed to Senator Hill, the Minister for Defence and Minister representing the Minister for Foreign Affairs and the Prime Minister. Can the minister inform the Senate whether any material in the ONA report from which Andrew Bolt selectively quoted in his *Herald Sun* article of 23 June was sourced from overseas intelligence agencies? Can the minister confirm that any disclosure from, or publication of, a document containing material sourced from foreign intelligence agencies requires the prior agreement of those agencies? Can the minister assure the Senate that overseas agencies have been alerted to this breach of agreements through the publication of material from the highly classified Wilkie report?

Senator HILL—This seems to be the usual approach being repeated from Labor, which is basically to find guilt and then go out looking for the evidence to support the finding. There has been no finding of guilt. What Senator Faulkner refuses to appreciate is the fact that the matter is being investigated by the appropriate authorities. They will determine whether there is any breach. They will determine whether there is a guilty party. Until that is determined, it seems to me that it is somewhat premature to be asking questions of this type. I do not know whether there was overseas source material within a document that Senator Faulkner seems to be referring to. If I do not know that, I therefore do not know whether approvals were given before that document was given to any particular party. All of these issues are issues that would no doubt be canvassed by the AFP. Again, I respectfully suggest that the best course of action is to allow the AFP to do its job.

Senator FAULKNER—Mr President, I ask a supplementary question. Surely, Minis-
ter, you would acknowledge that the Prime Minister, when he defended Australian security agencies’ assessments on Iraq, stressed that we had to rely on our overseas intelligence partners for most of our information. I assume you would accept that it is important that foreign intelligence agencies be informed of such a leak. I would also assume—and you may confirm this to the Senate—that you think they might do this a little more urgently than the nine weeks that at this stage it has taken to carry out an additional assessment but still not conclude whether an AFP investigation is warranted into the leak this document. Surely these matters are urgent and serious and require an urgent and serious response from responsible agencies and the government.

The PRESIDENT—Order! That was a very long supplementary question.

Senator HILL—What could be a more appropriate way to handle the matter than to refer it to the AFP? What stronger demonstration could there be that the government takes these matters seriously. The course of action that is being taken surely is appropriate. What Senator Faulkner now seems to be doing is criticising the AFP for the conduct of its investigation.

Senator Faulkner interjecting—

The PRESIDENT—Order! Senator Faulkner, come to order. You have asked your question.

Senator HILL—What Senator Faulkner is doing is condemning the AFP for taking so long. But Senator Faulkner has no idea of the complexity of the investigation. He has no idea of what actions the AFP have taken—no idea at all. So again, I say to Senator Faulkner—

Senator Faulkner interjecting—

The PRESIDENT—Order!

Senator HILL—He might think there is some sort of short-term political gain in this—I do not know. But the matter is being investigated by the police. The police ought to be able to do that without any help or hindrance from Senator Faulkner. (Time expired)

Education: Loans

Senator HARRIS (2.34 p.m.)—My question is to Senator Vanstone, representing the Minister for Children and Youth Affairs. If a student finances their studies using the pensioners education supplement and then trades that one dollar for two dollars and receives a financial assistance loan, this loan becomes a tax debit which has to be repaid once a student returns to the workforce. If the student has to withdraw from those studies with only say, a certificate III qualification in the workforce, these qualifications are negligible and the possibility of getting employment is slim, but the student would still have to pay the tax debt from that previous loan. Will a student that is part way through a diploma be able to access the financial assistance loans in the years 2004-05 and 2006?

Senator VANSTONE—The Student Financial Supplement Scheme will close on 1 January, 2004. Therefore, the student you mentioned is able to access the scheme up until that time, but not subsequent to it. There is a very good reason for that. The student scheme is simply not delivering good outcomes for students nor, for that matter, for Australian taxpayers. It was introduced in 1993, when we had those record interest rates that I was talking about earlier, and students could not possibly go and get a loan when interest rates were like that. People with good jobs could not afford to keep their mortgages. People with reasonable businesses could not afford to finance their business, and so it is a fair bet that students could not afford to get money from alternative
sources. Now that we have record low interest rates, the situation has dramatically changed.

I also might mention that since the introduction of the youth allowance the take-up of the scheme has dropped off quite dramatically—by one-third. I think that is a clear indication that students are realising that it did not offer the benefits that it might have appeared to and which they might have thought first up it in fact offered. The youth allowance of course provides flexible benefits and some concessions not available to other recipients—such as the $500 advance, the higher income free area and the student income bank—and, of course, access to rent assistance, which is very important.

To receive one of these loans, as you indicated in your question, the student had to trade in a component of their income support payment. I am told that that meant they could face effective interest rates of 16 per cent. Let me put it to you more plainly. If you wanted to borrow $7,000 on one of these loans, you had to forgo half of that in your allowance; so you borrowed $7,000 to get $3,500. I do not know about you, but it does not seem a good system to me to offer students something where they can borrow $7,000 to get $3,500.

Senator Jacinta Collins—It depends on how desperate you are, Mandy!

Senator VANSTONE—Yes, I understand that. In 1993, when this scheme was introduced, students were pretty desperate because interest rates were so high that they could not possibly afford to take out any other sort of finance. On an income of $35,000 per annum, I am advised that a loan of $28,000—if a student took out a $7,000 loan for four years in a row—would take 40 years to repay. I do not think it is sensible to keep offering that to students as a package.

Opposition senators interjecting—

Senator VANSTONE—I hear senators opposite generally interjecting. These are the senators opposite who you will note often say, ‘Students can’t have a debt.’ Apparently it is okay to give them this debt, where they borrow $7,000 to get $3,500. I just do not think that is responsible or sensible.

The Australian Government Actuary has estimated that more than 50 per cent of the total loans, because of the set-up and the way it is done, would never be repaid. In other words, they would be a gift to some students as opposed to others. That does not seem fair either. It is responsible to close a scheme that is not delivering positive long-term outcomes for students, the community or the taxpayer. Labor’s proposal to continue the scheme—as I understand they have said they would—could cost Australian taxpayers billions of dollars in the future. It would not surprise me if they offered to continue it, because when they were in government they were always happy to do something now and let later generations bear the costs. We are not happy to go into those arrangements. We want to be able to spend the money we have, keep the surplus and keep the economy in good shape. (Time expired)

Senator HARRIS—Mr President, I ask a supplementary question. I thank the minister for her answer. I understand what the minister is saying, but the question goes particularly to those who were caught part way through the process. Also, Minister, if a student chooses to take the $500 advance that is available only once each year, it would cost $38 per fortnight to repay that. A student on a disability pension of $420 per fortnight would have difficulty doing that. Minister, is there any proposal by the government to assist the students currently accessing the financial assistance loans, who are part way committed, to continue their studies? They are in a catch-22 situation. If they cannot access loans to finish their studies then they
will not be able to get full-time employment to be able to repay the debt that they now have because they have started on that loan.

Senator VANSTONE—On the basis of a person who under this scheme borrows $7,000 a year for four years, achieves an income of, say, $35,000 and takes 40 years to repay that loan, I wish with all my heart this scheme had never opened, that students were never, ever burdened with that debt and that they were never, ever told, ‘Here, take $7,000 cash.’ You know what we were all like when we were younger; cash in hand sounds great. In that sense, students are an easy mark for someone to say, ‘Here, take this and you will lose half of your benefit.’ I do not think the people who are on it have been done a service by being on it, and I certainly do not think they have been done a service by continuing to be on it. The special needs of disability support pensioners are recognised. They do get a concession card to help with their pharmaceutical costs, there is a generous income free area of $120 a fortnight for part-time work and, of course, they get rent assistance. There are some other matters I will give you later, Senator. (Time expired)

National Security

Senator ROBERT RAY (2.41 p.m.)—I direct my question to Senator Hill, the Minister representing the Prime Minister and the Minister for Foreign Affairs. Can the minister assure the Senate that the Prime Minister will provide comprehensive phone, fax and email records from his office to the AFP to assist their investigation into the leak of an ONA report classified top-secret AUSTEO that appeared in selective quotes in Andrew Bolt’s Herald Sun article of 23 June? In particular, will the Prime Minister provide phone, fax and email records from his office for the week prior to the Bolt article? Will the minister also give an undertaking that similar records for the same period will be provided to the AFP by Mr Downer and his office?

Senator HILL—I cannot determine how the AFP should conduct their investigation. They are the experts; that is their job and they will do it properly. What I can assure Senator Ray of is that the government will cooperate with the AFP. We obviously support the process. We think it is a proper course of action that ONA referred the matter to the AFP and that an investigation is taking place. It is being conducted by experts. They will do the job as they see appropriate. Of course the government will cooperate as they might request.

Senator ROBERT RAY—The minister has again referred to an investigation. Can he inform the chamber of whether the police have in fact engaged in a formal investigation of a leak or whether they are still evaluating whether there is a sufficient case to launch an investigation. No-one in the government has made that clear, so we may all be operating on a misapprehension. Could the minister at least clear that up. Secondly, given the fact that in the investigation into a leak in Foreign Affairs all phone records were seized from a variety of officers in Foreign Affairs, is the minister saying that that same consistent principle will apply to ministers’ officers?

Senator HILL—As I said, I am not too sure how much science can be attached to the word ‘investigation’. As I understand it, it is still at a preliminary stage—

Senator Mackay interjecting—

Senator HILL—The matter has been referred to the AFP—

The PRESIDENT—Senator Hill, ignore the interjections.

Senator HILL—to deal with it appropriately. For me to distinguish various phases of
an investigation—whether it be a full investigation or whether it be a preliminary investigation—seems to be unwise. That is in the hands of the AFP. They will conduct their business according to their skills and experience, and I am sure that they will do a good job. It seems to me—and I repeat it again—that it would be better for all concerned to await the outcome and then the matter might be further progressed. (Time expired)

Information Technology: Internet Content

Senator TIERNEY (2.45 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. How is the coalition government protecting families and small business from spam email and pornographic Internet content? Is the minister aware of any alternative policies in this important area?

Senator ALSTON—I thank Senator Tierney for identifying a very important policy distinction between the major parties. Spam is not just a nuisance; it is threatening to overwhelm the Internet. Clearly, it is important that something be done about it as quickly as possible. We will be introducing legislation on an opt-in basis, which I think is world’s best practice, to try to stem the avalanche—something in excess of half of all email content now seems to involve spam and, of course, that can contain illegal content as well as some highly pornographic material. So it is very important that we have policies in this area.

The Labor Party’s approach is to have no policy on this issue at present. They put out a discussion paper which was essentially a crude plagiarism of some work the government had done some months earlier. Since that time, they have just put out the usual disclaimer, ‘None of this should be regarded as any indication of our final policy.’ So they are a completely blank page when it comes to spam policy. But when it comes to Internet pornography, that is one of the few areas where Labor does have a policy. The policy is open slather in access to pornography on the Internet. They rely entirely on education. In other words, they encourage people to do what they can, but they do not see any role for government.

I would be very interested to know whether the latest political rescue vehicle—the Bob Carr—agrees with this line of approach, because I would be very surprised indeed. I think he would be very much concerned about the left-hand drive model we have in the Senate, which of course is regularly running off the policy road. You would think that the Labor Party would be interested in protecting families, but that is exactly what it is not doing. It is siding with the most rabid libertarian fringe on this issue.

There is no logic to any of this, but I would have thought they should be at least very concerned to be associated with the Senator Greigs of this world, who yesterday told the Senate that he very much approved of research which shows that pornography can have a therapeutic effect. In fact, there is no evidence to suggest that Senator Greig believes there is any such concept as pornography. Of course, that is an abhorrent notion to the vast majority of the Australian population. It may not be to that side over there, but I would have thought that Australian families would recoil from any such proposition. Senator Greig may have been in therapy for many years, but it does not seem to have done him any good.
What it means is that the Labor Party are happy to be associated with that view of the world which says: ‘We don’t believe in any restrictions on the Internet. We simply say it’s a problem for someone else. We’re not prepared to tackle it. We’re not prepared to support any government action or intervention. We don’t support a regime that requires take-down notices.’ All of that demonstrates that there is an absolute policy chasm between us and the Labor Party. I cannot for the life of me understand why some of the more sensible people on the other side allow Senator Lundy to continue peddling this line. It is the extreme laissez faire approach to life: ‘You can’t touch technology. We don’t care what the community says. We’re just not going to do anything about it.’ That is their approach, and we are very happy in a policy sense if they continue to maintain it.

(Time expired)

Senator TIERNEY—Mr President, I ask a supplementary question. Is the fight against pornography on the Internet important for ensuring a better future for our children? Are there any alternative approaches?

Senator ALSTON—That is also a very important question, because protecting our children is something that I would have thought would attract a fair degree of bipartisan support. In fact, if you look at a press release put out today under the name of Simon Crean and Jacinta Collins, it says: This is National Child Protection Week—

Senator Faulkner—that would be Mr Simon Crean.

Senator ALSTON—that does not say Mr Simon Crean. It says: Only Labor is committed to working to heal the victims and ensuring a better future for our children. Not having any restrictions on the Internet seems to me to be a very odd way of going about it. So you ask yourself: why does Senator Collins write an article which says John Howard on the Right inspires young voters? Labor has totally missed the plot, and the reason is that the National President of the ALP will not defend the rights of young people in the party. That just says it all, doesn’t it? They are much more interested in internecine squabbles than in responding to genuine community concerns. If you are fair dinkum about protecting and ensuring a better future for our children, why don’t you get real about doing something about pornography on the Internet? (Time expired)

National Security

Senator Faulkner (2.51 p.m.)—Is the Minister for Defence aware that, in response to Mr Wilkie’s criticisms of the government, the Prime Minister told parliament yesterday: If he—

Mr Wilkie—calls any member of this government a liar, any member of the government has a right to retaliate. Can the minister assure the Senate that the government’s retaliation would not extend to leaking a top-secret AUSTEO classified report to a journalist notorious for his uncritical support of the government?

Senator Hill—That is a silly question, of course. It is a very immature question, I respectfully suggest. This government, and ministers of this government, are not in the business of breaching the law in order to pursue political advantage. The Prime Minister is clearly saying that, if Mr Wilkie wants to get into the political game, he can expect political responses. Mr Wilkie has clearly decided to participate in the political game—he has been to America doing his bit, he has been to the UK, engaging there, and in Australia he has even been before parliamentary committees attacking this government.

Senator Sherry interjecting—
The PRESIDENT—Senator Sherry, shouting across the chamber is out of order.

Senator HILL—If Mr Wilkie wants to attack this government, it is reasonable that he should expect to receive a response. Out of that, the public will no doubt evaluate the debate and will reach their own conclusions. But that is absolutely irrelevant to any leaked official documentation or allegations of leaked official documentation.

Senator Faulkner—Mr President, I ask a supplementary question. Will the minister give an assurance that any government response to Mr Wilkie would not go to the extent of breaking the law? If any ministerial staffer is found responsible for the unauthorised disclosure of classified ONA information, can the Leader of the Government in the Senate assure the Senate that the minister responsible would be sacked?

Senator HILL—This is a hypothetical upon a hypothetical. A moment ago Senator Faulkner determined guilt and then he went out to search for evidence. Now he is wanting to condemn associates of the guilty party and wanting undertakings of what will happen as a result of the associates of the guilty party being found to be associated. This government upholds the highest standards of proper behaviour.

Opposition senators interjecting—

The PRESIDENT—Order!

Senator HILL—No, we accept ministerial responsibility and we are proud to hold the office of minister and we accept all the responsibilities that come with that. I hope that satisfies Senator Faulkner.

Sport: Australian Football League

Senator RIDGEWAY (2.54 p.m.)—My question is to the Minister for the Arts and Sport, Senator Kemp, and follows on from a question recently regarding his expectation of sports stars. In answer to a question on 14 August, the minister said:

In relation to the standards required of Australian sportsmen and sportswomen, I think the expectations in modern Australia are that our sportsmen and sportswomen should set the highest possible standards. They are role models for young Australians...

Given these high expectations of our sports stars, and given the enormous influence that sport has on the nation, will the government be supporting or condemning the AFL if they allow Alan Bond to participate in the AFL Grand Final heroes parade? Despite Mr Bond’s participation in the Australia II America’s Cup team, does the minister think the participation of Alan Bond in the grand final heroes parade would be an insult to the ordinary Australians who were defrauded of $1.2 billion, as well as sending a message to young Australians that criminal activity is acceptable as long as you are associated with sporting success?

Senator Kemp—This, of course, is a matter for the AFL, but let me say that I will not be cheering him if he participates.

Senator RIDGEWAY—Mr President, I ask a supplementary question. Would the minister agree that, irrespective of his having served time in jail, the right to be celebrated as a hero in this country is forfeited when the basic trust of the Australian people is violated, particularly through deliberate criminal activity? I ask again: will the government take the initiative to contact the AFL and express a view on this most important issue?

Senator Kemp—I think that if you read the Hansard in relation to the first part of your question and my response, you will see I have actually expressed a very strong view.

National Security

Senator CHRIS EVANS (2.57 p.m.)—My question is to Senator Hill in his capacity representing the Minister for Foreign Affairs.
Can the minister confirm that a document was produced in the office of the Minister for Foreign Affairs to assist government senators in their questioning of witnesses before the Parliamentary Joint Committee on ASIO, ASIS and DSD at its public hearing on 22 August 2003? Given the denials that such briefing contained information sourced from the ONA report classified ‘Top Secret AUSTEO’, will the minister now table the document provided to government senators? Were government senators briefed in the office of the Minister for Foreign Affairs prior to the public hearing? If so, who authorised the briefing, and who conducted the briefing?

Senator HILL—I understand that Senator Macdonald contacted the office of the Minister for Foreign Affairs seeking a briefing and was provided with one. I am assured that at no stage was any classified material or information provided at this briefing—that only publicly available material was provided. I have no personal knowledge of the detail of the briefing.

Senator CHRIS EVANS—Mr President, I ask a supplementary question. Would the minister answer those other parts of the question on notice—that is, who provided the briefing, what was contained in the briefing and whether he will table the information provided to Senator Macdonald? While there is now an admission that Senator Macdonald was briefed, I think it is important to find out what material was provided to Senator Macdonald. I would appreciate it if the minister will take on notice those other parts of the question and also answer whether he will provide documentation by tabling.

Senator HILL—I am happy to refer that part of the question to the foreign minister.

Taxation: Reform

Senator BRANDIS (2.59 p.m.)—My question is to the Minister for Revenue and Assistant Treasurer, Senator Coonan. Will the minister inform the Senate on how the Howard government’s commitment to reforming business taxation will deliver benefits to all Australians. Is the minister aware of any alternative policy approaches?

Senator COONAN—I thank Senator Brandis for his ongoing interest in the economic future of this country and particularly in reform of the tax system. The Howard government recognises that business and industry are the backbone of the Australian economy and provide for the wealth and employment of all Australians and, of course, also provide revenue for services in vital areas such as health and education. The government’s current economic success story is the result of sustained reforms, including reform of the tax system. The centrepiece of the government’s business tax reforms has been a reduction in the company tax rate from 36 per cent to an internationally competitive 30 per cent. The new consolidation regime, demergers, tax relief and simplified imputation rules will reduce tax compliance and facilitate the commercial restructuring of businesses. Venture capital reforms are already encouraging more foreign investment and expertise in Australian business and this, of course, will mean more Australian jobs. Small business needs have been addressed through the simplified tax system. Recent business surveys are positive about the current economic conditions and Australia’s economic outlook. The latest NAB monthly business survey, dated 9 September, reported that business conditions, after rising significantly in July, strengthened further in August to their strongest level since the December quarter in 1994. This is great news.

I am asked about alternative policies. On the one hand, the Labor Party has reached, unfortunately, new heights in business bashing. The Labor Party opposes the government’s widely supported reforms to interna-
tional tax, which would make it easier for Australian businesses to compete internationally and for multinational companies to set up and provide jobs in Australia. It intends to put up taxes on mining by cutting the diesel fuel rebate by 10 per cent. Employment in the mining industry accounts for 83,000 jobs nationwide. Labor’s tax slug will make some mining operations unsustainable and will cause closures and job losses. How clever is that? Labor’s economic promises would ruin Australia. There is no clearer evidence for that than the member for Werriwa’s erratic pronouncements on tax reform. He has supported a progressive economic tax. He has supported state income taxes. He has supported differential GSTs, depending on what area you live in or what state you live in. He has supported capital gains tax on the family home. And for 12 hours, I think, he supported the abolition of negative gearing. But, whatever he settles on, we have no doubt that it will be to put up taxes—to increase the lead in the saddlebags of Australian businesses. Labor is desperately trying to establish some economic credentials, but choosing a spokesperson who is anti business and who does not have the first clue about what business needs from the tax system is a recipe for fiscal rigor mortis. The Howard government, on the other hand, will stand up for Australian workers and their families. The government will continue to support business and the creation of new jobs.

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

AUSTRALIAN SPORTS COMMISSION

The President (3.03 p.m.)—Yesterday at question time I undertook to reconsider a question asked by Senator Mason of the Minister for the Arts and Sport, Senator Kemp, about alleged attacks on the Australian Sports Commission. I ruled that the first part of the question could be answered but that the second part of the question was not in order as it asked for a comment on statements by other senators, which is not part of the minister’s ministerial responsibility.

On reviewing the question in Hansard, I note that the first part of the question asked whether the minister was aware of attempts by the Labor Party to damage the integrity of the Australian Sports Commission. That part of the question could be regarded as asking simply for comments on statements by other senators, but I took it to invite the minister to defend the work of the Australian Sports Commission, which is a matter within the minister’s ministerial responsibility. The second part of the question asked the minister about statements made by the Labor Party. That part of the question was clearly out of order in simply inviting comments on statements by other senators. I may have been overgenerous in taking the first part of the question to invite the minister to defend the work of the commission. The question was not well framed. Questions which simply ask for comment on statements by other senators are clearly out of order, as they do not relate to a matter within a minister’s ministerial responsibility.

PERSONAL EXPLANATIONS

Senator Greig (Western Australia) (3.05 p.m.)—Under standing order 190, I seek leave to make a brief personal explanation as I claim to have been misrepresented.

The President—Is leave granted?

Senator Faulkner—Can I indicate that leave will not be granted now but, as always is the practice in this chamber, will certainly be granted at the conclusion of motions to take note of answers. That is the standard procedure, so leave is not granted at this point in the proceedings.
The PRESIDENT—Senator Greig, do you understand that?

Senator GREIG—Yes, Mr President.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
National Security

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.06 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Defence (Senator Hill) to questions without notice asked by Senators Faulkner, Ray and Evans today relating to the release of confidential documents.

I remind the Senate of the chronology of the leak of this ONA document classified ‘Top Secret AUSTEO’. On June 19 this year, former ONA analyst Andrew Wilkie gave evidence to the United Kingdom Foreign Affairs Select Committee on weapons of mass destruction. His appearance received a great deal of publicity in the Australian media. Around this time someone—I believe from within government—accessed from ONA on a ‘return and burn’ basis that highly classified, top-secret AUSTEO codeword document and it was provided to Herald Sun journalist Andrew Bolt. I believe that the motivation was to discredit Wilkie.

On Monday, 23 June Mr Bolt admitted in his Herald Sun article that he was going through ‘the only secret report that Wilkie ever wrote about Iraq’. On 9 July Wilkie wrote to the Prime Minister about his concern over this leak of classified information. The Prime Minister’s office replied almost four weeks later on 31 July, stating that Wilkie’s concerns had been flicked to the Office of National Assessments. On 6 August ONA wrote to Wilkie stating that they had referred the Bolt article to the police. It is now 10 September, nine weeks later, and the police still have not made up their mind whether they will launch a full investigation into this matter.

In parliament yesterday Mr Howard said, ‘Oh well, it is all okay because no intelligence material related to national security was published,’ and that that was the heart of the issue. That is a very cynical spin from the Prime Minister, and the Prime Minister knows it. At the heart of the issue, to use the Prime Minister’s words, is a flagrant breach of national security, a failure to investigate, covering up, using our security agencies for purposes outside their charters and passing a document that contains highly classified material—perhaps material from overseas intelligence sources without their clearance—to a journalist. On the face of it, this is an extraordinarily serious breach of national security, covered by provisions of the Commonwealth Crimes Act. It is a crime.

As always, the government has ‘us and them’ standards. If the late Merv Jenkins is suspected of leaking, the goons and the heavies come down on him like a ton of bricks, but if Andrew Bolt admits to having a classified document he is not even interviewed nine weeks later. Any other Australian would find themselves in a small dark room with a very bright light focused on their faces, but not Mr Bolt or anybody associated with this serious leak. This government has a tradition of brazenly abusing security agencies for political purposes. We in the opposition say this: the full force of the law should come down on that person, or those persons, responsible for leaking that document and having that document or information contained within it supplied to Mr Bolt. The full force of the law should come down on that person, or those persons, responsible for leaking that document and having that document or information contained within it supplied to Mr Bolt. The full force of the law should come down on any senior member of government who was in on this dirty little fix. That is in the interests of national security, that is the task in front of this government, that is the task in front of the Australian Federal Police; and this opposi-
tion will hold the government accountable on this important matter.

Senator JOHNSTON (Western Australia)  (3.11 p.m.)—This government will be accountable. This is the weakest, most pathetic beat-up that Senator Faulkner has been involved in since I have been in this chamber. He has sought to say that he ‘believes the document was provided’ and he says ‘perhaps involving foreign governments’. This is an insult to our intelligence. He has not got a single, solitary, decent, respectable fact. He simply wants to protect his latest hero in this very dishonourable affair of a senior, allegedly ABC classified intelligence officer jumping ship and seeking to make a media career out of his former employment as a public servant. How dishonourable and reprehensible, and I am very surprised that you would deal with such a person as this man is evolving to be. Who is he and what was he? He has sought to make mileage from his very respected and cloistered position as a fourth-grade operative in the ONA. Briefing Channel 9 over the weekend, as he did, before he announced his resignation, he orchestrated the media. How low can you go? And Senator Faulkner wants to champion this man as some sort of saviour of the Labor Party. He is just reprehensible. Everything that has been said of him is what he has said in the Bulletin and what he has said in the Financial Review in his very flagrant, extravagant and outrageous performances, where he has sought to orchestrate the whole thing to grab himself some sort of peculiar notoriety. He did not even work in the Iraq section. He went to Channel 9 and told them before he even had the courtesy to announce to his employer that he was going to jump ship. He has orchestrated this whole thing to get some sort of grandiose self-enrichment from the process. And everything he said is contradictory. In the Financial Review of 12 March he is quoted as saying:

There is no doubt they—being Iraq—have chemical and biological weapons, but their program now is disjointed and limited.

So he is acknowledging that they have chemical and biological weapons. That is his story. He said in the Bulletin that Saddam could create a humanitarian disaster and he could do it with weapons of mass destruction. Talking about coalition forces, he said in the Bulletin that Iraq could overwhelm them with hundreds of thousands of refugees. This man is incongruous, inconsistent and unreliable and is the latest saviour for the opposition. It is a very sorry, sad situation. Let us talk about the Andrew Bolt article of 13 March 2003 when that journalist said:

More importantly, in saying why he opposes war, Wilkie not only badly contradicts himself but admits we should be scared of Iraq. He says that Iraq does not pose a security threat but then says Iraq, as a rogue state, should worry us as a potential source of weapons to terrorists.

Where is this man coming from? He is very unstable. At the very best, he is unreliable; at worst, he is flaky and irrational. And this is the person Senator Faulkner is pinning his hopes on in this beat-up.

Senator ROBERT RAY (Victoria)  (3.16 p.m.)—It is almost beyond belief that the government have been so indolent on the leaking of an ONA document classified top secret. When it came to Merv Jenkins or Trent Smith, they could not have acted more quickly to send in the investigators. Countless interviews were held, phone records were searched and suspects were browbeaten. Yet we now have the circumstance of a journalist acknowledging that he had possession of an ONA document marked top secret, and the AFP are still considering whether to have an investigation—just considering. It has been 48 days since the publi-
cation of extracts of an ONA document and still we do not have a full investigation. Why has the Prime Minister been asleep at the wheel?

Yesterday, the Prime Minister ran the astounding argument that he had been assured that there was nothing of a national security nature in Bolt’s article. This is just pathetic dissembling. The document is marked ‘Top secret AUSTEO’. Its unauthorised disclosure is a breach of the Crimes Act. The document is protected in its entirety. It is not okay to leak or have published parts of it that you decide have no national security implications. ONA has in place a whole range of document-handling procedures designed to protect its material. Identifiers are placed in every document so as to trace leaks. ONA follows a ‘return and burn’ policy so that every document is properly tracked. What we want to know is this: was ONA asked to provide a copy of Mr Wilkie’s December 2002 ONA report to any minister’s office, government department or government agency just prior to the disclosures that appeared in the Herald Sun of 23 June this year?

Let us be clear about this. If a minister’s office is found to have disclosed this material to an unauthorised recipient—that is, a journalist—then that minister must be sacked. It is that serious. In our Westminster system, we extend trust to ministers to properly handle security matters, but they have a duty to abide by the rules. Seeking ‘retaliation’, which the Prime Minister has asserted as a right of government, can never extend to the use of a top-secret document to discredit a government critic.

I am not a fan of Wilkie—that is known—but I do not believe he has done anything illegal, nor have I heard anyone from the government accuse him of illegality. There is no doubt that Andrew Bolt, in quoting slabs from an ONA document classified top secret, has breached national security. Having received the document, it was his obligation to immediately return it and report the matter to the authorities. It is now Andrew Bolt’s duty to put his loyalty to Australia ahead of his loyalty to the coalition government and tell us whether the ONA document was supplied to him by a minister’s office, a government department or a government agency. If he wants to argue that he is bound not to disclose his source, he should be willing to go to jail for his beliefs.

We know that most of our analysis and intelligence on Iraq comes from our overseas intelligence partners. It is given to us on the basis that it will not be disclosed. If any of the material finds its way into the hands of an unauthorised recipient, we must immediately inform our intelligence partners. It is time for the government to front up honestly on this issue. If they know who leaked this, they should come clean, because if they try to cover it up, that would be far worse than the initial sin. If security agencies believe they are at risk, that their political masters will leak sensitive and secret material, then they will feel inhibited in future from passing on vital information. We will all be the losers if that is the case.

Senator PAYNE (New South Wales) (3.21 p.m.)—I agree with all of the previous speakers on this motion to note that these are very serious matters for the Senate and I believe they are being treated as such. The Minister for Defence and Leader of the Government in the Senate, Senator Hill, indicated in question time that a very serious response is being undertaken by the government, that the Australian Federal Police are in the course of pursuing an investigation. I will say—nobody else has made this observation, to my recollection; I stand to be corrected—that I believe the AFP will conduct their investigation with absolute priority,
with absolute diligence and with no adver-
sion in that process to any of the political to-
ing and fro-ing that goes on in this place, and
I am completely confident of that.

In response to questions asked of him to-
day, the minister also indicated that the ap-
proach taken by that investigation is a matter
for the AFP. Most importantly, it is not a
matter to which the hypotheses and extrapo-
lations of the opposition can be applied with
any seriousness whatsoever as they have
been in this chamber today. I think it is a
very unhelpful addition to the process to try
to second-guess or double-guess—or perhaps
just creatively assume—facts and options
that might apply in this case and encourage
ministers to respond to those in question
time. It is not appropriate for ministers to
comment on that investigation, particularly
in reference to the operational matters occur-
ring therein, and members of the Senate well
know that.

I think the hypothetical extensions that we
have been subjected to this afternoon show
that the opposition is, at this point, really
grasping at straws in the wind. This concerns
me for a number of reasons—not just be-
cause they are hypothetical but because they
are examples of what is now habitual offend-
ing; that is, the extraordinary politicisation
of these issues over and above the pursuit of
genuine efforts to look at matters of proper
procedure, to look at appropriate investiga-
tion and to look at how the process is being
undertaken. This politicisation goes way be-
yond that. For example, in media reports
earlier this week pertaining to another AFP
investigation—the questioning of people like
Abu Dahdah—I heard a politicisation that I
had not heard before. Even the Commis-
sioner of the Australian Federal Police,
Commissioner Keelty, commented that he
was being asked questions in radio inter-
views that pertained to operational issues.
These are questions which he is simply not
able to answer—and nor should he be re-
quired to. In some ways, the opposition’s
pursuit, on this level, of these issues is very
similar.

Senator Faulkner alleged this afternoon
that there has been a failure to investigate, a
covering up, and a use of agencies for inap-
propriate purposes—which he extrapolates
as perhaps involving foreign governments, a
statement which I think Senator Johnston
responded to—including the passing of ma-
terial to a journalist. But the bottom line
here, as the minister made quite clear in his
response, is that there is an AFP inquiry pro-
ceeding. Surely that is the matter of rele-
vance for this chamber: that the AFP are un-
dertaking their job and their role in this proc-
ess responsibly, diligently and, as I said, with
the utmost propriety. As Senator Johnston
said in his remarks earlier, it seems to us that
if one is so concerned about intelligence
leaking, about integrity and about appropri-
ate behaviour then one would be similarly
outraged—and the opposition could employ
extra mock outrage if there is any left—
about the behaviour of an ONA officer in
going to the media in advance of a planned
resignation, briefing the media and contriv-
ing a situation around that. If you take it very
seriously then I would assume that that
would elicit similar outrage—but apparently
not.

I think we need to perhaps use a calm
head in looking at these issues and use a
calm head in examining them in this cham-
ber, if that is at all possible. One would hope
that in a serious parliamentary and political
process—which looks at intelligence matters,
which looks at security matters and which
looks at matters concerning the Australian
Federal Police, the ONA and all the other
agencies involved—we would in fact be ca-
pable of doing that. I do not always expect
the best from the opposition, and I expect to
be disappointed again. (Time expired)
Senator CHRIS EVANS (Western Australia) (3.26 p.m.)—I think the previous contribution by Senator Payne is somewhat startling given that she attempts to accuse the Labor Party of the politicisation of these matters when we have just had the minister responsible in this chamber, Minister Hill, admit that Minister Downer’s office briefed at least one senator prior to Mr Wilkie’s appearance before the committee inquiry in order to provide the senator with material to discredit Mr Wilkie’s evidence. So if she wants to talk about the independence of the process and the important role of that intelligence committee—a committee which I think is very important and has been entrusted with a degree of independence and authority—then I think we ought to look at what is really going on in terms of the politicisation of this process. What we have heard is an admission that a senator was briefed with material yet to be tabled. At the moment it is unclear to us exactly what was contained in that material, but that material was used in an attempt to discredit Mr Wilkie’s evidence before the parliamentary inquiry.

We also have a prime facie case that somebody leaked material to Mr Bolt, a journalist, because his article claims to have knowledge of that top-secret documentation. That is where the concern is and that is why the Labor Party legitimately raises these concerns. What I find most galling are the double standards that apply here. I raise the investigation into Merv Jenkins in Washington as a stark contrast to the government’s slowness and hesitancy in coming to grips with this matter. In terms of Mr Jenkins, within four days of agreeing to the inquiry concerning him they had an investigative team in Washington and the goons—as I think Senator Ray refers to them—were putting enormous pressure on Mr Jenkins, a loyal DIO officer and ex Army officer. He was threatened with jail and disgrace in the pursuit of their concerns about the potential leaking of confidential information. So we see this enormous and aggressive response from the government in that case. The Blunn report said that the interview of Merv Jenkins was oppressive. Contrast that with the government’s behaviour in this case. We now have information that on 4 July ONA finally wrote to the AFP requesting that they investigate the possible disclosure of classified information. So on 23 June we had the Bolt article and then some 11 days later we had a letter—one after some consultations—which sought to have that investigation launched.

But now, after nine more weeks, the minister, Senator Hill, is not quite clear whether there is really an investigation or whether they are still in a preliminary stage, having a bit of a look at whether or not an investigation may be launched. He was not at all clear about whether there is an investigation. What we know about Merv Jenkins is that, within four days, he was in extremely oppressive interviews with officers dispatched to Washington from Australia. That was the urgency involved; that was the seriousness with which that breach was taken. But, with the breach in relation to the Bolt article, we now have a leisurely nine weeks passing and no suggestion that anyone has been interviewed. The minister cannot really confirm whether there is going to be an investigation.

The contrast could not be more stark. There was an oppressive, urgent investigation in relation to the Merv Jenkins matter which ultimately put enough pressure on that poor man that he suicided. Yet, in the case of this very serious breach of security—this clear leaking of security information—we have this sort of leisurely, manana pace where we may be having an investigation or we may not be. Nine weeks on, what is the hurry? The minister cannot really provide any information; he is not really terribly sure. You wonder whether the government
are actually serious, whether they have any interest in getting to the bottom of this investigation and whether they have any interest in having it pursued and finding out who the culprit was, because clearly the government was involved in a campaign to discredit Mr Wilkie and clearly they are one of the most likely suspects in relation to the leaking of information to Mr Bolt. It just seems that there is no hurry and no urgency. (Time expired)

Question agreed to.

Housing: Affordability

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (3.31 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Family and Community Services (Senator Vanstone) to a question without notice asked by Senator Bartlett today relating to poverty and housing affordability.

My question was on the issue of poverty and particularly housing related poverty. As the minister noted and as the question referred to, there was a breakfast held this morning by UnitingCare to try to draw attention to issues of poverty in Australia. There was also a statement issued by the National Council of Churches in Australia, which represents 15 churches of different denominations, highlighting the ongoing tragedy of poverty, with the figure of 2.4 million people unable to meet the basic costs of living.

I would have to say that, in terms of the specific answer, I was a bit disappointed. With Senator Vanstone, occasionally you do get the impression that she takes these things seriously and is trying to highlight some serious actions to address the concerns that are raised. But I find it very disappointing, particularly in areas like a national strategy on poverty or a national strategy on housing, to simply get the same old figures trotted out about Labor’s high interest rates, Labor’s high debt and Labor’s high long-term unemployment.

Senator Vanstone—Our low interest rates.

Senator BARTLETT—I am not saying that low interest rates are not desirable or that reducing unemployment is not desirable, nor am I saying that lower unemployment is not helpful as part of poverty reduction, but there is a lot more to it than that. We need approaches across all portfolios, and they need to be focused on tackling poverty specifically rather than poverty reduction being an assumed by-product of good economic outcomes. Sometimes it is; sometimes it is not.

The housing strategy—or the lack of a housing strategy, I should say—is a clear example of that. Again, a housing strategy is a lot more than trying to make sure we have got low interest rates. Indeed, if it were not for the out-of-control property market at the moment, we would have lower interest rates than we do now, which would probably mean more jobs and other positives for people throughout Australia. In effect, the lack of a national housing strategy is actually getting in the way of one of the factors the government says is important, which is reducing interest rates. We would all have far lower interest rates now if we had a coherent national housing approach that tried to address some of the many factors that have led to the boom in housing investment. Things like stamp duty and land release are all factors. But, at a national level, for the minister responsible for housing issues to say, ‘Well, the big issue is with the states. The big issue is just with interest rates,’ and ignore those many other factors that are clearly leading to a massive surge in property values—and, therefore, a massive surge in housing related
poverty—is simply irresponsible and inadequate.

Senators, given that we have the joy of being in Canberra quite frequently, would have noticed this morning’s Canberra Times. It talked about the rental crisis. The Productivity Commission inquiry that the federal government has initiated into the cost of first home ownership is a welcome step, as far as it goes, but it does nothing about second home owners, it does nothing about the drop in investment of public housing and it certainly does nothing about the rise in private rental costs. Low interest rates do not help people who have got to pay rent. As the Canberra Times said today, Canberra is facing a deepening accommodation crisis, ‘a rent explosion, sparked by the booming property market’. The booming property market is not booming because of first home owners. It is not booming because people are just trying to buy a house to have a roof over their heads; it is booming because people are using it for investment. That has not got much to do with stamp duty. If anything, you could say that stamp duty costs are keeping the boom down by putting a disincentive in there. There are clearly other factors at work.

We have groups such as the Tenants Union and the ACT Shelter suggesting that tenants in the ACT are now being forced to pay up to 40 per cent of their income in rent. This is a crisis not just in Canberra; it is a crisis of housing affordability, with different characteristics in different parts of the country, admittedly. It is one that has to have a national approach. We cannot have a piecemeal approach leaving it to a state by state, local council to local council approach. The same thing applies to poverty. We cannot have a piecemeal approach. We cannot have it just as a by-product of a good set of numbers in the economy; we have to have a coherent national approach. That is what the government is lacking, and that is what the minister’s answer, quite sadly, was also lacking.

Question agreed to.

PERSONAL EXPLANATIONS

Senator GREIG (Western Australia) (3.36 p.m.)—Under standing order 190, I seek leave to make a personal explanation.

Leave granted.

Senator GREIG—I want to speak briefly to place clearly on the record what I believe was a gross misrepresentation made by Minister Alston today during question time. He took the opportunity during an answer to a Dorothy Dixer question from the government to, I believe, besmirch me and to seriously misrepresent statements I made in this chamber yesterday. I do not have the benefit of the immediacy of the Hansard pinks straight after question time, so I do not have a precise, verbatim record of what the minister said, but my clear recollection—and I hope senators would agree—is that Senator Alston made the allegation in his own words that I had advocated that sexually explicit material or pornography was of therapeutic value and should be freely available. I have never, ever said that. I believe the minister has seriously misrepresented me and possibly misled the house.

In speaking to legislation which dealt with this issue yesterday, I did say the following: In fact, I remember writing an opinion piece that was published I think the following day in which I talked briefly about some of the research which showed that, in some cases, pornographic materials had a therapeutic effect and not the reverse.

It was not me saying that; I was drawing attention to the research. The research I was referring to was arguably the largest and most important piece of research into what have been so-called pornographic effects. It was carried out by Professor Berl Kutchinsky of the Danish Institute of Criminology.
and published by the *International Journal of Law and Psychiatry* in 1988. Using official police statistics in four European countries over a 10-year period, he demonstrated conclusively that sex crime levels dropped by 30 per cent in the 10-year period after sexually explicit films and publications were legalised and made available to the wider community.

This study met all of the criteria for quality research in that it used official statistics, that is, police convictions; it was carried out over a long period of time, a decade; and it was peer reviewed. By contrast, most studies which purport to show links between nonviolent sexually explicit material and sex crimes fail these criteria. My key point is this. I have referred to the research; I have referred to the fact of it. I have never stated that it was my work, my belief or my claim. The minister is entitled to belittle this evidence or this research—that is entirely his business—but I believe it is quite wrong for him to belittle me or my party, and I believe it is a serious misrepresentation. I ask for him to set the record straight, and I do believe an apology is in order.

**CONDOLENCES**

Willesee, Hon. Donald Robert

The PRESIDENT (3.40 p.m.)—It is with deep regret that I inform the Senate of the death on 9 September 2003 of the Hon. Donald Robert Willesee, a senator for Western Australia from 1950 to 1975 and at various times in that period Minister for Foreign Affairs and Special Minister of State.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.40 p.m.)—by leave—I move:

That the Senate record its deep regret at the death on 9 September 2003 of the Honourable Donald Robert Willesee, former Federal Minister and Senator, and places on record its appreciation of his long and meritorious public service and tenders its profound sympathy to his family in their bereavement.

Don Willesee was born on 14 April 1916 at Derby, Western Australia. Educated at state and convent schools at Carnarvon, Don left school at 14, as both his father and brother were out of work during the Depression. His early working life was as a public servant: a postal clerk at Carnarvon and a telegraphist at Perth. Don married Gwendoline Clarke in 1940. At 14, Don joined the Australian Union of Postal Clerks and Telegraphists, eventually becoming secretary. He became a member of the Australian Labor Party at 21. Don was an experienced industrial advocate before becoming a senator. He had an early interest in politics, reading *Hansard* whilst still at school and assisting his father as he sought to become a state member of parliament.

Don entered federal politics after successfully standing as a Senate candidate for Western Australia in the 1949 general election, taking up his position in February 1950. He was the youngest senator at the time, at 33 years of age. He retired prior to the general elections in November 1975. In Don’s inaugural speech to the parliament, he spoke of the importance of developing a distinctly Australian foreign policy. He went on to become the Minister for Foreign Affairs in the Whitlam government, where he was involved in opening up relations with the Chinese government and took a strong interest in issues such as the law of the sea and the spread of nuclear technology. His other notable achievements were opening relations with African nations and developing better communications with Australia’s Pacific neighbours. He retained a strong interest in foreign affairs throughout his life, and he recently spoke of the need to support East Timor as an independent country.
During his time in parliament, Don also served as Leader and Deputy Leader of the Opposition in the Senate, Deputy Leader of the Government in the Senate, Special Minister of State, Minister assisting the Prime Minister, Minister assisting the Minister for Foreign Affairs and Vice-President of the Federal Executive Council. During his time in parliament, Don was a member of the Senate Standing Committee on Regulations and Ordinances, the Senate Standing Committee on Privileges and the Joint Standing Committee on Foreign Affairs. He also attended several overseas parliamentary delegations and conferences and travelled overseas on official visits to Africa, Europe and the United States as Special Minister of State. On behalf of the government, I extend to his wife, Gwen, to his children and to other family members and friends our most sincere sympathy in their bereavement.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.43 p.m.)—On behalf of the opposition, I wish to support the condolence motion moved by Senator Vanstone on behalf of the government on the death of former senator Don Willesee. Born in 1916 in Derby in Western Australia’s Kimberley region, Donald Robert Willesee left school at 14, as many working-class boys did in the Depression years. He left school to become the family breadwinner after his father lost his job. Don went into the post office and soon joined both the Australian Postal Workers Union and the ALP.

By the late 1940s he had moved rapidly through the ranks of both the Labor Party and the trade union movement. In 1949 he was elected to the Senate, taking his place here in 1950 and enduring those 23 long years in the wilderness for the Labor Party. He was 33 years old when elected. He was a talented young man and he came from a talented family. His brother Bill became an MLC in Western Australia and for a time was the Leader of the Opposition in the upper house.

And, of course, Don was father to six very talented children who, between them, amongst other things, revolutionised television current affairs in Australia. He was very proud of his children and their achievements, despite his politician’s lingering suspicion of the press. His first speech, read today, seems remarkably prescient. His concerns were, first, Australia’s place in the world—whether we should look to Britain, or to America, or find our own feet in the region as a member state of the United Nations. His second concern, and the one which occupied most of his speech, was the need for the government to grapple with the requirements of competition and social justice in a modernising economy. Although the Australia in which Don Willesee made that speech was very different to the Australia of today, I do not think he would have found much unfamiliar in the sorts of dilemmas we now face. His passionate wish for Australia to chart an independent and ethical course in foreign affairs is sharply relevant today. So, too, is his belief that economic policy ought to be judged by its benefit to ordinary Australians, not by its ideological purity.

Don was briefly Labor Senate leader in opposition. In fact, he was Labor’s shortest-serving Senate leader. He served as our leader from 17 August 1966 to 8 February 1967. On the other hand, he was a very long-serving Deputy Leader of the Labor Party in the Senate. He served in that position from 12 November 1969 to 5 December 1975. As a key figure for the Labor Party in opposition, I think it is important to note one very significant contribution he made during that period in supporting the federal intervention into the New South Wales and Victorian branches of the ALP in 1970. Those inter-
ventions were very necessary to reform and modernise the Labor Party.

Don served on the Machinery of Government Committee as Senate Deputy Leader after the election of the Whitlam government in 1972. This was the committee that worked to implement the Wilenski report and to reform the Public Service to give practical expression to the priorities set out in Labor’s election platform. The Willesee family had one well-known run-in with Prime Minister John Gorton, but less well-known is Don Willesee’s advice to Gorton as Gorton’s disregard for the opinion of press, colleagues and public began to damage him politically. Gorton, Willesee bluntly advised, had to mend his ways or he was headed for a crash. Gorton’s response that as Prime Minister he couldn’t crash showed the gap, I think, between John Gorton’s grasp on political realities and that of the union-trained Labor man from Western Australia. Some years later another Prime Minister—a great Prime Minister of Australia—could have benefited from Willesee’s sage advice when Willesee objected to the appointment of Vince Gair as Ambassador to Ireland.

Don Willesee’s first ministerial appointment was as Special Minister of State, with additional responsibilities including assisting Gough Whitlam at foreign affairs. I doubt that it took Don Willesee long to discover that in foreign affairs Gough didn’t consider he required much assistance. Nonetheless, Willesee’s pragmatism and his lack of interest in personal publicity were a perfect complement for his Prime Minister, and Willesee became foreign affairs minister in November 1973. This brought him one of his most unpleasant parliamentary moments, when the Liberal opposition combined with DLP unions and far right activists in a mindless attack on Labor’s foreign policy. They tried to make a cause celebre—a second Petrov affair, if you like—out of a Russian violinist, Georgi Ermolenko, in Australia on a cultural visit, who said at the airport that he liked Australia very much and didn’t want to leave. After a night’s sleep he realised, as he said later when he returned to Australia, that he did not want to abandon his family but, rather, to emigrate normally with them at a later date. Despite Ermolenko’s repeated statements to immigration officials and independent witnesses that he wanted to return to Russia, the Liberal Party and their DLP allies of the time insisted that he was being forcibly repatriated. Willesee’s respect for the wishes of this young man who was being used as a political pawn by reactionaries earned him a censure motion in the Senate.

By March 1975 Georgi Ermolenko and his parents had successfully applied to migrate to Australia, and Ermolenko in fact went on to be a violinist in the Sydney Symphony Orchestra. What former ALP Senator Cyril Primmer called Willesee’s ‘down to earth, forthright’ decision had been proved right. It was Don Willesee’s down to earth and forthright qualities that served him best as Special Minister of State and Minister for Foreign Affairs. As Special Minister of State he travelled to Africa in 1973, the first Australian minister to do so for 10 years, and was successful in repairing relations with African nations suspicious of Australia’s previous reluctance—under the Liberals—to condemn Rhodesia and South Africa. He reiterated Australia’s position in Australia’s opening address to the 28th session of the UN General Assembly in 1973, as well as stating Australia’s strong stand against nuclear testing and the proliferation of nuclear weapons.

Throughout his time as Special Minister of State, and later Minister for Foreign Affairs, his diplomatic abilities contributed greatly to Australia finally charting an independent course. He decried ‘the blindly sycophantic philosophy’ of the Liberal government and established relationships—
Britain, America, African nations and the countries of our region—in which an independent Australia had independent opinions, but where differences between friends need not make them enemies.

Everyone who knew Don Willesee remembers his devotion to the Labor Party, unwavering despite the dispiriting decades in opposition, and also his devotion to social justice which he maintained throughout his life. On behalf of the opposition in the Senate, I express our sympathy at his passing and offer sincere condolences to his wife, Gwen, to his children—Colleen, Mike, Terry, Geraldine, Don Jr and Peter—and their families.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (3.54 p.m.)—On behalf of the Australian Democrats I would like to associate us with and support this condolence motion and send our condolences to Don Willesee’s family and friends. As has been mentioned, Don Willesee was a senator for Western Australia from February 1950 until the end of 1975. He was 33 years old when he first got into the Senate, which is the same age I was when I came into this place—I suspect there are not too many other similarities apart from that. Certainly serving nearly 25 years in the Senate is something that few of us here manage to replicate. There would perhaps only be two or three serving in this chamber at the moment who have served for that length of time. As has been mentioned, he served all but the last three of those years in what must have seemed like perpetual opposition—something you get used to when you are in the Democrats.

The main thing I would like to emphasise is the widespread reportage of the integrity and sincerity of Don Willesee. Given that he finished as a senator at the end of 1975—before the Democrats were first elected to the Senate in 1977—there are no personal connections between his service in this chamber and any of the Democrats, but, as with many others whom we have spoken about in this place in condolence motions, his legacy and contribution to this chamber are measured more by how he is remembered after he finished here rather than simply by the number of speeches he made whilst he was in here.

Don Willesee opposed the development of nuclear weapons and said that, while ever there was a Labor government, there would never be nuclear weapons made in Australia. He spoke out against the treatment of prisoners by the then Indonesian government, opposed the conflict in the then Portuguese Timor and was acknowledged to be a lead player in encouraging dialogue between North and South Korea—perhaps an indication of some of the intractability of many of these difficult foreign issues. But certainly, in that relatively brief period as foreign affairs minister—as with others in that particular government—some significant precedents were set and significant advances were made that allowed a lot to be built upon them. If one is going to have a legacy, to be widely acknowledged for sincerity and forthrightness, not just during your time in this chamber but beyond that, is a pretty good one to have. Certainly I am sure that the many achievements of Don Willesee are a source of great pride to his children and his wider family.

When Don Willesee retired from the Senate in the 1975 election the West Australian newspaper at the time reported that ‘the pity of his imminent departure from politics is that his party will lose a moderating influence at a time when it is sorely needed’. I would go so far as to suggest that part of the pity of his departure from life is his loss to a lot more people than just his party and his family—his loss to the country that he con-
tibuted so effectively towards for so many years. Again, I associate the Democrats with the condolence motion and send our condolences to his family and friends.

Senator HARRADINE (Tasmania) (3.58 p.m.)—I very much wish to be associated with the condolence motion for our colleague former senator Don Willesee. As we know, he was elected in 1949. His early life was a very difficult, hard row to hoe—that is, economically. He was in a nurturing family and he knew the value of family. He had to leave school early, as has been said, to bring home the bacon. He worked as a clerk at Derby and as a telegraphist in Perth. He became Secretary of the Australian Union of Postal Clerks and Telegraphists. As the secretary of the union, he was dedicated to improving the conditions and lifting the wages of his members. He had quite a number of successes there. Western Australia was pretty far away from the arbitration commission, but he was certainly able to deal with the situation in Western Australia and in his contacts interstate.

He was schooled in social justice. He had a passionate commitment to social justice and to the protection of the most vulnerable. This was reflected in his passion for helping those in developing countries. As has been said, Don Willesee had a commitment to a national, independent foreign policy, which looked towards Asia. Before the Labor government became the government of the day, the outlook was towards England, Europe and, of course, America. Don worked very hard in a number of areas, including the law of the sea convention, which is designed to go some way towards spreading wealth amongst those who are least able to stick up for themselves. Don Willesee did a considerable amount of work on that.

As has been said, on an occasion in October 1973, he stood up in the United Nations and made a very powerful speech against French and Chinese nuclear tests. Such was his strength and the wonderful nature of his expression of views that there was a line-up of hardened ambassadors and delegates to the UN to shake his hand. Don Willesee, as minister and assistant minister, looked towards Africa and during his visits to the area showed that Australia had a real commitment to Africa. Of course, he was concerned about Rhodesia and spoke very vigorously concerning Rhodesia and also South Africa.

I will give you two examples of his prescience. On the subject of the Korean peninsula, he said that if war broke out there, Vietnam would be like a picnic. Think about that in this day and age. Sure, Vietnam would be like a picnic if Korea were to enter a war. The second point that he made was when he had that big argument with Gough Whitlam over East Timor. Don Willesee was committed to giving the East Timorese a vote of self-determination. That indicates also that he was a far-sighted foreign affairs minister.

I want to say a few personal things; just at the present moment, I need to. I have always had very good vibes about Don. I was saddened to hear of his death. Memories come flooding back. Some of you will know that in 1968 the Tasmanian branch of the Labor Party elected me as the federal executive delegate, in the first vote. I think I got the secretary through on my preferences. When I got to the federal executive, there was a decision made, after a day’s argument, and a motion adopted against the wishes of Gough Whitlam, Lance Barnard and a number of others; it was a 10 to six vote not to allow me to take my place.

Over the next seven or eight years—from 1968 to 1975—there was constant undermining of my position. Tasmania would reaffirm my position on the federal executive and at
the federal conference yet there was constant pressure from certain organisations—and I will not repeat what I said then. It was not easy, I can tell you. There were many, many dark, stressful days during that time. Don Willesee stood by me all that time. A number of my friends got a bit tired of it. In the end, in 1975, by 11 votes to one I was expelled. The one remaining was Don Willesee. Where were the others? There were six or seven people who would have voted for me but they were not there. I will be forever grateful for the courage that he showed on that occasion and on a number of previous occasions.

I wish to express my deepest sympathy to Gwen—63 years married—and to Colleen, Michael, Terry, Geraldine, Don and Peter. Those names many of you know well. To all his extended family, I extend my deepest sympathy. Don was a thoroughly decent man and a great Australian.

Senator COOK (Western Australia) (4.10 p.m.)—Today I, too, rise with considerable sadness to pay tribute to the Hon. Don Robert Willesee. As we know, and as many of those who have spoken today have recounted, Don Willesee passed away on Tuesday surrounded by his family, his wife, Gwen, and his six children, Colleen, Michael, Terry, Geraldine, Don Jr and Peter. He was aged 87. Don Willesee was a good man and a distinguished Australian and this nation is poorer because of his passing. I wish to support the condolence motion that has been moved by Senator Vanstone and supported by other speakers in this chamber. I join this debate as the current longest serving Western Australian senator, and I know I speak for my state colleagues in putting forward the views that I do.

I did not have the privilege of knowing Don Willesee well personally, but I did know and admire him as a member of the Western Australian branch of the Australian Labor Party. Peculiarly enough, I first encountered Don Willesee when he was Labor’s Senate leader. I was then living in South Australia and I was a young delegate to the United Trades and Labour Council of South Australia. This was before I moved to Western Australia. Don Willesee came to address the United Trades and Labour Council at its Pirie Street union meeting hall. I remember being impressed by his words and his presence. He had a calm, centred, yet authoritative demeanour. His address in a normally raucous meeting was heard in silence. He spoke quietly, without histrionics, which was something unusual at that time. He spoke about complex foreign affairs issues. In doing so he eschewed slogans and posturing. It was not so much what he said, although it was the first extended analysis of Australian-Indonesian relations I had heard and it opened new insights and perspectives for me, but how calmly, logically and in a stimulating manner he presented a sophisticated point of view. It was understated, yes, but absorbing, considered and engaged as well.

Many of the obituaries that have been printed about him over the last few days refer to a kind, quiet achiever. Some refer to him as the youngest senator of his time in the Senate. Some refer to him as the patriarch of the prominent journalistic family, and certainly his sons and daughters have etched their names into the records of Australian journalism. Some of the obituaries refer to him as Whitlam’s right-hand man, and certainly he added stature and prestige to Gough by consolidating the Whitlam vision and the Whitlam reputation in foreign affairs. Some of the obituaries refer to his singular achievements as foreign minister in cementing for this nation a genuinely independent foreign policy, bringing us closer to Africa, putting in place enhanced relations with the Pacific island nations and, perhaps the biggest issue of all given the time, seeking to
normalise our relations with the People’s Republic of China.

I have no doubt that he was all of these things and deserves a place in the pantheon of Australia’s important figures accordingly. What impresses me most about his history is how he rose to these heights. Don Willesee was born in April 1916 in the small, isolated town of Derby on Australia’s far north-west coast. From that humble beginning in the Australian outback in a town perched on the edge of a tidal mudflat he rose up through the ranks of the Australian post office to become a union advocate and industrial negotiator, leader of the Senate and Australia’s foreign minister. It takes an accomplished and substantial figure to do that. It is almost the Australian equivalent of log cabin to White House. It is the history of a self-made, self-taught, intelligent, persistent and gracious figure. It is also an example of what capable Australians from modest backgrounds can achieve if they are given the opportunity or if they make the opportunity. His life is a substantial lesson in what ordinary people can become given the chance to develop their own abilities.

This morning I rang and talked to some of Don Willesee’s counterparts and contemporaries. They emphasised to me how much of a Christian and a family man Don Willesee was. I was told that, despite the fact that as foreign minister his mandate was to cover the world, his universe was his family. They had with him a magic bond. Reading Don Willesee’s maiden speech delivered in Old Parliament House, it is not surprising to see that it began with his concerns about Australia’s relations in Asia and went on to discuss the evils of inflation at that time. Interestingly, though, before his debut speech he had an opportunity to ask a question. It was about whether Australia would recognise the People’s Republic of China. This was a question, asked in the depths of the Cold War, that was not uncontroversial—not by a long shot; but it was a necessary question to ask at the time.

In the fifties Australia was beginning to come out of the shadow of Britain and the United States, but standing independently within the Western alliance was still then only a distant glimmer in the eyes of the most visionary people. Don Willesee was in that sense a trailblazer. Today China is one of our biggest and fastest-growing trading partners. Today the Liberal Party invites representatives of the Communist Party of China to its national convention and the Prime Minister looks forward to a free trade agreement with the People’s Republic of China. Don Willesee must have had a quiet smile at these developments. Certainly on 1 March 1950 when he asked the then Minister representing the Minister for External Affairs the question he did, anyone who had forecast the developments I have just outlined would have been deemed certifiably insane.

It is necessary to say a few words about Don Willesee’s achievements as a foreign minister. He is described as Gough Whitlam’s right-hand man. It is not enough to say that Willesee did the hard work that enabled the Whitlam vision to be consolidated, established and realised. Ideas need action in order to be made real. Without diminishing in any respect the greatness of Gough, a lot of that action was carried out by Don Willesee and carried out unobtrusively, without seeking to push his presence forward. Don Willesee was one of those Labor stalwarts who could have achieved much more than they did. What handicapped Australia in taking full value from his talent was that he was one of those in the Labor Party at that time who had to shine from opposition during our long exile from government in the fifties and sixties.

If in 1961 the Liberal-Country Party coalition had not famously won the seat of Wide
Bay on Communist Party preferences, the Don Willesee CV of achievement in the service of this nation would have been much longer and more replete. I regret on his behalf that the times were against his achieving more than he did. To shine in opposition is hard. Don Willesee’s record on foreign affairs begins there—in opposition—and reveals a huge and substantial contribution. He did much to strengthen Labor’s foreign policy position from opposition.

In his own name he called for jobs and housing for Aborigines in Western Australia’s north-west and for iron ore companies to employ more Aboriginal workers. That is something that is still necessary in the iron ore mines of the Pilbara region of Western Australia. Citing humanitarian grounds, he called for this country to take more refugees. At that time Asian Ugandans were being forced into exile from their country. He believed we could offer them a safe haven. He forged links with African countries to the point, I believe, where it damaged what I think were his realistic chances of becoming, after Dr Evatt, the first Australian President of the United Nations General Assembly. He damaged his chances with the superpowers by calling for South Africa to be expelled from the United Nations because of its policies of apartheid and later also because of his stand on discriminatory policies being practised in Rhodesia.

Despite seeking to normalise relations with China, something he assiduously pursued, he nonetheless strongly protested—as was said in this chamber a moment ago—not only against French nuclear testing but also against Chinese nuclear testing and sought a mature relationship with China in which we were free to disagree. It was not a cap-in-hand relationship; it was an honest, mature relationship while seeing the value in encouraging that country to open to the world. He sought to improve the corporate behaviour of Australian companies overseas by, as foreign minister, pushing them to adopt better employment standards for local workers and introduce into their working rights the rights and privileges they extended to workers in Australia—a quite revolutionary position at the time. He sought as well to push the rich countries of the world into providing better levels of aid, particularly food aid, to countries that were starving or where people were living in poverty. And of course—and I acknowledge that Senator Harradine said this better than I—he sought to find a practical accommodation for the liberation of the people of East Timor at a time when that was not an easy argument to make with the Prime Minister.

Don Willesee was a great servant of this chamber—and certainly of the Labor Party and definitely of Western Australia—and a devoted father to his family. He was a man of great integrity. His was a substantial life. I join others in mourning the passing of Don Willesee and I offer my condolences to his family.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (4.22 p.m.)—I would like to join this condolence motion in farewelling one of the Labor Party’s icons. I came into this place well and truly after he had left but Don Willesee was a Western Australian, and so am I, and I know how well respected and well liked he was by all those in the Labor Party. He gave great service to his country from 1950 to 1975, when he represented Western Australia in the Senate. He was one of those people who, when you mention his name now, resonate in your memory of the days when he was a very leading light in the Labor Party. His memory lives on, because you can recognise his name and his good
deeds on behalf of the Labor Party and the government in his time. I salute what he has done for Australia and I wish his family all the best in their time of bereavement.

Senator HARRADINE (Tasmania) (4.24 p.m.)—by leave—In respect of the federal executive meeting of 1975, just for the record, whilst I said that it was 11 votes to one, there was another who vigorously opposed my expulsion and that was the president at the time, R.J.L Hawke. Of course, I am grateful for his support. Had his view, and that of Don Willesee, prevailed I would not be here; I would be happily doing what I was doing just before I was elected.

The PRESIDENT—I ask senators to stand in silence to signify their assent to the motion.

Honourable senators having stood in their places—

The PRESIDENT—I thank the Senate.

PETITIONS

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

Australia Post: Caulfield East, Victoria

To the Honourable the President and members of the Senate in Parliament assembled:

The Petition of the undersigned shows opposition to the closure of the Australia Post Post Office on the corner of Derby Road and Princes Highway, Caulfield East, Victoria.

Your petitioners request that the Senate take appropriate steps to prevent the closure of the above mentioned post office, or alternatively, take appropriate action to ensure alternative services are available to serve the local community.

by Senator Tchen (from 151 citizens).

Petition received.

NOTICES

Presentation

Senator Bolkus to move on the next day of sitting:

That the time for the presentation of the report of the Legal and Constitutional References Committee on progress towards national reconciliation be extended to 8 October 2003.

Senator Faulkner to move on the next day of sitting:

That the Senate notes with grave concern:

(a) the leaking of an Office of National Assessment (ONA) document dated December 2002 and classified top-secret AUSTEO;

(b) that material from the ONA classified report was published in an article by Mr Andrew Bolt in the Herald Sun of 23 June 2003;

(c) the failure to ensure immediate and thorough investigation of the circumstances surrounding this unprecedented leak; and

(d) the failure of the Prime Minister (Mr Howard) and other ministers to fully explain their involvement in this matter.

Senator Ridgeway to move on the next day of sitting:

That the Senate—

(a) notes that Anthony Mundine won the World Boxing Association (WBA) super middleweight world title on Wednesday, 2 September 2003;

(b) notes the tremendous contribution Anthony has made to Australian sport including:

(i) in 1993, debuts for St George Dragons at age 18,

(ii) in 1996, is named player’s player for 1996 and plays in the losing team in the St George v Manly grand final,

(iii) in 1997, plays one year with Brisbane who win the 1997 Super League grand final,

(iv) in 1998, returns to St George and is named player’s player for 1998,

(v) in 1999, is selected to play in the City Origin and New South Wales State of Origin teams,
(vi) in 2000, announces his retirement from rugby league and 2 days later announces his career as a boxer, and

(vii) in 2003, less than 4 years after commencing boxing, wins the WBA super middleweight world title; and

(c) recognises that Anthony is a role model for young Indigenous people and has been heavily involved in sport and personal mentoring of Indigenous youth in the Sydney area.

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

(a) notes:

(i) that the week beginning 7 September 2003 marks the anniversary of the first speech of Senator Neville Bonner, a Jagera man and the first Indigenous Australian to take a seat in the Federal Parliament as a Liberal Party Senator from Queensland between 1971 and 1983,

(ii) there was no Indigenous political representation in the Federal Parliament between 1983 and 1999, and

(iii) the current state of Indigenous political representation throughout Australian Parliaments generally remains low; and

(b) calls for a more genuine effort on the part of our political parties to attract Indigenous people into the political life of the nation by pre-selecting them for safe seats, or via the consideration of dedicated seats, as a temporary measure, for Indigenous people, as in New Zealand or the Canadian example of Aboriginal electorates.

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

(a) notes that:

(i) nineteen major reviews of the medical and scientific evidence have confirmed that there is no safe level of exposure to second-hand smoke,

(ii) the major study for the National Drug Strategy found that, in 1998-99, involuntary smoke killed 224 Australians, 103 of them under 15 years of age, used up 77 950 hospital bed days, and drained $47.6 million in hospital costs,

(iii) New Zealand, Norway, Ireland, the Philippines and five states in the United States of America, including New York, will soon ban smoking in all workplaces, including pubs and clubs,

(iv) surveys of public opinion, including those by tobacco companies, confirm strong public support for smoke-free public places, including a finding that 89 per cent of people would visit more often or at least as often if licensed premises were smoke-free, and

(v) a review of over 98 economic studies confirms that smoke-free policies do no harm to hospitality businesses with many showing a positive benefit;

(b) calls on the Federal Minister for Employment and Workplace Relations and state and territory ministers to take action at the November 2003 meeting of Workplace Relations Ministers’ Council to ensure that all workplaces are made safe from passive smoking in accordance with occupational health and safety laws; and

(c) urges state and territory governments to implement bans on smoking in pubs and clubs as a matter of urgency.

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

(a) notes:

(i) the 30th anniversary of the military coup that overthrew the elected government of Salvador Allende in Chile on 11 September 1973,

(ii) evidence that 2 603 people disappeared, were executed, or tortured to
death during the 17 years of military
rule under General Augusto Pinochet,

(iii) that the 1978 amnesty decree, which
purports to prevent the prosecution of
human rights violations committed
between 1973 and 1978, is in breach of
Chile’s international obligations to
bring to justice those responsible for
serious human rights violations, and

(iv) the recent convictions of former
military officers for human rights
violations committed during the period
covered by the amnesty decree;

(b) is encouraged by the current efforts of the
Chilean Government to address past
human rights violations, including a
package of measures announced by
President Ricardo Lagos on 12 August
2003;

(c) notes that representatives of the Chilean
Government have provided assurances to
human rights organisations that immunity
from prosecution will not be granted to
anyone who has directly participated in
crimes against humanity; and

(d) expresses its hope that the Chilean
Government will persist with its efforts to
ensure that the perpetrators of human
rights violations during the period of
General Pinochet’s rule are brought to
justice.

Senator Payne to move on the next day
of sitting:

That the time for the presentation of the report
of the Legal and Constitutional Legislation
Committee on the provisions of the Migration
Legislation Amendment (Identification and
Authentication) Bill 2003 be extended to
18 September 2003.

Senator Hutchins to move on Monday,
15 September 2003:

That the Senate—

(a) notes that:

(i) on 10 September, 68 years ago, the
Nazi regime led by Adolf Hitler in
Germany decreed the so-called
Nuremburg Race Laws, which included
the ‘Reich Citizenship Law’,
designating Jews as subjects rather than
citizens of the German Reich and ‘The
Law for the Protection of German
Blood and German Honour’,
preventing Jews from marrying non-
Jews, and

(ii) after the passing of the Nuremburg
Laws, a dozen supplemental Nazi
decrees were issued that eventually
outlawed the Jews completely,
depriving them of their rights as human
beings;

(b) recognises the legal importance of the
Nuremburg Laws in allowing the Nazis to
carry-out and implement the unbelievably
inhumane and despicable program, the
Shoah;

(c) takes this opportunity to remember the
estimated 6 million Jews throughout
Europe who lost their lives during the
Shoah; and

(d) reaffirms its opposition to anti-semitism
and its commitment to combating and
eliminating all forms of racism.

Senator Brown to move on the next day
of sitting:

That the Senate—

(a) notes that Buena Vista Home
Entertainment, a division of Disney, has
begun a trial in the United States of
America of disposable DVDs (dubbed the
EZ-D) that are rendered unusable within
48 hours of their first use;

(b) condemns this new product that turns a
durable, reusable DVD product into a
wasteful throw away item; and

(c) calls on the Australian Government to take
action to ban such products in Australia
unless the cost of externalities involved is
built into their price.
COMMITTEES

Selection of Bills Committee

Report

Senator McGAURAN (Victoria) (4.26 p.m.)—On behalf of the chair of the committee, Senator Ferris, I present the 10th report for 2003 of the Standing Committee for the Selection of Bills.

Ordered that the report be adopted.

Senator McGAURAN—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 10 OF 2003

1. The committee met on Tuesday, 9 September 2003.

2. The committee resolved to recommend—

(a) the Australian Protective Service Amendment Bill 2003 be referred immediately to the Legal and Constitutional Legislation Committee for inquiry and report on 7 October 2003 (see appendix 1 for statement of reasons for referral); and

(b) the Social Security Amendment (Supporting Young Carers) Bill 2003 not be referred to committee:

The committee recommends accordingly.

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

Bill deferred from meeting of 12 August 2003

• Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand and Other Matters) Bill 2003.

Bill deferred from meeting of 19 August 2003


(Keenie Ferris)

Chair

10 September 2003

Appendix 1

Proposal to refer a bill to a committee
Name of bill(s):
Australian Protective Service Amendment Bill 2003

Reasons for referral/principal issues for consideration
Government has proposed amendments conferring additional powers on the Australian Federal Police since the bill was considered by the committee.

Amendments were notified to the opposition around 3.45 p.m. today.

Possible submissions or evidence from:
APS, AFP, police associations, CPSU, law councils

Committee to which bill is referred:
Legal and Constitutional Legislation Committee

Possible hearing date: Next non-sitting fortnight.

Possible reporting date(s): Next non-sitting fortnight.

Senator Sue Mackay
Whip/Selection of Bills Committee Member

NOTICES

Presentation

Senator BROWN (Tasmania) (4.27 p.m.)—by leave—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes that:

(i) 10 September 2003 is the inaugural World Suicide Prevention Day,

(ii) every 40 seconds someone commits suicide on the planet and that every 4 seconds someone attempts suicide, and

(iii) on 10 September 2003, Luke Graham, who lost his 11 year-old brother Matthew to suicide, launched a self-funded television advertisement in Parliament House designed to highlight the problem of suicide in Australia; and
(b) calls on the Federal Government to consider providing assistance to ensure the advertisement is screened in Australia.

Postponement

Items of business were postponed as follows:

General business notice of motion no. 542 standing in the name of Senator Mackay for today, relating to cancellation of the ABC program Behind the News, postponed till 16 September 2003.

General business notice of motion no. 544 standing in the name of Senator Ridgeway for today, relating to the Free Trade Agreement Negotiations between Australia and the United States of America, postponed till 11 September 2003.


General business notice of motion no. 569 standing in the name of Senator Brown for today, relating to Australia’s aid budget to Papua New Guinea, postponed till 11 September 2003.

HERITAGE: POINT NEPEAN

Senator NETTLE (New South Wales) (4.28 p.m.)—by leave—I move the motion as amended:

That the Senate—

(a) notes:

(i) the nationally-significant cultural and heritage values contained in the Department of Defence land at Point Nepean in Victoria, and

(ii) the recommendation of the Community Reference Group in the draft community master plan for the Point Nepean land, commissioned by the Federal Government, that the entire site at Point Nepean remain in public hands as a ‘public park managed as a whole’;

(b) condemns the Government for ignoring this recommendation and instead offering a 90-hectare portion of the land for long-term commercial lease by private developers;

(c) notes that:

(i) the admission by the Government that the terms of the lease could permit education, recreational, community and tourism uses leaves open the possibility that hotels, shops, jetties and sporting arenas could be developed on the land, robbing the general public of the right to access and enjoy the land, and potentially compromising or destroying its nationally-significant heritage and cultural values, and

(ii) under a long-term leasing arrangement between the Commonwealth and a private developer, the Victorian community will have no say in, or control over, what happens to the 90-hectare parcel of land, and the developer will be able to avoid proper local and state planning and heritage controls; and

(d) calls on the Federal Government to respect the wishes of the Victorian community by:

(i) reversing its decision to lease the 90-hectare portion of the site, and

(ii) gifting the land to the State Government as a national park, as recommended by the Victorian National Parks Association and the National Trust of Australia (Victoria).

Question agreed to.

HEALTH: BIPOLAR DISORDER

Senator ALLISON (Victoria) (4.29 p.m.)—I move:

That the Senate—

(a) notes that:

(i) the recent report Bipolar disorder: Costs: An analysis of the burden of bipolar disorder and related suicide commissioned by SANE Australia
reveals that one in every six Australians with bipolar disorder commit suicide, a total of 12 per cent of all suicides,
(ii) 60 per cent develop a substance abuse problem,
(iii) average treatment levels are less than one-quarter of what is considered ‘best practice’, and
(iv) over two-thirds of people with bipolar disorder are likely to be misdiagnosed three times before an accurate diagnosis is made;
(b) recognises the impact of bipolar disorder on the community, affecting not only the health of those living with it, but also their work, study and ability to maintain relationships and friends; and
(c) calls upon the Federal Government to:
(i) move for better training of medical professionals in diagnosing bipolar disorder, and
(ii) provide increased community education about this disorder.
Question agreed to.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint Meeting
Senator McGAURAN (Victoria) (4.29 p.m.)—At the request of Senator Ferguson, I move:
That the Foreign Affairs Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade be authorised to hold a public meeting during the sitting of the Senate on Monday, 15 September 2003, from 5.30 pm to 6.30 pm, to take evidence for the committee’s inquiry into Australia’s relationship with Indonesia.

Question agreed to.

MATTERS OF URGENCY

Sexuality Discrimination Legislation
The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 10 September 2003, from Senator Greig:

Dear Mr President,
Pursuant to standing order 75, I give notice that today I proposed to move “That, in the opinion of the Senate, the following is a matter of urgency:
The need for the Australian Government to acknowledge that on 6 August 2003, in the case of Young vs Australia, the United Nations Human Rights Committee found that:
(i) the Australian Government’s refusal to grant Mr Young a pension on the ground that he does not come within the definition of “dependant”, for having been in a same-sex relationship, violates his rights under article 26 of the International Covenant on Civil and Political Rights on the basis of his sexual orientation;
(ii) the Australian Government provided no argument on how the distinction between same-sex partners and unmarried heterosexual partners is reasonable and objective, and no evidence which would point to the existence of factors justifying such a distinction was advanced;
(iii) as a victim of a violation of article 26, Mr Young is entitled to an effective remedy, including the reconsideration of his pension application without discrimination based on his sex or sexual orientation, if necessary through an amendment of the law;
(iv) the Australian Government is under an obligation, as a signatory to the First Optional Protocol to the International Covenant on Civil and Political Rights, to ensure that similar violations of the Covenant do not occur in the future; and
the need for the Australian Government to legislate for partnership recognition of same-sex couples under Commonwealth law.”

Yours sincerely
Senator Brian Greig
Senator for Western Australia
Is the proposal supported?

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

Senator GREIG (Western Australia) (4.32 p.m.)—I move:

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

The need for the Australian Government to acknowledge that on 6 August 2003, in the case of Young vs Australia, the United Nations Human Rights Committee found that:

(i) the Australian Government’s refusal to grant Mr Young a pension on the ground that he does not come within the definition of “dependant”, for having been in a same-sex relationship, violates his rights under article 26 of the International Covenant on Civil and Political Rights on the basis of his sexual orientation;

(ii) the Australian Government provided no argument on how the distinction between same-sex partners and unmarried heterosexual partners is reasonable and objective, and no evidence which would point to the existence of factors justifying such a distinction was advanced;

(iii) as a victim of a violation of article 26, Mr Young is entitled to an effective remedy, including the reconsideration of his pension application without discrimination based on his sex or sexual orientation, if necessary through an amendment of the law;

(iv) the Australian Government is under an obligation, as a signatory to the First Optional Protocol to the International Covenant on Civil and Political Rights, to ensure that similar violations of the Covenant do not occur in the future; and

the need for the Australian Government to legislate for partnership recognition of same-sex couples under Commonwealth law.

I guess in some ways the Senate had this debate in a reasonably comprehensive way approximately two years ago. It is not my intention to go over in any great way a discussion in which we have already been involved. The Senate has already expressed an intention in this regard in passing a similarly worded motion. However, the recent decision by the United Nations gives us an opportunity to refresh the debate and to look at where it is at now in the context of many states and territories having seriously reformed their laws in this regard since we last debated this issue in the Senate.

On 6 August the United Nations Human Rights Committee made its second major ruling in relation to gay and lesbian human rights breaches in Australia in less than a decade. For the second time the Australian government has been found to be in serious breach of its obligations under article 26 of the International Covenant on Civil and Political Rights for failing to recognise rights on the basis of sexual orientation. In 1999 Sydney man Edward Young took a case against the Australian government and the Department of Veterans’ Affairs to the UN Human Rights Committee, claiming he had been discriminated against over entitlements provided to partners of deceased war veterans. Mr Young took this action because all attempts to utilise local remedies had failed him. Following the death of Mr Young’s partner of 38 years, who was an Australian World War II veteran, Mr Young applied to the Department of Veterans’ Affairs to claim entitlements provided to partners of deceased war veterans. The Department of Veterans’ Affairs informed Mr Young that he did not qualify for a pension because he and his partner had not been a heterosexual couple. Mr Young appealed this decision to the Veterans Review Board, which also refused the pension because only married or heterosex-
ual de facto partners are entitled to it. He then took his case to the UN.

Throughout this legal, and lengthy, process Mr Young, to his credit, remained steadfast in his resolve and he consistently maintained that his case was fought as a matter of principle, justice and equality. By refusing a pension to Mr Young, the government has refused to honour his deceased partner’s war service by refusing to treat him in the same way as it would a heterosexual veteran. In effect this means that the government seems to think it is okay for gay men and lesbians to fight, even die, for their country but it still wants to treat people like second-class citizens when it comes to recognising relationships.

The findings of the United Nations Human Rights Committee were very clear: the federal government had discriminated against Mr Young. Its view was that the government should reconsider Mr Young’s pension application without discrimination based on his sex or sexual orientation, if necessary by amending federal law. The committee also stated that Australia is under an obligation to ensure that such discrimination does not occur in the future. Undoubtedly there will be those who will seek to undermine the integrity of the United Nations, to distract attention or to claim that the United Nations has no place interfering in Australian domestic affairs. But the UN Human Rights Committee is one of the more important human rights bodies within the UN system. The members of the committee are not representatives of their own countries; they work as independent officers of the UN, usually bringing with them long careers in human rights law and global reputations stemming from their work in human rights. The findings therefore are substantial, groundbreaking and not ambiguous.

According to ANU legal academic Wayne Morgan, who was a consultant in the case, the ruling is the strongest statement ever made by the UN about the equality of rights for same-sex couples, and the ramifications for Australian law are extensive. Australian law often defines a couple as including only married or heterosexual de facto partners. Such definitions exist in superannuation law, tax law and social security law, as well as in laws governing the armed forces and, as we see in this case, specifically laws relating to veterans’ pensions. The UN’s decision clearly means that all such definitions breach the human rights of same-sex couples, and the government is now under an obligation to amend all such laws. If ever there previously had existed any doubt, there is now more than at any other time a clear requirement for the federal government to act to bring an end to this appalling discrimination.

I submit that the Australian government is now obliged, both morally and legally, to respond. Remarks made by High Court Justice Brennan in the Mabo case stated in part that ‘a common law doctrine founded on unjust discrimination in the enjoyment of civil and political rights demands reconsideration’. The government’s time for ignoring this issue has passed and the opposition’s time in not dealing with the issue in its term of government has passed too. I contend that if ever there was a time for the opposition to take the opportunity to show its true colours on where it stands on the broader question of equality for same-sex couples and gender minorities then surely this is it.

Failure to act will leave Australia even further behind other comparable international jurisdictions that have moved to ensure equality under law. Such jurisdictions now include, to varying degrees, Britain, South Africa, Canada and New Zealand. Almost every other Western government has granted legal recognition and rights to same-
sex partners. Almost every Australian state has done the same or a similar thing, yet the Commonwealth now drags far behind. South Australia and the Northern Territory remain the only localised jurisdictions that have not, in a comprehensive way, addressed this issue. Since the Senate last addressed this issue—and since I last spoke to it—we have seen sweeping reforms in Western Australia, the ACT and Tasmania. They, to varying degrees, recognise same-sex couples at a state level on issues like superannuation, property settlement, wills and estates, hospital visits and so on. But we have not seen Commonwealth reform and, as a consequence, we find discrimination continues in a range of areas under Commonwealth law dealing with relationships. These include Defence Force entitlements, superannuation benefits, social security rights, Family Court access and so on.

Failure of the government to act on this occasion, given the strong imprimatur to do so, risks Australia becoming quite backwards in this human rights area in the context of comparable Western jurisdictions. I believe that failure to act will bring unwelcome international attention and embarrassment upon our nation. We have a precedent in that in 1994, when the UN last made a ruling in relation to this issue—against Tasmania’s discriminatory laws—we saw a Commonwealth response. That response from the then Keating government, with bipartisan support, resulted in legislation which effectively aimed to if not override then to invalidate the discriminatory laws which put Australia in breach of the UN covenant on civil and political rights at that time. It was a positive response from the parliament with bipartisan support and ultimately helped contribute to a better Australia in the long term.

We Australian Democrats believe we have a solution to the current issue before us, and that is the Sexuality and Gender Identity Discrimination Bill, which was first introduced by now retired Senator Sid Spindler and which has since been updated and reformed. It is soon to be reintroduced under my name after I have been through long consultations with human rights groups and gay and lesbian communities. Ultimately, this issue has been around for my party at least since 1995. We believe that the imprimatur from the UN gives the matter more urgency and puts greater strength behind it to bring it on for full and formal debate.

The bill effectively responds to the issues that have been raised by the United Nations committee and the bill will effectively provide the wholesale reform which the committee seems to be advocating and which the opposition has indicated it might support. This bill will soon be reintroduced and we will have the opportunity, I hope, for a further debate on it. I call on all senators to support full and frank debate of the issues in that bill, to allow for its passage and to finally put this issue to rest by resolving it through the parliament so that we are no longer breaching these international treaties and human rights obligations and, better still, so that we end discrimination against a significant minority of Australian citizens.

Senator MASON (Queensland) (4.42 p.m.)—I thank Senator Greig for his contribution because, as always on issues of human rights, Senator Greig is passionate and moving. I was here for his first speech in this parliament, which I found to be one of the most eloquent discussions of discrimination I have ever heard. As someone from my generation both in terms of election and in terms of age, Senator Greig has done this place a great service in his discussion of human rights.

Senator McGauran—Easy!

Senator MASON—I believe that. I want, however, to discuss some assumptions un-
derlying Senator Greig’s proposition in the notice of motion before the Senate today. First of all, Senator Greig spoke about human rights and I want to talk for a while about the conversation on human rights. In my view it has never been enough in parliament to simply say that there is a right. That right has to be established. Simple rights talk, per se, is lazy; indeed it is worse. Professor Glendon of Harvard Law School says:

Our stark simple rights dialect puts a damper on the processes of public justification, communication, and deliberation upon which the continuing vitality of the democratic regime depends.

In other words, talk of rights alone erodes public confidence in the legislative system. The public expects us to discuss rights, obligations and values. Let me get to moral equivalence and values. I have spoken often in this parliament about moral equivalence in different contexts. People know what I think about that. I think it has been a tragedy. The argument in the 1960s and 1970s—and the argument which still goes on today—that all moral, political, cultural and social choices are equal is simply false. It is not only false; it is degrading, corrupt, outrageous and decadent and it justified bloody murder. Surely then you would now agree that not all choices and systems are equal, for if all values are relative then so too is liberty itself. All values are not relative.

Tolerance and fairness—and I know Senator Greig and I both think those values are important—can hardly be defended by the claim that no values can be defended. We make, and should make, value judgments. That is what we do here. The point is, of course, that not all values are equal. Underlying Senator Greig’s motion today is a great philosophical principle enunciated by John Stuart Mill: it is not the function of the law to intervene in the private lives of citizens or to seek to enforce any particular pattern of behaviour. While that was not particularly successful in Victorian England, it has been picked up in the post Second World War world and, of course, by the United Nations, and in a sense it underpins much of our discussion today on issues of sexual morality.

I have spoken in this chamber before about the United Nations focusing on democratic nations where it is easy to score points and fail to pick up far grosser human rights abuses. I just mention that in passing. I will not dwell on it today; it would be too easy to do so. It is a funny thing how the world has changed. In Victorian England, politicians spoke about free trade in the public sphere and in the private sphere they spoke about values. After the Second World War, social democratic countries spoke about regulation in the public sphere and in the private sphere they spoke about personal choice and private choice. The world has changed enormously.

I give this background to show that having a discussion about values in 2003, I find, is very difficult. I find it difficult coming into parliament to discuss values. In fact, it is a very unusual conversation. I believe, as the government believes, that it is not appropriate to discriminate against people on the basis of their race, gender or sexual preference. But the government believes that it is not inappropriate to legislate to enhance the benefits to certain groups where to do so would enhance values a society believes should be promoted. We do that when we give positive benefits to assist women or Indigenous Australians. We choose values and we support them. The government believes that marriage is a valuable institution. It is an institution that should be protected and should be encouraged. The government therefore provides benefits to sustain and enrich that institution.

To summarise, the government does not believe that it should be value neutral on
every issue. Underpinning this claim is democratic theory. Australia is a sovereign nation. Australians elect their representatives in free and democratic elections. The premise of our political system is that the parliament has the right, and indeed the obligation, to enact such laws that it feels reflect the views and wishes of the Australian public. If the people disagree, they are free at a subsequent election to vote for a different party—one that more accurately reflects their views. The current law regulating this issue was enacted in a democratic way. Certainly if people disagree, they are free to express their disagreement at the ballot box.

The government believes that it is the overwhelming view of the Australian community that marriage under Australian law means the union of male and female. Furthermore, the government believes that it has the right to make sure that such public views are reflected in the laws that govern us all. Again, we give positive benefits to promote values we believe are valuable. To conclude, the government believes that individuals have freedom of choice. Liberals must believe that. Liberals do believe that. But Liberals do not always believe that those choices need to be funded equally.

**Senator KIRK (South Australia) (4.50 p.m.)**—I rise to speak to this urgency motion on behalf of the opposition. At the outset I can say that the opposition are pleased to support the urgency motion standing in Senator Greig’s name. The Labor Party strongly oppose discrimination against gay and lesbian Australians, as we oppose discrimination against other groups in our community. On this matter the Labor Party’s national platform is unambiguous. It states:

- Labor supports legislative and administrative action by all Australian governments to eliminate discrimination, including systematic discrimination, on the grounds of race, colour, sex, religion, sexuality, disability, genetic make-up, political or other opinion, national or social origin, property, birth or other status.
- Our platform further states:
  - Specifically, Labor supports the enactment of legislation prohibiting discrimination on the grounds of a person’s sexuality.
  - Labor believes that all Australians should have the right to live and work in an environment free from unlawful discrimination, vilification and harassment. The Labor Party remains committed to taking comprehensive steps to address systematic discrimination against gay and lesbian Australians.

In recent years we have seen Labor governments at the state and territory level take steps to address discrimination against Australians in same-sex relationships under state and territory law. Senator Greig referred to a number of these initiatives. Just a fortnight ago the Tasmanian parliament became the most recent to redress discrimination against Australians in same-sex and other significant relationships. The Labor Tasmanian Attorney-General, Judy Jackson, is to be congratulated for her hard work on behalf of Tasmanians in developing this world-class legislation and securing the support of the Tasmanian parliament and the Tasmanian community. Tasmania now joins Victoria, New South Wales, the Australian Capital Territory, Queensland and Western Australia in having enacted some form of legislation to address discrimination against gay and lesbian Australians. Labor governments in my home state of South Australia and in the Northern Territory are engaged in consultations with the community on these important issues.

As the states and territories have demonstrated, meaningful reform in this area must be undertaken in a comprehensive and consultative way. That remains the commitment of the federal Labor Party. Thankfully, we live in an era when a very large number of
Australians at least know someone who is in a same-sex relationship and have some understanding of the difficulties they face in their everyday lives because the law provides no recognition of their relationship. This heightened community awareness and understanding provides the Commonwealth government with an opportunity to address these issues at a federal level.

Regrettably, however, we see no attempt by the government to confront seriously the experiences of these Australians in same-sex relationships and to engage with their concerns about ongoing discrimination in a range of areas under federal law. We see no attempt by this government even to cooperate with the states and territories to deliver reforms in areas of overlapping responsibility. For example, the Attorney-General continues to refuse to accept a referral of powers from the states to enable property matters involving same-sex de facto couples to be dealt with in federal courts. As a consequence of this, same-sex couples must have their property matters dealt with in state courts. The Attorney-General has been completely unable, it seems, to give a coherent explanation for his insistence that Australians in same-sex relationships should be singled out and treated differently from other Australians in this area.

Because of the government’s indifference to their experiences, Australian citizens in same-sex relationships are still forced to go all the way to the United Nations Human Rights Committee to have their concerns heard and acknowledged. That was the case in 1994 that Senator Greig referred to—the case of Mr Nicolas Toonen, who, I might add, in June of this year received an Order of Australia in recognition of his work in promoting understanding of gay and lesbian rights. Regrettably, in 2003, as we heard today, nearly 10 years later, Mr Edward Young is still facing the same discrimination on the basis of his sexuality. This of course is the subject of the motion before the Senate today.

The federal Labor government provided an effective response to the UN Human Rights Committee’s decision in the Toonen case with the introduction of Human Rights (Sexual Conduct) Bill. It remains to be seen how the Howard government will respond to the Young case. From the comments of Senator Mason today I have to say that I do not have a lot of hope that there will be a positive response. The concerns raised by the committee raised broader issues regarding a whole range of federal laws, as Senator Greig acknowledged. It is important that these be addressed in a comprehensive rather than a piecemeal way. I should also note that the government issued a statement to the media last week which represented that the matters raised in Mr Young’s communication had been considered and rejected by the Australian Human Rights and Equal Opportunity Commission, HREOC. In fact, the UN committee’s decision reveals the true position in relation to this. The committee stated:

On 23 December 1999, the Human Rights and Equal Opportunity Commission denied the author’s complaint to that body, stating that as the author had been subjected to the automatic and non-discretionary operation of legislation, the Commission had no jurisdiction to intervene. That is the point. The commission did not reject the claim; rather it found it had no jurisdiction to intervene. In other words, HREOC was not able to consider the merits of Mr Young’s case. Indeed, even if the case had arisen in a different way, it is not clear that our national human rights body could have dealt with it because there is no prohibition against sexuality discrimination in federal law—and this is the crux of the matter. HREOC is generally forced to refer such matters to the states where such legislation does exist, as we heard today.
Regrettably, I do have to say that the government was not the only party to issue a misleading statement on that day. Senator Greig himself put out a media release, which stated:

The Democrats ‘Sexuality Discrimination and Gender Status Bill’ has been on the Senate Notice Paper since 1995 but neither the Government nor the ALP would support it or even allow parliamentary time to debate it.

Unfortunately, this is not the first time that Senator Greig has made such a false claim. I was hoping that in his contributions this afternoon perhaps he would correct the record, and it seems that perhaps he will do so at the end of the debate today. He also claimed in the Age of 14 June this year that both Labor and the coalition had refused to debate this bill. I hope now that Senator Greig has had an opportunity to have a look at the Hansard, where he will see that Labor did agree to a second reading debate on this bill. That debate took place on 28 May 1998 following an extensive inquiry and report into the bill by the Senate Legal and Constitutional References Committee, chaired by Labor Senator Jim McKiernan, which recommended a range of improvements to the bill. In fact the very name of the bill, the Sexuality and Gender Status Discrimination Bill, was recommended by the committee. Labor senators on that committee indicated in the debate that the bill, as amended—whilst it was far from perfect or even a completely workable piece of legislation—could be supported by Labor. Once again, I would like to pay tribute to the work of the Senate committee, and in particular its former chair, Senator McKiernan, on the issues raised by the bill. Senator Greig has indicated that he does intend to correct the record, and I hope he does so when the opportunity arises.

We expect that the government will treat the concerns of the UN Human Rights Committee seriously. We hope that the government will not resort once again, as it often does in this context, to shooting the messenger. Everyone is familiar with the government’s tactic of using the shortcomings of the UN human rights treaty committees as an excuse not to sign the optional protocol to the Convention on the Elimination of Discrimination Against Women. Everyone will remember the government’s announcement in the year 2000 of a diplomatic initiative to improve the operation of these UN committees as a precondition to Australia assuming any new human rights obligations.

Like most of this government’s excuses for inaction, this one too has worn very thin. I note that the Minister for Foreign Affairs and the Attorney-General issued a statement on 3 July this year claiming:

A number of reforms proposed by Australia have already been taken up by treaty bodies themselves.

The Attorney-General’s Department further explained this statement by pointing to the establishment by the treaty committees in 2002 of an intercommittee meeting to coordinate their timetables and working methods, to increase their efficiency and reduce the burden of reporting on state parties. For example, the UN Committee on the Elimination of Discrimination against Women has now introduced a page limit for country reports, and the UN Committee on Economics, Social and Cultural Rights is reviewing its reporting guidelines. Yet the government continues to deny Australian women the benefits of the CEDAW protocol, which would enable them to take their concerns about unlawful discrimination to the UN committee once all domestic avenues have been exhausted.

If the treaty committees have adopted Australia’s suggestions, as the Attorney-General and foreign minister have claimed, it is time for the Howard government to ex-
plain what steps it now proposes to take to end its splendid isolation from the UN human rights treaty system. It could start by providing a proper response to the committee decision on the Young case.

To conclude, the opposition are pleased to support this motion moved by Senator Greig. We are pleased that the motion addresses the need for comprehensive Commonwealth laws against discrimination. The federal Labor Party remain committed to working in government with all parties and groups to achieve meaningful change to redress discrimination against Australians in same-sex relationships.

Senator BROWN (Tasmania) (5.00 p.m.)—In the just three minutes I have allocated for my role in this debate on the urgency motion, I want to commend Senator Greig for bringing this issue to the chamber for us to debate and I want to pay particular tribute to Mr Edward Young and, indeed, to his now deceased partner, Larry Cains. They lived together for 38 years and exemplified a loving relationship between human beings which contributes enormously to our society and the respect we all must have for such relationships as the staple of society. I commend the tremendous persistence that Mr Young has shown in, having been denied and failed by several institutions in this country, going to the United Nations and having the United Nations rule that being denied the veterans pension he and his partner would have been allocated under any other circumstances is discriminatory and a breach of the UN human rights convention.

The Howard government is in breach of the UN human rights convention. I found Senator Mason’s contribution, which was very clever, particularly nasty. Senator Mason said, first of all, that it was not appropriate to discriminate on the basis of sexual orientation, but then he went on to say that this is an issue of sexual morality. It is not. If it is, his discrimination is all the worse, and if that is the subtext—and I believe it is—then his own words have discovered it. This is very much an issue of discrimination against one long-term partnership as against another on the basis of the partnership being same sex.

Senator Mason said, ‘It is not enough to call for a human right. That right has to be established.’ No, it does not. If you disagree, you can go to the ballot box. I challenge this government to put this matter that Senator Greig has brought here to the ballot box. Let us have a plebiscite or a referendum, and this government will be comprehensively defeated, because it is so far behind the Australian people in the matter. (Time expired)

Senator SANTORO (Queensland) (5.05 p.m.)—The government has adopted a sensible position with respect to the reported finding of the United Nations Human Rights Committee that an Australian man has been discriminated against because the government refuses to pay him a war widows pension. Senator Greig, whose urgency motion we are debating, has, with respect to him, not adopted a sensible position. The government, while noting that the committee is not a court and that its views are not binding, is considering its views and will respond in due course, and I am sure the response will be a considered one.
Senator Greig has sought to make a special cause out of the committee’s finding and a special cause out of the particular circumstances that led to the committee’s decision. It is important to note here that it is a non-binding finding. One response is sensible and responsible; one, I would suggest to the Senate, is neither sensible nor responsible.

The fact is that the Veterans’ Entitlements Act was not written to cater for circumstances such as those in which Mr Edward Young and his long-term partner, Mr Larry Cains, lived for 38 years. That point I believe was admirably made by the new National President of the RSL, Major General Bill Crews, on the ABC radio current affairs program *PM* last week. Major General Crews got it right and, again, with respect, I believe that Senator Greig has got it wrong. Major General Crews told *PM* on 4 September:

> As a general rule, the League is entitled to have a position which some might regard as discriminatory, but there are many in the community that I believe would support it.

Major General Crews went on to say:

> I do stress we are not opposed to people who are themselves homosexual. That is not the issue. The issue is one quite clearly of entitlements within same-sex marriages and I’d like to separate the two.

This is not opposing people because of their sexual position.

As a question of the effect is that people, because of their sexual preference, are not entitled to the same benefits as those in a heterosexual relationship, the RSL chief said this:

> Yes, that’s presently the case and that’s because the entitlements are based on the family concept and people are now deciding they’ll redefine the boundary of the family concept. Now the League has some difficulty with that.

I think that that is a fair position; I think that it is a reasonable position. The government of course condemns discrimination and believes that everyone should have the opportunity to participate in our community and to experience the benefits and accept the responsibilities that flow from such participation without fear of discrimination. Nothing less than that would satisfy anyone in this place, I am sure.

The issue raised by the case of Mr Young, who lived with his now deceased partner, Mr Cains, for 38 years is not one that goes to questions of morality. He has advanced a plea for access to a war widows pension on the basis that his partner was an ex-serviceman. I am sure that he entered into the relationship he and Mr Cains formed without any thought of the benefits the state might provide him in the event that his partner pre-deceased him. There were then and there are now other welfare benefits the Australian taxpayer provides to assist people in need. This government takes its human rights obligations seriously, both internationally and domestically. The matters raised by the United Nations Human Rights Committee finding in relation to article 26 have been considered under Australian law. They have been rejected by the Australian Repatriation Commission, the Veterans’ Review Board and the Human Rights and Equal Opportunity Commission.

Australian law proscribes discrimination. The Workplace Relations Act, as just one example, contains provisions to help prevent and eliminate discrimination in employment on the grounds of sexual preference. Since 1999 government amendments to superannuation law have allowed trustees to accept binding death benefit nominations from members so that death benefits are payable to a person nominated on the beneficiary form regardless—I stress, regardless—of gender. State and territory laws also prohibit discrimination. In the specific case of Mr Young, it is also the fact that, because Mr
Cains’s death was not war caused, under the provisions of the Veterans’ Entitlements Act no partner of Mr Cains, heterosexual or homosexual, would have been entitled to a pension under subsection (1). That is a point that has not been stressed terribly heavily by other speakers.

Senator Greig has an agenda, and I say to Senator Greig that that is fair enough. But it is, by any definition, a marginal agenda, particularly in the context of the issue he has brought before the Senate today. In a liberal Western democracy such as that in which we are fortunate to live, of course there are pluralistic views—and indeed we should encourage their existence. No society can prosper if it fossilises or immerses itself in aspic. Change is inevitable and it is to be welcomed when that change is for the better. At the same time, I unashamedly say that marriage and the family remain the fundamental basis of our society. Despite what Senator Brown said about bringing it on in a referendum or in a plebiscite across the nation, as a representative I do not detect any substantial mood for change on that front. At the same time, in a liberal Western democracy, how people choose to live and with whom they choose to live has nothing to do with anyone else.

Senator Greig seeks to draw from this case the lesson that the Australian government needs to legislate for partnership recognition of same-sex couples under Commonwealth law. That would be a contentious matter for debate at any time, but it is in fact peripheral at best to the case that concerns us here. That is a point I wish to stress here today. It is clear that there is no entitlement of the sort that Mr Young applied for, in the precise circumstances of that particular case. That is where I would respectfully suggest to Senator Greig, and to others who are supporting him in this motion, the issue should lie in terms of the detail on which the case has been fought.

Senator HARRADINE (Tasmania) (5.11 p.m.)—I oppose the motion. The substance of Senator Greig’s urgency motion is in the last sentence, where he says there is:

... the need for the Australian Government to legislate for partnership recognition of same-sex couples under Commonwealth law.

Basically Senator Greig wants same-sex relationships to be recognised as marriage-like relationships. But such a recognition would undermine the special status of marriage in our society by establishing a legally recognised relationship alongside marriage. It is this special status—this recognition of the special status of marriage—which is acknowledged by the government in issues like access to pensions.

The Prime Minister’s recent and welcome support for marriage status quo is some consolation in this matter. The confusion surrounding much of the debate is quite understandable; we rarely have the opportunity to question and re-examine some of our community’s bedrock institutions. Marriage is often taken for granted. The system of marriage between a man and a woman is one that has been relied on over thousands of years across the world and across cultures. It has been tried and tested over that time and found to be the best arrangement available. It is an almost universal human institution. There is good reason for the prevalence of marriage. Stable families depend on a stable marriage and stable communities depend on stable families. The stability that marriage brings also makes it the best environment in which to raise children. That is not to say there are never problems in marriages, nor that children cannot be brought up well if a marriage disintegrates. Nor is it to say that every marriage involves children. But it is to say that marriage offers the best chance to
children of a stable and happy life. It is a social ideal that we try to live up to.

Research on the children of homosexual couples has found that they are more likely to suffer socially and emotionally and in their educational achievements compared with other children. Marriage is a public commitment declared to families and to the wider community to fulfil responsibilities which go beyond personal selfish interests. These responsibilities are to each other and to any children the married couple might have. The commitment recognises that there is a genuine social good in limiting our sexual life to one that is within a monogamous relationship.

It also recognises that male-female marriage or de facto marriage is the only way in which children can be naturally conceived—without the intervention of a third party. The government recognises the special nature of these relationships by recognising them in law and in the benefits it offers to support them. What some gay activists are asking for is a new right—the right to change the rules of marriage or de facto marriage to suit their own purposes. But marriage is not about demanding and getting what you want; it is about serving others.

Agreeing to same-sex marriage would confirm that the desire of adults to choose a family format to suit them is more important than the needs of children to have a mother and a father. It would endorse a deliberately motherless or fatherless family. It would mean that our community had no interest in whether children had a mother and a father. Arguments that same-sex couples, or presumably anyone else who wants to marry, should be able to change the definition of marriage to suit their own lifestyles have far-reaching consequences and are discriminatory.

Apart from gay relationships, it would also allow a number of other marriage variations. For example, it could allow legal recognition of polygamy, polyandry and polyamory. There are already at least two groups of polyamory—that is, group marriage of varying numbers—advocates in Australia. If we arbitrarily choose to allow the legal recognition of same-sex relationships, wouldn’t we also have to accept these other marriages or relationship forms? Once these new forms of marriage have been accepted, the term ‘marriage’ will have lost all meaning.

Allowing same-sex marriage would mean that marriage is defined only by the transitory demands of various groups. Governments should not be spending energy on changing marriage or de facto marriage to meet the demands of various lobby groups. They should instead be looking to strengthen marriage through better education, counselling at the time of breakdown, and taxation relief. We all lose by the erosion of the position of marriage, but the biggest losers are the people who most need our protection—our children.

Senator Barnett (Tasmania) (5.17 p.m.)—I rise to oppose the motion proposed by Senator Greig. At the outset I wish to say that I respect Senator Greig’s right to put the motion and to hold his views genuinely and honestly. Indeed I respect the rights of Senator Brown and the members of the Labor Party who support the motion, but they must also respect my right to object most vigorously to the motion. And I do it for a number of reasons. Firstly, the government is aware of the views of the United Nations Human Rights Committee on the communication to it alleging discrimination on the basis of sexual orientation in the provision of entitlements under the Veterans Entitlements Act. The government takes its human rights obligations seriously, both internationally and domestically, and the government is consid-
ering the committee’s views and will be responding in due course. It needs to be made clear that the Human Rights Committee is not a court and its views are not binding. I will be saying a bit more about that shortly.

What is true and what is the government’s view—and this was made clear by the Prime Minister not so long ago—is that marriage is a bedrock institution in our society. The government also believes it is the overwhelming view of the Australian people and the Australian community that marriage under Australian law means the union of a male and a female. As Senator Harradine has made clear, it has stood the test of time—thousands of years—and I do not believe that this is the time to be changing such a position. The government does not believe that homosexual partnerships can be given the same status for family law purposes as marriage or de facto relationships involving a man and a woman. There is a plethora of legislation in this country at both federal and state level which says that marriage is a relationship between a man and a woman. There comes a time in the nation’s history, at times like this, when we need to draw a line in the sand and say that marriage is important, that it is a bedrock institution and that it is the key structure within which the family must operate.

In that respect I wish to also make clear my outrage at views expressed yesterday by Senator Greig in the Senate chamber that there is no link between X-rated material and child sex abuse. I find this an outrageous invitation to children to call up pornographic sites on the Internet. As a senator, Senator Greig is in a position to influence young children by his comments and therefore I find his comments irresponsible in the extreme.

On 3 September 2002, the department received notice that the Human Rights Committee had adopted its views in the Young case. The committee found that Australia had violated article 26 of the ICCPR by denying Mr Young a pension on the basis of his sexual orientation. Those views have been made clear and the government is considering its position. What I would also like to say relates to my lack of confidence in relevant United Nations committees and in particular the Human Rights Committee. Many of the members of the UN Human Rights Committee are from countries with abysmal human rights records.

Senator Abetz—Libya chairs it, doesn’t it?

Senator Barnett—Senator Abetz has made the comment that Libya chairs such a committee. Is this an appropriate committee from which our country should be taking a lead? Wherever possible, laws in this country should be made by Australians for Australians in Australia. Members of this committee are apparently independent experts appointed by their governments, but the facts speak for themselves—res ipsa loquitur. Are they qualified to make decisions on behalf of Australians? I simply make that point.

I also make the point that from 1990 to 1996, when the Howard government came to power, the federal Labor government seized on the external affairs power under the Constitution; signed, on average, 44 international treaties per year; and selectively and arbitrarily acted upon those that it saw to be to its political advantage. Let us see what the Chief Justice of the High Court said about those views at that time. The former High Court judge and former Governor-General, Sir Ninian Stephen, in an article for the Australian Lawyer in March 1995, was very direct in his views as to the consequences flowing from the federal government’s use of the external affairs power. He said:

This—
the use of the external affairs power by the federal government—
has had the effect of changing quite dramatically
the legislative balance of powers between the Commonwealth and states. It meant that
the Commonwealth potential legislative power was
as wide as the whole area of treaty making power,
which was unlimited in theory and was in fact
explosively expanding.

That is exactly the point, and that is why
there have been major reforms on the treaty
making powers by the Howard government
since its election in 1996. I congratulate both
the Prime Minister and Alexander Downer
for their leadership in that respect.

Finally, let me say that this is a matter of
great importance to the Australian people. It
is a matter of how, at the end of the day, we
see marriage and family.

Senator Brown—Let’s have a vote on it.

Senator BARNETT—I am quite happy
to be voting on it, Senator Brown, and I am
quite happy to say that there is a line in the sand here. I will not be crossing that line. I believe that marriage is the bedrock of our institutions and it needs to be protected in a hearty and vigorous way at every step. (Time expired)

Senator GREIG (Western Australia)
(5.24 p.m.)—With just three minutes to sum up, it is very difficult—indeed, impossible—to reflect on all the contributions that were made, but I do sincerely thank senators for their contributions. It is important that we discuss this issue. Much of the discussion we have heard here today genuinely reflects where much of the Australian community is.

Having said that, let me say that this issue has absolutely nothing to do with marriage. Anybody who mentioned it is talking through their hat. The fact is that the war widows pension is paid to people whether they are married or not, whether they have kids or not. This is about relationships. In

that regard, the community has moved on. In effect, we have had a national referendum on this issue because of what has been done at a state and territory level. State and territory governments, often with the support and initial encouragement of minor parties, have already brought about this reform. The people have spoken. There is no strong call from any quarter opposing this legislation.

I would also make the point that while Mr Young’s claim was rejected, as Senator Santoro said, through his first applications in trying to address this, it was rejected with regret. It was rejected because of the lack of opportunity to address this issue at a domestic level. They were not trying to establish a precedent at law. They were expressing with regret the fact that he had no opportunity, no option, but to go to the United Nations. That is not acceptable.

Senator Mason said that ultimately this is a question of choice. I say this to Senator Mason: people in our community do not wake up one day and say to themselves: ‘I think I’ll be homosexual. I think I will place myself in a position of being discriminated against in every possible way, disenfranchising myself from my friends and family, and being at greater risk of abuse, harassment and discrimination.’ I echo the words of Justice Michael Kirby, who at one time said that discrimination against people on the grounds of sexual orientation is as morally reprehensible as discrimination on the grounds of race or religion.

Senator Harradine, you said in your argument that this is ultimately about what is best for our children. I agree with you. We are children. Gay and lesbian Australians are children. They are sons and daughters. They are, too, mums and dads—and brothers, uncles and aunties. They are judges, lawyers, doctors, garbologists and politicians, and they all deserve equal rights under the law.
All we are asking for—all the community is asking for in a broader human rights context—is equality under the law in areas of relationship recognition. It has nothing to do with marriage and we are all children of the broader community.

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

The Senate divided. [5.31 p.m.]
(The President—Senator the Hon. Paul Calvert)

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

AYES
Allison, L.F. Bartlett, A.J.J.
Bishop, T.M. Bolkus, N.
Brown, B.J. Buckland, G.
Campbell, G. Carr, K.J.
Cherry, J.C. Collins, J.M.A.
Cook, F.P.S. Crossin, P.M. *
Denman, K.J. Evans, C.V.
Forshaw, M.G. Greig, B.
Hogg, J.J. Hutchins, S.P.
Kirk, L. Lees, M.H.
Lundy, K.A. Marshall, G.
Moore, C. Murray, A.J.M.
Nettle, K. Ray, R.F.
Ridgeway, A.D. Sherry, N.J.
Stephens, U. Stott Despoja, N.
Webber, R. Wong, P.

NOES
Abetz, E. Barnett, G.
Boswell, R.L.D. Brandis, G.H.
Calvert, P.H. Campbell, I.G.
Chapman, H.G.P. Colbeck, R.
Cooman, H.L. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Ferris, J.M. * Harradine, B.
Harris, L. Heffernan, W.
Humphries, G. Johnston, D.
Kemp, C.R. Lightfoot, P.R.
Macdonald, I. Mason, B.J.
McGauran, J.J. Minchin, N.H.
Payne, M.A. Santoro, S.

Scullion, N.G. Tchen, T.
Tierney, J.W. Vanstone, A.E.
Watson, J.O.W.

PAIRS
Conroy, S.M. Macdonald, J.A.L.
Faulkner, J.P. Patterson, K.C.
Ludwig, J.W. Hill, R.M.
Mackay, S.M. Alston, R.K.R.
McLucas, J.E. Troeth, J.M.

* denotes teller

Question agreed to.

COMMITTEES

Scrutiny of Bills Committee
Report

Senator CROSSIN (Northern Territory) (5.35 p.m.)—I present the 9th report of 2003 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table the Scrutiny of Bills Alert Digest No. 10 of 2003, dated 10 September 2003.

Ordered that the report be printed.

BUDGET

Consideration by Legislation Committees

Additional Information

Senator FERRIS (South Australia) (5.35 p.m.)—On behalf of the respective chairs, I present three volumes of additional information received by the Economics Legislation Committee relating to hearings on the additional estimates for 2002-03 and additional information received by the Foreign Affairs, Defence and Trade Legislation Committee relating to hearings on the budget estimates for 2003-04.
ACIS ADMINISTRATION AMENDMENT BILL 2003
CUSTOMS TARIFF AMENDMENT (ACIS) BILL 2003
Report of Economics Legislation Committee

Senator FERRIS (South Australia) (5.36 p.m.)—At the request of the Chair of the Economics Legislation Committee, Senator Brandis, I present the report of the committee on the provisions of the ACIS Administration Amendment Bill 2003 and the Customs Tariff Amendment (ACIS) Bill 2003, together with the Hansard record of proceedings and submissions received by the committee.

Ordered that the report be printed.

COMMITTEES
Public Works Committee
Report

Senator FERRIS (South Australia) (5.36 p.m.)—On behalf of the Chair of the Parliamentary Standing Committee on Public Works, Senator Ferguson, I present the 8th report of 2003 relating to the proposed construction of a new Chancery Building for the Australian High Commission, Colombo, Sri Lanka. I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

The existing Australian chancery complex in Colombo has been in use for over 40 years and is no longer adequate for its purpose. The Department of Foreign Affairs and Trade submission states that the building does not meet minimum standards in relation to security, occupational health and safety or building services and the existing floor area of 950 square metres is too small to meet current operational requirements. The present layout is dysfunctional due to ad hoc expansion and space constraints, and the building has deteriorated with age to the extent that refurbishment and repair are no longer practical or cost-effective. Finally, the building does not project an appropriate image of Australia in a country where Australia is held in high esteem.

Work elements to meet the Department’s objectives consist of

- security arrangements to meet the requirements of Australia’s overseas agencies;
- space provisions to meet the needs of current tenants and to permit future expansion;
- pedestrian and vehicular access including a controlled parking area;
- a services wing, staff recreational facilities and landscaped surrounds;
- installation of new engineering services; and
- integrated building fit-out to tenants’ specifications.

The proposed works are intended to address the deficiencies of the existing chancery premises in relation to space, functionality, amenity and security.

At the public hearing, the Committee questioned the Department of Foreign Affairs and Trade on a number of issues.

In response to the Committee’s questions relating to security, the Department stated that the new building would incorporate the full range of physical security measures employed in all their overseas offices, and would also take cognisance of the local situation.

In relation to acoustic requirements, the Department envisages that acoustic treatment to the mechanical plant and the diesel generator will be provided in compliance with Sri Lankan regulations. The Committee was interested to know...
whether Sri Lankan regulations in relation to acoustics were higher or more relevant than the Australian standards. The Department responded that Sri Lankan standards are based on British standards, which are compatible with Australian standards.

The Committee questioned the Department on the flooding and drainage measures to address monsoon storms. The Department proposes that earthworks will be undertaken to raise the ground floor of the new Chancery by half a metre. Responding to the Committee’s enquiry about the implications of the proposed elevation of the building for water run-off to surrounding areas, the Department said that it intended to grade the site and that run-off would be channelled from the site by an existing storm-water drain.

The Committee was assured that the building design caters for the full suite of fire control measures. The Department added that the new Chancery will incorporate energy targets in line with the Australian Energy Performance Guidelines.

In response to questions on costs, the Department told the Committee that the project budget includes a considerable provision for expatriate supervision to ensure that technical requirements meet Australia design specifications. The Department explained that fees and allowances for this project include Sri Lankan Value Added Tax on escalation and contingency provisions, in addition to construction costs.

When questioned about the potential requirements for future expansion, the Department replied that it did not anticipate any increase in current staff numbers at the Chancery, but that the building fit-out could accommodate a modest increase in number, if required.

Having considered this evidence, the Committee recommends that the proposed construction of a new Chancery building for the Australian High Commission, Colombo, Sri Lanka proceed at the estimated cost of $11.19 million.

Mr President, I would like to take the opportunity to thank all those involved in the public hearing and reporting process. I commend the Report to the Senate.

Question agreed to.

**Membership**

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

Senator ABETZ (Tasmania—Special Minister of State) (5.38 p.m.)—by leave—I move:

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

- **Economics References Committee**
  - Appointed—Senator Buckland
  - Discharged—Senator Hogg

- **Foreign Affairs, Defence and Trade References Committee**
  - Appointed—Participating member: Senator Conroy

- **Public Accounts and Audit—Joint Statutory Committee**
  - Appointed—Senator Hogg
  - Discharged—Senator Conroy.

Question agreed to.

**VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2003**

First Reading

Bill received from the House of Representatives.

Senator ABETZ (Tasmania—Special Minister of State) (5.39 p.m.)—I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator ABETZ (Tasmania—Special Minister of State) (5.39 p.m.)—I move:

That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

The bill will amend the Vocational Education and Training Funding Act 1992. It provides for supplementing 2003 funding by $24,432 million to provide for normal price movements, as required by the Australian National Training Authority (ANTA) Agreement 2001-2003.

As a result, total funding for vocational education and training in 2003 will increase to $1,118.452 million, including $104.025 million in growth funding.

The bill also appropriates $1,136.822 million to be provided to the States and Territories for vocational education and training in 2004. This includes $104.025 million in growth funding, to be matched by the States and Territories under the terms of the proposed ANTA agreement 2004-2006.

Over the next 4 years, the Government will spend over $8.4 billion on vocational education and training encompassing $5.04 billion in funds for the vocational education and training sector, most of which is for distribution to the States and Territories through the Australian National Training Authority. The Commonwealth will also provide nearly $3 billion for employer incentives, New Apprenticeships support services, and other New Apprenticeships costs of the Commonwealth. In addition there will be $0.4 billion for other vocational training programmes funded by the Commonwealth.

Vocational education and training underpins the competiveness of our industries and supports economic and social development.

The latest available figures indicate that in 2001 there were over 1.76 million students in VET, equal to about one-eighth of Australia’s working age population. New Apprenticeships have grown to over 391,000 in-training at 31 March 2003, up by 177 per cent on 1995. Today, New Apprenticeships are available in more than 500 occupations; including aeroskills, electrotechnology, process manufacturing, information technology and telecommunications.

This growth has not been at the expense of the traditional trades. There were 137,000 traditional trades New Apprenticeships in-training as at 31 March 2003. “Trades and related occupations”, encompassing trades such as carpenters, plumbers and electricians, make up 35 per cent of New Apprentices in training. Over the last five years, while employment growth in trades and related occupations grew at an average annual rate of 0.8 per cent, New Apprentices in training in trades and related occupations grew at an average annual rate of 1.6 per cent.

We are also seeing record numbers of New Apprenticeships completions. There were 118,500 completions in the twelve months to 31 March 2003, up 19 per cent from previous year.

 Australians of all ages are benefiting from the Government’s successful vocational education and training policies. In 2001, 24 per cent of vocational education and training students were aged 15 to 19 years. The number of 15-19 year olds in training has grown by 30 per cent since 1998, reflecting the success of vocational education and training in schools programmes, now available in more than 95 per cent of Australia’s secondary schools.

In addition, 57 per cent of vocational education and training students were 25 years and over, and 27 per cent were 40 and over.

It is especially noteworthy that the participation rate for people 45 years and over in all education, at 7.1 per cent of the age group in 2000, is the highest of all OECD countries.

There is increasing participation by groups in the community which suffer greater disadvantage. Indigenous people make up 3.3 per cent of all vocational education and training students, and their numbers are up by 122 per cent since 1995. People living in rural and remote areas make up 33.7 per cent of all vocational education and training students, and their numbers are up by 49 per cent since 1995.

Record levels of Commonwealth funding are contributing to these achievements.

In 2003-04, the Commonwealth is providing a total of $2.1 billion for vocational education and training. This encompasses an estimated $682.4 million to support New Apprenticeships arrange-
ments, including employer incentives, and an estimated $1.167 billion to the States and Territories.

The funding provided through this bill will give certainty to the States and Territories and continue to give the Commonwealth influence over national vocational education and training policy, including in relation to New Apprenticeships.

The bill meets the Government’s commitment under the ANTA Agreement 2001 to 2003, to increase the funding for 2003 for real price movements reflected in Treasury indices.

The bill would also provide the initial funding for the first year of the proposed ANTA Agreement 2004 to 2006.

The offer for a new ANTA Agreement provides funding of $3.574 billion over three years.

The Commonwealth’s offer includes $218.7 million in additional funding, compared to 2003 levels, $325.5 million in continued funding for growth, and $119.5 million for Commonwealth priority areas, including older workers and people with a disability.

The offer reflects average real growth in recurrent funding of 2.5 per cent per annum.

The total increase in funding over three years is 12.5 per cent, compared to total funding for the 2001-2003 Agreement.

The proposed Agreement seeks matching funds from the States and Territories totalling $445 million over its three-year life.

Commonwealth priorities for the next Agreement include: improving quality, addressing skills shortages, providing an open and flexible training market; regional development, and strategies for practical reconciliation for Indigenous Australians.

Under the proposed new Agreement, the Commonwealth is providing the States and Territories with funds from the Australians Working Together—Helping People Move Forward, and the Recognising and Improving the Capacity of People with a Disability initiatives.

Through these measures the Commonwealth will provide $119.5 million over 2004-2006 for Commonwealth priority areas including older workers, people with a disability, and parents returning to work. The States and Territories have been called on to match this funding. If the States and Territories accept the offer, up to 71,000 additional places will be available in vocational education and training over the next three years.

The provision of the full amount of funding for 2004 is dependent on a new ANTA Agreement being negotiated with States, as proposed in my offer. The States and Territories have agreed to work collaboratively on developing a new Agreement for the period 2004 to 2006. I look forward to a satisfactory outcome of the negotiations.

This bill provides the Commonwealth funding required to support Australia’s world class vocational education and training system. I commend it to the Senate.

Debate (on motion by Senator Mackay) adjourned.

BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES

Message received from the House of Representatives agreeing to the amendment made by the Senate to the following bill:


COMMITTEES

Superannuation Select Committee

Report

Senator Watson (Tasmania) (5.41 p.m.)—I present the report of the Select Committee on Superannuation on draft Superannuation Industry (Supervision) Amendment Regulations 2003 and draft Retirement Savings Accounts Amendment Regulations 2003, together with the Hansard record of proceedings and submissions received by the committee.

Ordered that the report be printed.

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

Leave granted.

Senator Watson—I move:
That the Senate take note of the report. The report the committee handed down today is a unanimous report, although I note that Labor has made some additional comments. Importantly, the report expresses the committee’s general support for the principle of portability, and the ability of superannuation fund members to consolidate their superannuation accounts. In particular, the committee supports giving individuals the ability to consolidate an inactive superannuation account into either an active account or another inactive account. Such a measure, accompanied by a targeted education campaign following the introduction of portability, would achieve a reduction in superannuation account numbers in Australia and that is indeed important.

It is also important to note that many Australians also have access to portability of their funds. Under the governing rules of a majority of Australian superannuation funds, a member can already elect to roll over or transfer his or her crystallised benefit to another nominated superannuation fund. In that sense, the regulations would only be extending the availability of portability in Australia. However, the report also recommends that the government should revise the gazetted regulations prior to 1 July 2004, when they are due to commence, to prohibit rollovers or transfers of superannuation accounts out of active superannuation accounts—that is, accounts that are still receiving employer-sponsored superannuation payments.

The committee makes this recommendation out of concern that providing portability out of an active account would be tantamount to providing choice of superannuation, which, as senators will know, has previously come before this chamber. The committee believes that extending portability to active accounts is a matter better dealt with through choice of fund legislation rather than regulations on the grounds of efficiency and consumer protection. In addition, there is concern that portability out of an active account, without a full, targeted education campaign and a strong disclosure environment, could lead to a further proliferation of superannuation accounts due to the need to maintain multiple accounts. As we understand, this is not the purpose of the measure.

I note that this issue of portability out of an active account was the principal concern raised with the committee by the industry during the conduct of our inquiry—an extensive inquiry, may I remind the Senate. The committee consulted with a broad range of individuals and organisations, including peak industry bodies, superannuation funds and fund trustees, professional financial organisations, financial service providers, peak employee and employer groups and the relevant government agencies.

The committee makes a number of other recommendations in its report for reforms which could promote the implementation of the portability regulations. In particular, the committee advocates in its report the following measures: the revision of the financial disclosure requirements under the regulations; the development of a rollover transfer protocol to help facilitate portability; the exclusion of defined benefit schemes from the provisions of the regulations where the member’s current entitlement is in accumulation or partly vested form, which is important; the provision of legal protection to trustees under the regulations, which is an important point raised by the Law Council of Australia; and the commencement of an education campaign on portability and choice of superannuation when the regulations come into effect, using the $28.7 million over four years allocated by the government in the 2002-03 budget. The committee also recommends the further refinement of product disclosure statements by the regulator, ASIC,
and limiting future exit fees to reasonable administrative costs and redemption costs of a rollover or transfer.

I note that the committee has made a recommendation that the gazetted regulations be amended but that the Labor and Democrat senators have threatened to disallow the regulations if their concerns are not met. Rather than take this course, I urge the opposition parties and the government to cooperate through the gazettal of further Superannuation Industry (Supervision) Amendment Regulations 2003—I believe that would be No. 5 this year—to address the committee’s concerns prior to the proposed implementation of portability on 1 July 2004. It can be done, it should be done and it needs to be done.

There is broad agreement in this chamber that the implementation of portability regulations is a desirable reform. I believe that, through the introduction of amending regulations, the concerns of opposing parties and the desire of the government to pass portability legislation can be met. In advocating the implementation of the portability regulations, I note that during the inquiry concerns were expressed that portability and choice are intertwined and cannot be introduced separately. But, provided portability out of an active account is prohibited, I do not share this concern. The Liberal members of the committee believe that the portability regulations can stand on their own in their revised form from 1 July 2004.

This is the last report of the Senate Select Committee on Superannuation. I intend later this evening to make a statement to the Senate on the winding-up of the committee—a committee that has produced 58 reports. I will not pre-empt just now the comments I will make later about the history of the committee and the people involved over the years. However, I thank the very many participants in the committee’s portability inquiry. The quality of the submissions made to the inquiry was very high and they were of considerable interest to the committee. I take this opportunity to thank the witnesses who appeared before the committee in Sydney, Melbourne and Canberra. I also extend my gratitude to the other members of the committee. During the conduct of the inquiry the government gazetted its final portability regulations, which differed in a number of significant areas from the draft regulations referred to the committee for inquiry and report. There is no doubt that this made the job of the committee much harder, and I thank my fellow committee members for their hard work and their commitment to achieving a unanimous report that all members could accept. I also take this opportunity to thank the committee secretariat, Mr Stephen Frappell and Mrs Dianne Warhurst, for their continued support of the work of the committee and their hard work in achieving a great result.
Where a transfer out of an active account occurs, under the regulations gazetted by the government members will be forced to establish an additional account because they must leave a minimum of $5,000 in their original account. The committee has unanimously concluded:

... portability out of active superannuation accounts could lead to an increase in superannuation account numbers in Australia due to the need to maintain multiple accounts.

This is a damning rejection of the inaccurate claims by the Minister for Revenue and Assistant Treasurer, Senator Coonan, that account numbers would be reduced. It is a damning—and, as I say, unanimous—rejection of the minister’s claims and the foundation of the regulations. The critical recommendation, No. 1, is:

... that the Government prior to 1 July 2004 revise the ... Regulations ... to prohibit roll overs/transfers out of an active superannuation account.

This is a very significant change to the regulations that have been gazetted by the government. Further:

... the Committee believes that the portability regulations, by extending portability to active accounts, raise an issue which is better dealt with through choice of funds legislation on the grounds of efficiency and consumer protection.

There are some 25 million inactive superannuation accounts in Australia—accounts of nine million fund members. As I have indicated, most Australians can transfer their superannuation out of inactive accounts, subject to exit fees. Most accounts do not have exit fees. The question remains: why don’t Australians consolidate their inactive accounts? There is nothing in these regulations that would allow people with inactive accounts to consolidate them. The fact is that they can do it at present but they do not. Why don’t they do it? They do not do it because generally they do not know that they can consolidate their accounts and there is extensive red tape, form filling et cetera to go through in order to do so. There is nothing in these regulations that solves the fundamental structural problem of inactive superannuation accounts in this country. It is misleading of Minister Coonan to claim that these regulations overcome this problem when they clearly do not.

The report also includes a further six detailed recommendations that require a rewrite of the regulations. They highlight the incompetence of the government in a range of technical areas. There are some additional comments from Labor senators. Those additional comments in the report call for the automatic consolidation or rollover of inactive accounts into a member’s last active or inactive account. That would largely resolve the issue of the 25 million accounts we have in Australia. This would be a major simplification and would dramatically reduce the number of inactive accounts. Secondly, Labor has called for simple, standard, comparable and enforceable disclosure of all fees and charges. Labor continues to argue that, if you are to have safe portability and safe choice, you must have accurate disclosure of fees and charges. We do not have that in Australia at the present time.

But Labor would go further to ensure safe portability and choice. Labor argues that we should ban commissions on superannuation products purchased with nine per cent compulsory SG contributions. Labor senators argue that it is unconscionable to be charging commissions—often very expensive commissions—on compulsory superannuation guarantee contributions. Finally, an extensive public education campaign—and I stress it should be an education campaign, not a government propaganda campaign—would be needed to inform the public. Labor has consistently argued for safe choice and portability. If you are to have portability and choice,
you need to ensure that you have the most rigorous and tough protections of consumers. We have seen quite damning evidence of excesses, exploitation and, frankly, rip-offs by some financial planners in this country—not by a majority, but certainly by a significant minority of financial planners. Labor simply does not accept that the financial services industry can be trusted with portability and choice without the sorts of safeguards that I have outlined. We are talking here about compulsory long-term savings for retirement which need the most rigorous safeguards. As a consequence of this unanimous report, which is quite damning of the minister, Senator Coonan, Labor will be moving to disallow these regulations.

The final point I make about the regulations is that, for the first time in my experience on a Senate committee, we saw the government and the minister take a contemptuous approach to the processes of the Senate whilst the committee was conducting the first day of its hearing on the draft final regulations. They did not even inform the committee. Regrettably, I could not attend the first day of that hearing because I was in my sick bed with a bad dose of bronchitis. I received a justifiably outraged call from the chair, Senator Watson. We have never seen a minister gazette regulations while the committee is actually holding committee hearings. What made it even worse was that she did not even tell the committee. The minister did not inform the committee and did not inform the witnesses, who had turned up on the basis of the draft regulations. It is the most contemptuous performance that I have ever seen by any minister in respect of the committee processes of the Senate. Consequently, the Labor Party will be moving to disallow these regulations tomorrow.

Senator CHERRY (Queensland) (5.57 p.m.)—The Democrats are very pleased to join the debate on this unanimous report of the Senate Select Committee on Superannuation on the portability regulations. What the regulations provide—and this has become quite clear from the evidence to this committee—is a premature de facto choice regime. These regulations should be held off until we have a choice of funds legislation agreed to by the Senate, at which stage we can proceed with an appropriate set of regulations. In the meantime, as Senator Watson has pointed out in his comments, we should ensure that we have maximum portability for inactive accounts and that we have some measures in place to encourage the consolidation of the 25.5 million superannuation accounts—that is, the 2.8 accounts for every worker in Australia.

The Democrats believe that the best way to do this—and it is also highlighted in the report of this committee—is to actually get some decent consumer education on the advantages of account consolidation, a decent industry-wide transfer protocol, and action on reducing exit and entry fees. These are all issues dealt with in the recommendations of this committee report, which I commend strongly to the government.

I share with Senator Sherry my outrage about the way this committee was treated by the minister in that the regulations were actually promulgated on the day of one of our hearings. I have no doubt that it was an attempt to influence the committee in its decision making, and it certainly did—it made us very angry. I cannot recall in my experience as a staffer and as a senator in this place another minister acting to promulgate regulations whilst the committee was inquiring into them. It makes it more difficult rather than easier for the minister because now the minister will need to issue revised regulations rather than simply revise a draft regulation. That is a process which I would now urge the minister to do. The committee has made some very sensible recommendations about
what those revised regulations should entail to promote appropriate portability among inactive accounts and to encourage account consolidation without necessarily introducing a deregulated choice of funds regime.

From that point of view, the Democrats strongly recommend that the minister issue the revised regulations within a very short period of time, because that window for the minister to provide a positive response to this report is very short. Failing a positive response in literally the next few days, the Democrats will be supporting the Labor Party’s disallowance regulation. It is not our preferred position, but it will certainly be the position that we will pursue if the government does not provide an appropriate response by way of revised regulations.

I do want to note for the record that this is the last report of the Senate Select Committee on Superannuation, after 12 years of incredibly strong work. This committee was formed as a result of a resolution moved by a Democrat, Senator Sid Spindler, back in 1991. It was moved as a result of concerns about the process of legislation by press release, which was what superannuation policy was under the Hawke and Keating governments. I think the committee has made an extraordinary contribution to superannuation policy and in opening up public scrutiny in a very important area of policy over the course of the last 12 years.

I want to pay tribute to the staff of the committee over that 12-year period, to the hundreds of people who provided incredible quality submissions to the committee over that period, to my Democrat predecessors on this committee and also to its chairs, Senator Watson and Senator Sherry, who have been fiercely independently minded and have given their governments a right royal razzle-dazzle whenever required over the course of the last 12 years. It is an example of the Senate working at its best over a long period of time. It is an example of what Senate committees can do when they do work together: look at the information, put politics aside and actually produce good policy. As a result, the Senate Select Committee on Superannuation has been one of the most effective committees this Senate has seen over the last 12 years. I commend this report to the Senate. I urge the government to pick it up. If they do not, they will see their regulations disallowed, and that is a matter for the minister to now consider.

Senator MACKAY (Tasmania) (6.01 p.m.)—On behalf of Senator Buckland, I seek leave for his contribution to this debate to be incorporated in Hansard.

Leave granted.

The speech read as follows—

Clearly Labor endorses the major conclusions of the Committee Report being tabled today. The Report’s recommendation that the draft regulations be amended to prohibit transfers of funds from active accounts is of course wholeheartedly supported by Labor.

But having said that there are some matters that need to be addressed before the regulations can be approved.

For instance the Committee took evidence from more than one witness that the portability regulations as worded in their current form amount to the introduction of a de-facto “choice” regime. On reading the regulations I have to agree with that evidence.

Portability and choice are two entirely different animals and we on this side are of the view that the portability regulations should be introduced jointly with a safe choice regime.

On the basis that portability from inactive accounts is available to the bulk of fund members it is hard to see how there is a need for the regulations without the establishment of a choice regime.

The Committee took substantive evidence, which supports Labor coming to that view and it
is consistent with our stated position that we will support a safe choice regime that contains strong protections and safeguards which protect consumers.

The only other matters I wanted to comment on are education and disclosure.

If we look at the portability regulations, allowing fund members to transfer account balances at will, we find that many account holders will be left at the mercy of the financial advising industry.

If the information which has come to light from the most resent survey, the ANZ Financial Literacy Survey, that dealt with levels of consumer knowledge of financial matters, and in particular superannuation are right and at the same time the issues highlighted in the ASIC/ACA Shadow Shopping Survey which relate to the professional and ethical standards of financial planners are also correct, it is easy to understand why we are advocating protection and safeguards for consumers.

This is why Labor is of the view that any portability regulations or choice legislation must be accompanied by a comprehensive and strong education campaign; I think Labor’s Additional Comments to the Report refers to an aggressive financial literacy education campaign.

Such an education campaign should be carried out by the Government in consultation with the financial services industry. I think it is essential that care is taken with any education provided to the public that the education is balanced with the information it provides and not product marketing in the disguise of education.

There are some who argue that the advent of the new disclosure rules will put consumers in a position to make educated comparisons and decisions about financial investments particularly in relation to superannuation. I don’t agree with that view. A comprehensive education program focussed on financial literacy is the only way to protect consumers.

On the question of disclosure, the committee heard a lot of evidence and were given various views. At the end of the day I, with my Labor colleagues, have come to the conclusion that there is little doubt that improved disclosure, particularly of fees and charges is a major step forward, but like education, disclosure alone is not the answer. We are of the view that for disclosure to be effective it needs to be clear and in a form that makes a comparison between different products possible.

The introduction of portability and choice will open consumers up to the high-pressure selling environment of the financial services industry. The government has responsibility to protect consumers from this and the disclosure and education programs Labor is suggesting will go a long way towards providing this.

In closing could I thank my other colleagues on the Committee, Senator’s Sherry, Chapman, Cherry, Lightfoot and Wong, in particular Senator Watson who chaired the Committee not only during this Inquiry but for the life of the Select Committee on Superannuation.

Senator WONG (South Australia) (6.02 p.m.)—The report before the Senate, as previous speakers have said, is in relation to two sets of regulations. I note that these draft regulations were referred to the Senate Select Committee on Superannuation, but unfortunately amended regulations were gazetted during or just prior to the committee’s first hearing. I wish to note how unfortunate that was in terms of the committee’s process and the government taking some account of the processes of the Senate. These regulations essentially deal with portability—that is, the ability of a member to roll over or transfer existing superannuation funds from one superannuation account to another. The regulations, as gazetted, had the effect of mandating rollovers even from active accounts—that is, accounts into which regular contributions were being made. As many submissions to the committee pointed out, this could in fact lead to more rather than fewer superannuation accounts in Australia, which is certainly a situation we want to avoid.

The committee’s primary concern with the regulations was that they seek to implement, effectively, a de facto choice regime in the
absence of some of the protective mechanisms which we consider are required to ensure that choice does not lead to consumers being ripped off. The committee unanimously supported the proposition that portability from active accounts would be better dealt with by choice of funds legislation. The committee also commented on the need for parliamentary scrutiny of the choice legislation and other policy issues associated with that when considering the issue of active accounts. Accordingly, the committee has recommended that the regulations in fact prohibit rollovers and transfers out of active accounts. I commend particularly Senator Watson and other government senators on the committee for placing good policy above politics in this committee report and for joining with Labor and Democrat senators in recommending that the regulations prohibit rollovers or transfers out of active accounts.

The second concern that I want to focus on, which the committee raised but which has also been amplified by Labor members in our additional comments, is in the area of exit fees. Even the Treasury acknowledged that exit fees could constitute a barrier to portability. The government’s line on this issue, however, is that competition and the market will sort it out. The committee did not accept this and has recommended that the regulations limit exit fees to the reasonable administrative costs and redemption costs of a rollover. This is a very important recommendation—and one that I again indicate has the unanimous support of government senators as well as Labor and minor party senators—because exit fees can constitute a barrier to portability. They can also constitute a significant detriment to consumers in Australia, particularly if they are not sufficiently financially literate to understand precisely the terms and conditions of the accounts into which they are making contributions. Labor senators do go further than the majority of the committee. Our recommendation is that exit fees ought be banned altogether and ought be replaced by an administration fee which is calculated on the basis of the reasonable costs associated with a rollover or transfer out.

But what is important is that the committee has unanimously rejected the view of the government that exit fees should simply be left to the market. The reality is that the ‘leave it to the market’ mentality does not work where you do not have proper and comprehensive disclosure regimes which enable easy comparison between funds and when many Australian’s financial literacy places them at a significant disadvantage when trying to assess the appropriateness of different superannuation products and comparisons between those products. Essentially, the Labor position, which is reflected to quite a large extent in the unanimous report, is that there should be a safe choice regime and that it should be scrutinised by the parliament. Our position is also that commission fees on SG contributions should be banned, and that is important if one is seriously trying to establish a choice regime which protects the consumer.

In closing, I note that I have only been on the Senate Select Committee on Superannuation for this and for one previous report. It has been a very interesting process, and I do echo Senator Cherry’s comments that particularly Senator Watson and Senator Sherry, in their chairing of this committee, have certainly put good policy above politics. I think the committee has made an enormous contribution to what is a very complex and difficult area of government policy—that is, superannuation—an area which is extremely important now but which will be particularly so in the future as Australians continue to contribute to their superannuation schemes. I seek leave to continue my remarks later.
Leave granted; debate adjourned.

TAXATION LAWS AMENDMENT BILL (No. 7) 2003

Report of Economics Legislation Committee

Senator EGGLESTON (Western Australia) (6.07 p.m.)—On behalf of the chair of the Economics Legislation Committee, Senator Brandis, I present the report of the committee on the provisions of the Taxation Laws Amendment Bill (No. 7) 2003, together with the Hansard record of proceedings and submissions received by the committee.

Ordered that the report be printed.

Senator WEBBER (Western Australia) (6.09 p.m.)—by leave—I move:

That the Senate take note of the report.

I rise to make some comments in relation to the report on the provision of the Taxation Laws Amendment Bill (No. 7) 2003 presented today by the Economics Legislation Committee. As a cosignatory to the minority report, I rise to point out that there is a significant area of difference among members of the committee. That area of difference relates to schedule 3 of the bill. Schedule 3 refers to gifts and covenants. The minority report recommends that the Senate delete that part of schedule 3 that provides for the naming of deductible gift recipients, or DGRs, by regulation.

The background to this recommendation goes to the government’s decision to codify some 400 years of common law on the definition of a charity. As we all know, there have been numerous public debates and comments about the manner in which the government proposes to treat charities. Many charities have expressed a concern that this government, or any future government, could use legislative change to restrict or deny charities the right to participate in public debate. Put simply, there is a concern that this is a codification of common law to muzzle charities. One has to ask the question: why does the government need to codify 400 years of common law? Until 2003 there had been a collective understanding of what a charity was, and now we have to codify it—or at least that is the view of the government.

The reason that there is a minority report from the Economics Legislation Committee is that schedule 3 of the Taxation Laws Amendment Bill (No. 7) deals with a related matter. At the present time there are two processes by which an organisation receives DGR status. The first method is for the organisation to fall under one of the general categories set out in the Income Tax Assessment Act 1997. The organisation applies to the Commissioner of Taxation, who assesses the application. If the application is successful then the organisation is endorsed as a deductible gift recipient. The committee was told during its hearings that there are currently some 18,000 organisations that have been endorsed by the commissioner.

The other method by which an organisation can receive DGR status is for it to be included by name in the legislation. We were told that there are currently some 100 organisations specifically named in the legislation. This meant that the legislation was amended on each occasion that an organisation or organisations applied to government to be included. The government is now proposing to do this by regulation rather than by amendment of the legislation. The stated reason for this is that the government believes that this process will be more effective and efficient. As outlined at the committee’s public hearings, the current process is that an organisation writes to the government requesting inclusion in the legislation. The government then seeks to amend the legislation. From
what we were led to believe, the new process would essentially be the same except that the government would now make a new regulation rather than seek to amend the legislation.

Of course in all this the government maintains that it will behave in an unchanged manner. Currently there can be conditions attached to an organisation being named in the act—typically those that relate to time durations. The concern about this change is that the government could, through the regulation process, place more stringent requirements on an organisation seeking status as a deductible gift recipient. The difference from the current situation would be that, in order to reject the conditions placed on the organisation, the Senate would have to disallow the entire regulation. Currently the government can attempt to put stringent conditions on an organisation seeking that status and the Senate can simply amend that condition. But if we go down the path proposed by the government in Taxation Laws Amendment Bill (No. 7) then the Senate would give up the ability to scrutinise, review and amend any new conditions. The only option left open to the Senate would be to reject the entire regulation, and therefore the organisation—or any other organisations listed in that regulation—would be denied access to deductible gift recipient status.

Of course the government would have us believe that it would never, ever do this. We are told that this government welcomes open and frank discussion and disagreement with its policies and programs. Any and all organisations can say what they like about the government and this government would never, ever do anything about it. Never, ever would this government, or any future government, go down that path. Never, ever would this government seek to limit the rights of an organisation to speak out on any issue. No processes would seek to limit or restrict research or advocacy projects. In my view, if you believe that you will believe almost anything.

It is too easy to say that regulation amendment to legislation is just about effectiveness and efficiency. Has the government actually demonstrated that the current process is inefficient or ineffective? The Senate has demonstrated time and time again that non-controversial legislation is dealt with efficiently and effectively. The Senate has also demonstrated that when any government attempts to impose stringent and unreasonable regulation or legislation that attempt will be subject to rigorous review. We must think carefully when we decide on this legislation when it comes before the Senate.

The minority report is about ensuring that those parts of this bill that are about diluting the power of the Senate are not agreed to. Currently the safeguards are there. No government could pretend that it would be in a position to put unreasonable conditions on an organisation seeking DGR. The Senate could, and would, amend those conditions. Schedule 3 removes that safeguard. Let us not fall prey to the efficiency and effectiveness arguments. Let us collectively work to ensure that the legislative safeguards that currently exist are maintained. Let us not hand more power to the executive. I commend the minority report to the Senate.

Question agreed to.

COMMITTEES
Economics Legislation Committee
Report
Senator EGGLESTON (Western Australia) (6.16 p.m.)—On behalf of the Chair of the Economics Legislation Committee, Senator Brandis, I present the report of the committee on the examination of annual reports tabled by 30 April 2000.

Ordered that the report be printed.
AUSTRALIAN NATIONAL TRAINING AUTHORITY AMENDMENT BILL 2003
Second Reading

Debate resumed.

Senator CROSSIN (Northern Territory) (6.17 p.m.)—I rise this evening to provide some comments on the Australian National Training Authority Amendment Bill 2003 before the Senate. This bill provides for a new three-year agreement commencing on 1 January 2004. It does that by simply amending the reference to the years of the agreement within the bill, replacing the year specified in the current agreement with one that is anticipated to be between 2004 and 2006. It also seeks to increase the number of members on the ANTA board from seven to nine.

I listened this morning to contributions by senators in this place regarding this bill and I concur with Senator Webber’s judgment that the number of members on the board can in no way be a signpost for the quality or breadth of decisions made. An additional two members on the ANTA board, especially judging by where those members come from—the Australian Chamber of Commerce and Industry and the Business Council of Australia—are really only going to be there to advance this government’s agenda, which is to promote user choice and privatise the education market. I believe the ANTA board is well serviced by its current composition of membership. It has lasted under those arrangements for many years. I for one do not believe that there is a need to increase the membership in this way. Be that as it may, that is the proposal in this bill. As always, this government seeks to tie it to another aspect. The flipside seems okay, but the reverse side is perhaps something you should question. Of course, the flipside of this is the requirement to appropriate this agreement so that the funds can flow for vocational education and training in the coming years.

I want to also make some comments about the fact that there is a major change in this legislation: the ANTA agreement, once it is signed off by the Commonwealth, states and territories, will no longer be a schedule to this bill. In fact, the agreement will only be tabled in the parliament. I am pleased to be able to speak this evening after I tabled the Senate Standing Committee for the Scrutiny of Bills report and the Alert Digest this afternoon, because in this very week the Scrutiny of Bills Committee received a letter from the Minister for Education, Science and Training, Mr Brendan Nelson, regarding some concerns that the Scrutiny of Bills Committee had in relation to this. We believed that removing the agreement from the act as a schedule and simply making it subject to being tabled in each house of the parliament—which is what is outlined in the explanatory memorandum—indicated insufficient parliamentary scrutiny. The Scrutiny of Bills Committee, of course, is most concerned about that.

The past, and we believe the best, practice has been to incorporate each new agreement in the principal act by way of amending the bill, enabling consideration and debate by the chamber. I will read an extract from the response from the Minister for Education, Science and Training, which is contained in the report from the Scrutiny of Bills Committee that I tabled this afternoon. The minister says:

I am advised that this is the case—that is, the fact that the ANTA agreement is not legislative in nature—because the ANTA Agreement does not determine the content of the law. Instead, it represents an exercise of the power that the Australian Government is granted under section 61 of the Constitution, amongst other things, to enter into agreements or arrangements with the States and Terri-
He goes on to say:

The ANTA Agreement has not been included in Schedule 1 of the Principal Act because it involves an exercise of legislative power, but rather because it has been common to include copies of intergovernmental agreements in schedules to Acts.

I believe that it is unfortunate that the government has sought to move this way, and I note that the two second reading amendments that have been put up by Senator Allison and Senator Nettle go to this very fact—that the agreement should be brought before each house of parliament and that it should be made available on the web site as soon as possible. There are assurances in the minister’s letter that this will be the case, but one would hope that these second reading amendments, should they be successful, will ensure that that will be the case.

The agreement is not ready to be a schedule to the act, nor is it ready to be tabled in this parliament. This bill has been brought on early. That agreement is yet to be finalised and fully negotiated by the states and territories with the Commonwealth. So that agreement is still under negotiation, which is why it is not before this parliament now and why it is not going to be a schedule to the act.

Tomorrow in the Senate we will also be considering the Vocational Education and Training Funding Amendment Bill 2003. In some ways that complements this bill because the two are linked—the money is appropriated through the ANTA agreement and ANTA provides the national directions and the way in which funding for VET and TAFE is spent in this country. One bill provides the funding, even though it is limited and inadequate, and the other provides the mechanisms by which that funding is allocated. There are many ways that routine bills which update principal acts and provide urgently needed funding are dealt with in this parliament. However, the urgently needed funding proposed in this bill is grossly inadequate to meet the increased demands being put on this part of our sector which is a key aspect of our national education and training system.

I will just turn to the provisions of the Vocational Education and Training Bill, which we will be considering tomorrow, but which, I think, is crucially linked to this bill. It is integral to addressing the needs and skills of this country, as is the VET sector inside the education portfolio. A colleague of mine Lindsay Tanner in an article in the Herald Sun on 2 September said:

… to raise our national skills capacity to match our labour force with needs of a modern economy … Australia must substantially raise its commitment to VET.

He is right, but this bill fails substantially and abysmally to do that.

The MCEETYA task force review of growth of VET reported that vocational education and training is now 95 per cent of secondary schools nationwide. In 2002 over 185,000 students were on courses that led to certificates I, II or III. It is becoming a major component of our schooling for many senior students. There is at last a meaningful alternative for students who are not looking at going on to ever more expensive university studies but who want a more affordable, accessible and practical base for training on which to base their future. Many of these students in senior secondary colleges seek to go on to undertake TAFE courses and continue their study and their training under a vocational education training pathway.

This government seems to have its eyes closed to facts such as these, with funding being grossly inadequate to cope with this expansion. In South Australia, for example, it is calculated that the VET funding per student hour has fallen from $6.57 in 1997 to a
mere 70c in 2001. The minister, in handing down this package as part of the budget this year, claimed that the package of dollars allocated for vocational education and training would give an additional commitment of $218.7 million to the states and territories through the ANTA agreement. Here we have another exercise in deception from this government and a gross misuse of figures.

We know that the budgets of 1996 and 1997 when this government came into power not only reneged on the commitment to growth but also imposed a cumulative reduction of $240 million in Commonwealth funding for VET. In this 2004-06 agreement that is being proposed, the government has not provided one extra cent for additional growth funding despite the fact that it might want us to believe otherwise. It has offered to maintain 2003 growth funds of $100 million over three years and to only index that figure. This merely covers increased costs and does not deliver an additional single cent for any new places. The other $119 million is part of the welfare reform that was already announced in past budgets. Therefore, you get your total figure of $218.7 million.

These so-called additional or new or growth funds were already provided in last year’s budget figures, and funds have simply been rolled over, rebadged, renamed—call it whatever you like. But do not be misled by this government again. There is no new funding of $218.7 million beyond a little for indexation. There is nothing for expansion, no money for growth, no money for new places, no money to address the thousands that currently are unable to get into the TAFE system.

The report from the Dusseldorp Skills Forum entitled How young people are faring shows a dismal picture of employment and training for young Australians. The report showed that in May 2003 some 23 per cent of young adults were not in any form of education, employment or training. The figure for Indigenous young Australians is far worse, with 70 per cent not in any form of education, employment or training.

We also see accounts of where changes to the higher education fee structure have pushed many more young people out of the university sector into the TAFE system. This is particularly so if you look at Indigenous students. An ABC news item of 10 July told us that the South Queensland Institute of TAFE Indigenous enrolments have tripled in the past two years and the Courier Mail on 21 May 2003 ran an article that showed that the Institute of TAFE in Cairns had an Indigenous enrolment rise of around 30 per cent between 2000 and 2003. We know that is at a time when Indigenous enrolments in higher education have been dropping. We also have accounts of serious skill shortages in some areas. The Senate Employment, Workplace Relations and Education References Committee is currently conducting an inquiry into skill shortages and we have heard of shortages of metal fitters, machinists, chefs and pastry cooks, and even shortages in industries such as hairdressing, for example.

So clearly there are young people out there whom we have the potential to recruit into these areas where there is a considerable and demonstrated need to increase the number of skilled workers. Training will be and is a large, growing and vital part of our education system that needs to be acknowledged and funded as such. It should be seen as an investment in the nation’s future and not, as this government sees it, yet another cost to be borne by states—or, heaven forbid, students, if HECS type fees are ever introduced for TAFE.

Let me speak for a while on vocational education and training and TAFE in the
Northern Territory. We know that the Northern Territory is vast and that there are many students in remote areas—and the potential for many more, let me add. I spoke last October on this topic when last year’s VET bill went through the Senate. The Dusseldorp Skills Forum had reported back then that the Northern Territory had double the national average of teenagers not in full-time education, training or employment. The Northern Territory figure was 32 per cent. The report said:

The situation in the Northern Territory, with close to a third of its teenage population in ‘at risk’ activities, should be a cause for national concern. This is still true, of course, but the allocation to VET areas by this government in the budget figures show once again that there is nothing being done to address the needs of such young people. If this government were concerned about the number of young people at risk and the number of young people who are potential students for the VET sector—which, of course, can be linked to unemployment rates—then you would think that there would be extra dollars in the training bucket to address this crisis. You would think that there would be money to look at the needs of young people, particularly in rural and remote Australia and places like the Northern Territory, to ensure that there is adequate funding so that this teenage population that is at risk would no longer be so.

TAFE Directors Australia continues to emphasise how critical the TAFE sector could and should be in this country. Even the Reverend Tim Costello, speaking at the recent AUSTAFE conference, said:

TAFE had a fundamental role and responsibility in helping to reconstruct people’s lives in useful ways.

The current Senate inquiry into current and future skills needs took evidence in Darwin. The Northern Territory government pointed out that the problems in the Northern Territory were such that they had to make a significant contribution to support language and literacy courses for disadvantaged clients. The submission from the Tiwi Islands Training and Employment Board emphasised a whole range of problems that they encounter in providing training and employment to Indigenous clients—not just in providing language and literacy courses but also in ensuring that their Indigenous clients have confidence and vocational skills. They also need to address social problems and health problems and ensure that training does more than provide for the actual skills of the job for which people, particularly Indigenous people, are being employed.

This is a system that is funded by inputs—that is, ASCH, annual student contact hours. It is not a system that is concerned about or regards outcomes as an indicator of success. Many RTOs, registered training organisations, turn up in a community at the start of a semester selling the same product—and, I might add, by and large in the Northern Territory, it is the cheap end of the market. They, of course, target those closest to the main centres and hence the least expensive to travel to. This is clearly not an efficient use of funds overall, and the more remote areas by and large are left out because it is too expensive to go there and train.

Nationally there is an unmet demand for vocational training places through TAFE of 40,000 per annum. Given all these factors, VET and ANTA have a major role to play. A key recommendation of TAFE Directors was to significantly increase the national investment in TAFE to fund the unmet demand of 40,000 places. Unfortunately, the best this government is going to manage is to fiddle at the edge of the main stage or to try to play the magician and make negligible funding appear magnified in some looking glass. It has done that year after year.
It has proven form in these skills, though. The past minister presided over the most notorious growth-through-efficiencies regime that this sector has ever had to encounter. The government still has this mentality, despite the only results being larger class sizes, increasing reliance on part-time and casual TAFE staff and worsening employment conditions. The Howard government has a proven track record in cutting expenditure—$5 billion from universities and now, of course, around $240 million from this sector. It then tries to use the old smoke-and-mirrors trick in the hope that people will be deceived into thinking education and training are going fine, that the government supports it and that it is well funded. But that is not the case; it is very far from the case.

Labor, by contrast, has made a real commitment to vocational education and training. Recently we announced the creation of 20,000 additional fully funded places in TAFE. Furthermore, we believe in TAFE, not as second only to university but as an essential and integral part of not only an overall education and training system but also the economic development of the nation. The TAFE system is preferred by many young Australians. Labor will support TAFE to build on its tradition of being a high-quality vocational education system.

Thousands of young Australians will leave school early and remain unskilled. There will still be a bleak future for the thousands of young Australians who cannot get a place in TAFE under this government. This budget is another example of this government’s neglect of the VET system and of TAFE and of education in general. This is a repeat performance. This government is a habitual offender and it has seriously neglected education since it came to office in 1996.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (6.37 p.m.)—In concluding this debate on the Australian National Training Authority Amendment Bill 2003 I thank those who have contributed, although I have to say the last contributor trotted out the same old Labor Party line, not policies; she criticised the government—

Senator Carr—Do you want this bill tonight, or not?

Senator IAN MACDONALD—and did it in a way that is not terribly honest. But we are very proud of our record—

Senator Crossin—What you know about education you could write on the back of a postage stamp.

Senator IAN MACDONALD—About as much as you do, Senator. Again, what passes for policy in this place seems to be someone like Senator Carr yelling out, ‘Do you want this bill tonight, or not?’ It is okay for the Labor Party to attack the government apparently, but when they get a bit of their own back they never like it. That is typical of the approach of Senator Carr to most issues.

The Australian National Training Authority Amendment Bill 2003 amends the Australian National Training Authority Act to provide a new Australian National Training Authority agreement and to increase the number of members on the authority board to nine. The Commonwealth is working collaboratively with the states and territories on developing a very new and forward-looking agreement for the period 2004 to 2006. When the new agreement is signed by all state and territory training ministers and the Commonwealth, the Minister for Education, Science and Training, my colleague the Hon. Brendan Nelson, will be pleased to make the agreement public by tabling it in the House and copying it to all members and senators. The bill will ensure that continuity is maintained in the national vocational education and training system after the current agree-
ment expires. The bill underpins ongoing funding and development of a world-class vocational education and training sector that supports the competitiveness of our industries and Australia’s economic and social development.

It is interesting to note that around 1.7 million Australians participated in VET in 2002. That is more than one-ninth of Australia’s working age population. More than one in four young people participate in vocational education and training. New Apprenticeships—this is an interesting figure for Senator Crossin—have grown to over 396,000 in training as at 30 June this year, which is a huge increase on the number of 140,000 in 1995, the last year of the discredited Labor regime. I heard Senator Crossin also criticising the government in relation to funding. That criticism is, again, fundamentally flawed. Over the next four years the government will spend over $8.4 billion on vocational education and training.

Senator Crossin—No new money there.

Senator IAN MACDONALD—The opposition has claimed that there is no new funding for the ANT A agreement. I want to point out to them again that some facts are always of assistance in these debates. The funds offered by the Howard government to the states and territories, and that includes funding of around $3.6 billion over the life of the new agreement and with indexation, compared with the 2003 funding, provide an additional $220 million. Growth funding will be indexed, as I mentioned. The total increase in funding over three years is 12.5 per cent compared with total funding in the 2001 to 2003 agreement.

The bill provides for an increase in the number of members of the board from seven to nine. This board provides advice to ANTA through the ANTA ministerial council, which is made up of all the state and territory training ministers. It provides that advice in all of its functions under the act. As the governing body for ANTA, the board oversees ANTA’s operations and is ultimately responsible for ANTA’s performance. The role and functions of the ANTA board are prescribed in the ANTA agreement for 2001 to 2003.

The bill also removes the ANTA agreement from schedule 1 of the Australian National Training Authority Act. This is consistent with similar intergovernmental agreements no longer being included as schedules to acts. The ANTA Act provides ANTA with the authority to provide funds to state and territory governments in accordance with the applicable ANTA agreement. Without an amendment to the ANTA Act to alter the current definition of ‘agreement’ to refer to the next agreement, ANTA would have no authority to make payments to the states and territories under the new agreement unless that agreement was expressed as an amendment to the 2001 to 2003 ANTA agreement. The next agreement will be a wholly new agreement based on new priorities. It will not be an amendment to the current agreement which provides arrangements for 2001 to 2003 only. It is not possible to amend the definition of ‘agreement’ in the ANTA Act to refer to the 2004 to 2006 agreement as that agreement has yet to be concluded.

Senator Crossin raised concerns that the removal of the agreement from the schedule will deny the opposition the opportunity to scrutinise the ANTA agreement. That is quite clearly false as Dr Nelson has undertaken to table the agreement when it is concluded. Nevertheless, I understand that the Australian Democrats have proposed an amendment requiring the minister to table the document within 15 sitting days of the agreement’s conclusion. We will of course agree to that amendment. I understand that the Australian Greens have also proposed an amendment that the agreement, when con-
cluded, be placed on the ANTA web site within the same period. Again, the government has no objection to that amendment.

The publicly funded vocational education and training sector consists of over 4,000 training providers offering nationally recognised training to over 1.7 million Australians each year. I should perhaps digress to congratulate all those training providers on the very good work they do for young people and, indeed, not so young people involved in vocational education and training. The sector provides a great service that leads to better outcomes for individual employers and communities across the states and territories. This bill will provide for the ongoing development and continuing successful operation of Australia’s world-class vocational education and training system. I commend it to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator ALLISON (Victoria) (6.45 p.m.)—I move Democrat amendment (1) on sheet 3079, as previously circulated:

(1) Schedule 2, page 4 (after line 15), after item 1, insert:

1A After section 18
Insert:

18A Presentation of agreement to Parliament

The Commonwealth Minister must cause a copy of the agreement and any amendment to the agreement to be laid before each House of the Parliament within 15 sitting days of that House after the agreement is made or amended between the Commonwealth, State and Territory ministers.

I am pleased to hear that the government is supporting this amendment. It simply formalises the need to have the agreement tabled within 15 sitting days. We would have preferred a five sitting day period but we do acknowledge that certain processes need to be gone through in order to table it. I thank the government and chamber for supporting the amendment.

Senator CARR (Victoria) (6.46 p.m.)—The opposition will be supporting this amendment but, in the process of indicating why we are supporting it, I indicate to the government my concern at the appalling ignorance on this issue that the minister has shown here this evening. He said that he wanted to congratulate the 4,000 providers out there who were doing an excellent job for young Australian people. My understanding is that 1.8 million Australians are in the higher education sector, including the adult and community sector which is part of VET, despite the fact that the minister does not seem to acknowledge that.

Secondly, I would like to draw the minister’s attention to an example I mentioned today. This is the case of the Australian College of Technology, an RTO that was deregistered because of its gross abuses of quality assurance—a situation in which a college is run by Nabil Nasr, the executive officer, a man who had in fact defrauded Kuwaiti Airways and received a sentence of 18 months in jail for writing cheques to himself for $136,000. The academic principal was a Mr Michael Megas, who was sentenced to nine years jail for defrauding H and R franchises—in fact, the figure is some $5 million of various clients that were defrauded. It is a situation in which the government has failed to maintain a fit and proper persons test for organisations presenting themselves as registered training organisations in this country. We have a situation in which Mr Karim Ksrwani took it upon himself to back these individuals in a dispute with Garrison’s over the sale of that RTO. As I understand it, RTO
had debts of $466,679 owing to the staff, $417,000 to students and $226,000 to suppliers. He had no cash in the bank at all—in fact, his accounts were overdrawn. Negotiations were under way for sale to another provider, according to Mr Kirswnani, for the sum of $600,000 as of 21 August 2002.

So this government has presided over a situation where the quality assurance regime in a range of RTOs has been far from satisfactory. There are far too many RTOs operating in this country and ripping off the employer subsidies program with a view to this government providing nothing more than subsidised wages rather than quality training. For this government to come in here and suggest that it is running a high-quality service demonstrates the minister’s ignorance. He of course wants to be provocative about these issues and he has come to the right place to discuss these sorts of things.

We have a situation, Minister, where we ought to have a first-rate, internationally recognised vocational education system. We do not, because there is a failure by this government to ensure a nationally consistent quality assurance regime that guarantees excellence for all who participate in it. We have a government here that is prepared to accept shoddy practice by shonks and shysters, by people who are determined to make a quick quid without—

Progress reported.

The DEPUTY PRESIDENT—Order! It being 6.50 p.m., the Senate will move to consideration of government documents.

DOCUMENTS

Australian Radiation Protection and Nuclear Safety Agency

Senator STOTT DESPOJA (South Australia) (6.50 p.m.)—I move:

That the Senate take note of the document.

I would like to make some comments on the quarterly report of the chief executive officer of ARPANSA. As senators may be aware, ARPANSA not only plays a critical role in the regulation of nuclear facilities and radioactive materials in Australia; it is also expected to report on a quarterly basis to the minister and thus to the parliament. There are a number of features of this report that take into account ARPANSA’s role. It deals with radiation facilities operated by the Department of Defence, Telstra, CSIRO, the Australian Federal Police, the ANU and the Australian Customs Service as well as the issue of radioactive waste storage and disposal by the Commonwealth.

The issue I want to touch on tonight—HIFAR reactor operations—is a key issue in relation to ANSTO and is contained on page 9 of this quarterly report. One of the responsibilities of ARPANSA is to regulate the nuclear reactor at Lucas Heights. As senators would be aware, the Australian Democrats have long campaigned against the establishment of a new reactor. I might add that it is the single highest piece of science expenditure in the history of this nation, and it has occurred in spite of a lack of accountability, transparency and consultation, both with the local community and more broadly. It has occurred in spite of public health concerns, security issues and environmental concerns that relate to the issue of radioactive materials, both the storage of them and their waste disposal.

In light of that, it is important to highlight some of the recent issues and episodes that relate to the HIFAR reactor, particularly the new one. On 4 April last year, ARPANSA issued a licence to ANSTO to construct the replacement reactor—the new reactor, as we call it. More recently, they found that there was a geological fault through the Lucas Heights site. ARPANSA subsequently found that the fault was, as they claimed, not capa-
ble of causing surface displacement or impact on the seismic design basis for the replacement reactor.

There is also an issue in relation to licence conditions. In January of this year, as senators may be aware, a whistleblower notified ARPANSA of several alleged breaches of the licence conditions concerning the construction of that reactor. The main issue associated with the breaches concerned the reactor pool tank. ANSTO, as principal contractor in that, instructed its subcontractor to carry out works in relation to the reactor pool tank that were actually prohibited under that licence. Later this year, ARPANSA found that INVAP had breached the conditions of the facility licence and, in doing so, had actually contravened the Australian Radiation Protection and Nuclear Safety Regulations 1999. ANSTO was not found to have breached the conditions of the facility licence, however, because it notified ARPANSA of the breach.

Despite the seriousness of the issues involved in the breach, ARPANSA did not impose any sanctions on INVAP. This apparently was justified on the grounds that it was the first time that INVAP had contravened a condition of licence. On many occasions in this place I have raised on behalf of the Democrats concerns that we have had with the INVAP record in relation to the construction of nuclear facilities and, indeed, the sale of nuclear materials and equipment to regimes, including regimes that have links with terrorist organisations.

The Australian Democrats do not support engagement in the nuclear fuel cycle. We think that we as a nation should be doing everything to curtail the expansion of the nuclear fuel cycle. Certainly, building a new reactor is not helping that.

Senator Tierney—What about the medical benefits, the lives saved?

Senator STOTT DESPOJA—Concerns have also been raised about ARPANSA’s capacity to oversee the construction of the replacement reactor. Some organisations allege that ARPANSA does not have the technical staff or the experience to regulate a project of this nature. I will acknowledge Senator Tierney’s interjection, because I think most people involved in this debate acknowledge that, where radioactive materials are produced, they have to be disposed of, dealt with and stored in a safe manner. We have a problem not only with the construction of a new facility to create more waste but with the ineffective way the government has gone about looking at these contracts—and, indeed, the plans and the construction originally—to ensure that the waste was safely disposed of. Instead, we are going to truck it out to South Australia, to my home state, in the north when we all know that one of the most dangerous periods when it comes to the storage of radioactive materials is their transportation. If you produce it, you have to look after it.

Senator TIERNEY (New South Wales) (6.56 p.m.)—I rise to speak on the report of the Australian Radiation Protection and Nuclear Safety Agency. I had the honour of opening an international conference on nuclear medicine a few months ago. Senator Stott Despoja should really update her knowledge of what is actually happening and the huge benefits that this new reactor will bring to Australia. She talks about some of the possible downsides. With proper regulatory safeguards, these things can be handled. What she totally missed in her contribution was the upside of nuclear medicine in Australia.

One of the things that I would like to inform the Senate of is the fact that the new reactor at Lucas Heights and the adjacent research facility will be able to do far more than the previous reactor. What we have
there at the moment is a reactor built in 1958. It is for the production of radioisotopes which are used in nuclear medicine for healing. They have produced a great service to Australian medicine over more than 50 years. The new reactor, in terms of the scale of what it can produce and the new medical technology that it can produce, will enhance nuclear medicine in this country in an incredible way and produce products for medicine that are exportable and that will create a major export market for Australia.

It is said that all of us at some point in our life are likely to be beneficiaries from some procedure that involves nuclear medicine. As time goes on and as the technology improves, the benefits in health to Australian society are absolutely massive.

I would just like to say this to the Senate and to the public. We have to keep this debate in perspective. It is claimed that there are downsides to this. We are not talking about a new thing; we have had this technology for over 50 years. What we are going to do is actually roll over to a new level of technology that is very safe, that has the capacity to produce massive improvements and enhance the health of the Australian public. I would like to bring that to the attention of the Senate to bring some balance into this debate.

Question agreed to.

**Environment: Natural Heritage Trust**

**Senator BARTLETT** (Queensland—Leader of the Australian Democrats) (6.58 p.m.)—I move:

That the Senate take note of the document.

I want to speak on the annual report of the Natural Heritage Trust, which is a very significant institution in Australia now. It has the potential to do a lot of good, although, given the amount of money that is poured into it, there has been a lot of concern about whether that money has been adequately used. That has been a focus for many people since it was established. Given the extent of the topic, I think it appropriate that I take the time to more fully examine the annual report rather than just spruiking on it in a general sense at the moment. Suffice it to say that the Natural Heritage Trust has involved an enormous amount of money, theoretically to provide sufficient resources for major environmental repair and ongoing investment, though I think it is pretty clear that it has not delivered in a lot of areas. In many ways, that has to be put down to how the trust has been structured and, if not the abuse, certainly the misuse of some resources for priorities other than maximising long-term environmental sustainability.

**Senator IAN MACDONALD** (Queensland—Minister for Fisheries, Forestry and Conservation) (7.00 p.m.)—I want to take the opportunity to speak following on from Senator Bartlett’s comments on the Natural Heritage Trust. I took his comments to be at least conceded praise for the Natural Heritage Trust, if not fulsome praise. I want to point out that the Natural Heritage Trust and the funding by the Howard government are the most significant investment in natural heritage that this country has ever seen. It has been a great tribute to the Prime Minister, John Howard, to Senator Robert Hill, the former Minister for the Environment and Heritage, and to Dr David Kemp, the current Minister for the Environment and Heritage, that Australia has led the world in its investment in natural heritage.

I know that over the years other political parties have talked a lot about the environment and what should be done. There is a party in this parliament, in the Australian political scene, allegedly representing environmental interests, although they never talk about it in this chamber, and in fact their sole purpose in life seems to me to be to promote...
an ultra left-wing social and change agenda with very little concern for real environmental issues. But the Howard government has addressed environmental issues very significantly and has put a lot of money into the environment. Through that money and through the NHT, it has involved community groups—people on the ground right throughout Australia—in action to support the environment and to make Australia a better place.

We understand the issues of sustainability. We understand that we cannot go on degrading our country as we have perhaps in the past—mainly through ignorance. The Howard government has really taken a substantial step forward. Under the second round of the Natural Heritage Trust, we have added $1 billion to the Commonwealth’s previous contribution of more than $1½ billion. In the second round of the NHT, we sought to involve double funding by having the states become part of the Natural Heritage Trust for the first time ever. With a lot of push and shove we eventually got most of the states—all of which are controlled, regrettably I might say, by the Labor government—to sign up. We wanted them to put in another $1 billion—a matching amount of cash—to support environmental and rehabilitation work within Australia.

It has not been easy going. We have tried to work cooperatively with the states. It has been difficult to get them to make a cash commitment. They have in many instances promised and delivered some in-kind commitment, but of concern to me is that they do not cost-shift the previous commitments they have made to primary industries and natural resource management into the Natural Heritage Trust and claim it as new money. We are very keen for the states to add new money so that the states can join with the Commonwealth in a very significant step forward in the rehabilitation and protection of our natural heritage.

It is one of the achievements that we on this side of the chamber are very proud of. We are delighted that the Natural Heritage Trust has received such widespread support in the community. I urge all honourable senators, wherever they can, to promote the work done by the Natural Heritage Trust and, more importantly perhaps, the work done by all those communities that work with the Natural Heritage Trust to bring a better result for Australia. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator McLucas)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Education and Training

Senator TIERNEY (New South Wales) (7.05 p.m.)—I bring to the attention of the Senate a number of vital issues in relation to the education and training sector. I recently addressed the annual Australian Council for Private Education and Training conference in Sydney. The ACPET conference discussed ways to grow better and more sustainable education. In my presentation, I outlined three important issues, two of which I would like to bring to the attention of the Senate. The first is the system of user choice within vocational education and training and the second is the maintenance and improvement of quality in the training system.

It was these two issues, when I entered the Senate chamber earlier tonight, that Senator Carr was raising in his contribution to the Australian National Training Authority Amendment Bill 2003. I would like to take him to task on a number of the things that he was saying. These two issues that I want to deal with tonight—user choice and quality—
are at the very heart of an effectively reformed vocational education system. Since the Howard government was elected, we have made enormous progress in this area. There is much more user choice in the system and there is much higher quality.

Over the last six years Senator Carr has constantly been bringing up little anecdotes about where this massive system might be having a problem and then trying to extrapolate that across the whole system in order to claim that the whole system has a problem. When our Senate committee inquired into this, and particularly into user choice and the registered training organisations, we found in a number of states that there were problems but it came down to about one or two per cent of the providers. For any organisation, that is a terrific outcome. So it was very disappointing tonight to hear, six years later, Senator Carr still on this hobbyhorse, still trying to trash the system.

Senator Carr does that because he is an old reconstructed socialist and he would really like to see a system that was totally public. He does not like private providers and he does not like user choice, so he rails against this because it does not fit his ideological model of what should happen in vocational education and training. But we have an opportunity now—that we have freed up the system, now that we have a much more flexible system and a system that is far more responsive to the market and to what people want—to build a really first-class system. Great progress is being made and this is happening also in the international sphere. Australia has a high reputation and has the opportunity for great educational exports in this area of vocational education, as we have indeed done in the university sector. It does not help if a senior senator in the opposition keeps trashing the system that is doing so well.

Tonight I would like to discuss where the system is doing so well and to update the Senate on where the changes in vocational education and training are up to at this time. We are currently renegotiating a new Australian National Training Authority agreement. Under our Constitution, vocational education is primarily the responsibility of the states, but over the last 10 years the federal government has injected new growth money, usually at the rate of $1 billion a year. In this new agreement, the money goes up again. The Australian government is, over the next three years, putting another $3.6 million into the system. We are asking the states to match the increase. When this money is in place, there will be an additional $890 million of funding injected into the national training system. We are putting more money in and we are encouraging the states to put more money in.

It is therefore disappointing that we see the states in a number of ways pulling money out and making it more difficult. In a number of the state budgets there have been cuts to vocational education and training funding, and at the state level vocational education is now more expensive for employers and students. There has been a significant hike in fees in a number of jurisdictions. As usual, the main guilty party in the states in all of this is Bob Carr, Premier of New South Wales, who has jacked up some of his fees in his TAFE colleges by 100 per cent. This is the man who would be the new leader of the opposition down here. By the way, there was a poll today and people were asked which state premier they would like to come down to become the new leader of the opposition to replace Simon Crean. There is a race on between the state premiers. These state premiers will have to perform a little better than they are doing at the moment, particularly in the area of vocational education and training.
We will be requiring the states to do a number of things under this new priority agreement. They will have to support our national priorities, they will have to support regional development and they will have to support programs for successful transitions to work for young people and practical reconciliation for Indigenous Australians. These will be conditions of the new agreement when the additional funding is going in. We have placed the highest importance on national consistency and on improving the quality of training. Under the next agreement, the states and territories will be required to strengthen their commitment to user choice. The introduction of user choice whereby employers and apprentices are able to identify and engage with training providers of their choice and receive public funding for that training has been led by the Australian government and has been a significant success, despite what Senator Carr has said tonight, since it began in January 1998.

Over recent years there have been growing difficulties in the implementation of user choice. In some jurisdictions, restrictions have been imposed on user choice, such as restricting which training organisations may provide user choice training or which kinds of students may attract user choice funds. This is having the effect of limiting choice within the system and taking away from some of the terrific progress we have made in recent years in this area.

It is very unfortunate that at the last ministerial council meeting of all state and territory training ministers held in Darwin in June, state and territory ministers did not agree to the set of recommendations that would have improved user choice for employers and providers. The recommendations would have required greater transparency about state funding arrangements. The recommendations would also have required the states to target user choice funding, to agree to national priorities to improve e-business processes and to establish a new funding basis for setting prices for qualifications under user choice.

Dr Nelson will be pushing for these recommendations to be accepted at the MINCO meeting in November this year. The Australian government will be pursuing reforms to user choice through these current Australian National Training Authority agreement negotiations. The government believes it is important that every effort be made to fully implement user choice policies in a way that meets not only the needs of industry but also the increasing expectations of flexibility in VET by students.

Turning briefly to my second issue, the other key priority area in relation to these negotiations is quality. We have the Australian Quality Training Framework for vocational education and training. This is to improve national quality assurance and ensure that students and the community at large can have confidence in the training system. The Australian government recognises that the key to improving quality is not necessarily more regulation; there are other mechanisms which will enhance the quality of training. One of those initiatives we are bringing in is Reframing the Future, under which the Australian government, through ANTA, will provide funding for over 200 projects every year. In this way we will improve the quality of training in industry.

If these issues surrounding user choice and quality control are to be handled properly, they must benefit Australian training. The reforms that have come in under the Howard government are certainly developing these two aspects: quality and user choice. These are the two things that the Labor opposition is railing against, purely on ideological grounds. For positive, practical outcomes and an improved vocational education...
system, our quality and user choice programs are certainly the way to go.

**Rural and Regional Australia: Multiculturalism**

_Senator BUCKLAND (South Australia)_

(7.16 p.m.)—I rise tonight to discuss ‘sharing a vision’ in South Australia’s rural communities. Last week I attended a dinner at the Regional Multicultural Communities Network conference, which had adopted the theme ‘sharing a vision’. The Multicultural Communities Network in regional areas of South Australia came together as a result of an April 2000 conference held in Port Lincoln. It is an incorporated body with members from centres such as Ceduna, Port Lincoln, Whyalla, Coober Pedy, Broken Hill, the Riverland and Mount Gambier.

The purpose of the conference was to look at how multicultural regional communities could work more cooperatively with their respective local governments, with the state government and the federal government and with the various non-government service providers. The aim is to make more effective use of state and federal government programs and services, promote better communications between individuals and services, and assist South Australian government initiatives and DIMIA to attract regional migration and retain people in regional areas. Retaining skills in regional areas is a vital issue.

It was a privilege for me to be invited to the conference and to experience the Regional Multicultural Communities Network working together with real passion and enthusiasm to bring positive migration, skills and growth back into regional South Australian areas. This has worked before in earlier years and, with these initiatives, it will work again. And what better place, really, to demonstrate these aspirations than South Australia’s vibrant Riverland, a place where one would think there are no financial and employment difficulties. It is a vibrant community bent upon taking South Australia’s economy well into the future.

I know all too well how opposed to migration, and to asylum seekers in particular, many of the voting public are—a view prompted in large part by the federal government’s handling of the issue. However, if these people were aware of how many regional cities and towns are declining in population and, sadly, if they were aware of how many skills shortages there are in regional Australia—in particular of health professionals—I think they, like me and my South Australian colleagues, would be supporting the settling of every temporary protection visa holder in South Australia provided they pledged to live for a number of years in a regional centre. Of course the difficult part of making this vision work is convincing the federal government to have enough courage to make those who violate the pledge without good cause accountable. We did it in Australia in the 1940s and 1950s, when quite clearly the migration program had more public support than it does now.

Australia’s past experiences with immigration have shown that people who commit themselves to making a new life in Australia contribute much more than can be measured by economic yardsticks alone. In the case of refugees and other humanitarian category arrivals, the will to settle into a life of some normalcy, peace and hope for the future is so strong that they make incredible efforts to succeed. The result is that the entire community is rewarded. As governments and communities we must work together to make regional settlement work by planning well and making sure that the settlement process is smooth. It is vital for this to happen if our regional areas are to survive.
I conclude by saying that the workshops and the conference were a huge success. The outcomes will be compiled and published in report form for all participants, and this will provide a basis for the network to prioritise areas in order to bring about results from those outcomes. I congratulate the organisers and sponsors of the Regional Multicultural Communities Network conference. In particular, I acknowledge my South Australian colleague the Hon. Michael Atkinson MP, Minister for Multicultural Affairs; and Petar Zdravkovski and Peter Ppiros, both members of the Multicultural and Ethnic Affairs Commission.

**Senate Select Committee on Superannuation**

Senator WATSON (Tasmania) (7.22 p.m.)—This afternoon the Senate Select Committee on Superannuation tabled its report on portability, bringing to an end the longest running select committee in the history of the Senate. I wish to acknowledge the work of the committee since its inception. The committee has played a vital role in placing issues of concern to superannuants and the superannuation industry before the government, and has been instrumental in achieving some dramatic reforms. Throughout the maze of legislative changes, the committee has stood firm in its resolve to harmonise the risks and opportunities for all, particularly the mixed load that the lower-income consumer has to bear.

The committee was first established in June 1991 during the 36th parliament to inquire into and report on a wide range of matters relating to superannuation. At the time, the government of the day was getting set to introduce the superannuation guarantee, which, as senators know, has since become one of the pillars of the superannuation system. The committee handed down four significant reports during that parliament, including reports on safeguarding superannuation as well as the superannuation guarantee bills. I recall the environment back in the 36th parliament was one of low returns and high charges from most of the life offices. Small business people made strong representations that, with appropriate safeguards, they could manage small funds at arms length and achieve security plus enhanced returns. Today, there are over 200,000 small funds administered by the Australian Taxation Office.

Between 1993 and 1998, the committee handed down 27 reports—a huge workload—covering significant issues such as the performance of the superannuation guarantee and the superannuation surcharge legislation. A notable achievement of the committee was the promotion of allocated pensions and their take-up by the then government. In the 39th parliament, the committee handed down 20 reports on issues ranging from choice of superannuation to enforcement of the superannuation guarantee charge, some of the discrimination against same-sex couples in their death benefits, early access to superannuation, and prudential supervision of superannuation and banking services. Retired Commonwealth officers benefited from the committee’s support for their cause of twice-yearly pension increments. In the following budget, the government agreed to meet their requests.

In the current 40th parliament, the committee has so far put out seven reports on such issues as superannuation co-contributions and the superannuation surcharge, both of which will be passed by this parliament. Of course, there was also the large investigation into the standards of living and planning for retirement. I note that a number of the committee’s reports have been distributed widely in the tertiary education system as standard texts. The committee has put out a total of 58 reports. I believe that
hits on our web site exceeded 42,000 a month at one point. A recent witness before the committee said:

The committee has been a light of reason over the years … It is a matter of significant regret that the committee’s term is coming to an end.

I believe that, through its inquiries and general activity, the committee has played an integral role in addressing a number of issues vital to the superannuation savings for Australia. I wish to highlight a number of points in relation to that work. First of all, the committee has been integral to the debate about the adequacy of superannuation savings in Australia. The Senate would be aware of the profound lack of knowledge in the general populace about superannuation systems and saving for retirement. Many people have unrealistic expectations of the income that they will receive in retirement from their superannuation contributions. Through its report Planning for retirement, on the standard of living in retirement, the committee has highlighted that the current arrangements for superannuation may not provide an adequate income for many people in retirement, and that strategies need to be identified to address the shortfall. Make no mistake, Australia’s three-pillars system remains an example of world best practice, but, as the committee has highlighted, there are things that can be improved.

A second area where I believe the work of the committee has been of tremendous value is in relation to the income products available to retirees. The committee has been active in encouraging the uptake of complying pensions and annuities, and included recommendations in its recent Planning for retirement report for a generational shift away from lump sum payments towards the taking of a lifetime approach to certain complying annuities. We believe that they have to be made much more attractive, both for the retirees and the providers. As the baby boomers approach retirement, there is an ever increasing need to provide for greater capital certainty and security in the drawdown of assets in retirement, especially as life expectancies continue to increase. In saying that, the committee majority recognised that any move to mandate the purchasing of complying annuities on retirement would need to be accompanied by transitional arrangements over a long period of time. In the short term, the committee majority did not believe that people should be disadvantaged by being forced to purchase a complying annuity. Even in the longer term, there will always be people in particular circumstances with small amounts of superannuation who may not wish to purchase an annuity.

A third area where the committee has played a critical role has been in improving the safety of superannuation and reinforcing confidence in the superannuation system. The committee has kept a close eye on APRA, ASIC and the ATO. The committee’s first and second reports on prudential supervision and consumer protection in 2001 highlighted the need for APRA to be more vigilant and proactive in its supervision of superannuation funds. Fortunately, it has improved remarkably since that time. The committee is also on the record that APRA should be doing much more to monitor trustees’ investment strategies. In addition, the committee has keenly scrutinised the ATO in monitoring compliance and returns and identifying reporting requirements of the 200,000-odd self-managed funds.

One final area where I believe the committee has played an important role is in assisting superannuation fund members to secure their funds in circumstances of theft or fraud. The committee was the first to investigate the significant gap in the regulatory framework of the Commercial Nominees Enhanced Cash Management Trust. Over $30 million has been returned to members of
this and other funds following theft and fraud. Another great success was the investigation by the committee of the solicitors' mortgage arrangements and the handling of such issues by the Tasmanian Law Society. The cooperation and changes initiated by the Attorney-General of the day, Dr Peter Patmore, produced some great outcomes for the long-suffering mortgagees. In addition, an important precedent emerged with the financial planning company challengers agreeing to repay the payment of capital and interest at six per cent for a period of 18 months. Fortunately, ASIC has now assumed complete oversight of such arrangements Australia-wide.

As chair of the committee, let me place on the record my gratitude to all the various parties who have helped the committee and contributed to its high standards over many years. There is much unfinished business such as improving the literacy of superannuation fund members and the transparency of superannuation, licensing trustees and introducing choice. In addition, there is the challenge of removing the social divisions in the surcharge legislation by extending the cap to private sector defined benefit funds similar to those currently enjoyed by public sector fund members and politicians. Ultimately, we should aim for the removal from the statute books of the superannuation charge and we have made a small step in this direction. It is quite inequitable, for example, for ordinary people such as traumatised policemen, with termination benefits causing them to be subject to a surcharge for the first time in their lives. In the longer term, more analysis really needs to be done on the economic and social impact of the increasing proportion of Australian’s superannuation assets finding their way overseas because of lack of market opportunities, while some favoured international funds enjoy limited taxation here in Australia.

Let me place on the record my gratitude to other members of the committee, especially in recent years the deputy chair, Senator Sherry. There is no doubt that it has been a harmonious and productive committee generally. In most instances we have tried to rise above party politics and sought to genuinely advance the interests of superannuants and the industry. Let me also at this time recognise the tremendous work performed by other members of the committee who are too numerous to mention.

Finally, I would like to thank the staff of the committee. In 1994, I believe the Senate Select Committee on Superannuation set the record as the first all-woman secretariat in the Senate. I think we had five members at that time and they were all females. I will not name the full list of staff of the committee, but let me acknowledge the current and former secretaries of the committee who have been instrumental in maintaining the high standard of the committee: Mr Richard Gilbert, Ms Krista Gerrard, Ms Bronwyn McNorton, Mr Peter Hallahan, Mr Frank Nugent, Ms Sue Morton and Mr Stephen Frappell. I seek leave of the Senate to incorporate a list of the 58 reports of the Senate Select Committee on Superannuation since its inception in 1991.

Leave granted.

_The document read as follows—_

| Reports of the Senate Select Committee on Superannuation and the Senate Select Committee on Superannuation and Financial Services |
|---|---|
| **36th Parliament**—24.3.90 - 8.2.93 | **37th Parliament**—13/3/93 - 29/1/96 |
| **36th Parliament**—24.3.90 - 8.2.93 | **37th Parliament**—13/3/93 - 29/1/96 |
| 5. Super Supervisory Levy | 5. Super Supervisory Levy |
6. Super—Fees, Charges and Commissions

7. Super Inquiry Overview

8. Inquiry into the Queensland Professional Officers Association Superannuation Fund

9. Super Supervision Bills

10. Super Complaints Tribunal

11. Privilege Matter Involving Mr Kevin Lindeberg and Mr Des O’Neill

12. Super for Housing

13. Super Regs I

14. Super Regs II

15. Super Guarantee—Its Track Record

16. Allocated Pensions

17. Super and Broken Work Patterns

18. Review of the Superannuation Complaints Tribunal

19. Reserve Bank Officers’ Super Fund


21. Investment of Australia’s Superannuation Savings

22. Retirement Savings Accounts Legislation

23. Superannuation Surcharge Legislation

24. Schedules 1, 9 & 10 of Taxation Laws Amendment Bill (No. 3) 1997

25. The Parliamentary Contributory Superannuation Scheme & the Judges’ Pension Scheme


27. Superannuation Contributions Tax Amendment Bills

28. Choice of Fund


30. Workplace Relations Amendment (Superannuation) Bill 1997

31. Resolving Superannuation Complaints

39th Parliament—3.10.98 -11/02/02

32. Choice of Superannuation Funds (Consumer Protection) Bill 1999

33. Superannuation Legislation Amendment Bill (No. 4) 1999

34. Roundtable on Choice of Superannuation Funds

35. Provisions of the Superannuation (Entitlements of Same Sex Couples) Bill 2000

36. Provisions of the New Business Tax System (Miscellaneous) Bill (No. 2) 2000

37. Financial Sector Legislation Amendment Bill (No. 1) 2000

38. Family Law Amendment (Superannuation) Bill 2000: Interim Report

39. Taxation Laws Amendment (Superannuation Contributions) Bill 2000

40. Family Law Legislation Amendment (Superannuation) Bill 2000

41. The Opportunities and Constraints for Australia to become a Centre for the Provision of Global Financial Services

42. A Reasonable and Secure Retirement?—The Benefit Design of Commonwealth Public Sector and Defence Force Unfunded Superannuation Funds and Schemes

43. Enforcement of the Superannuation Guarantee Charge

44. Issues Arising from the Committee’s Report on Taxation Laws Amendment (Superannuation Contributions) Bill 2000

45. Parliamentary (Choice of Superannuation) Bill 2001


47. Prudential Supervision and Consumer Protection for Superannuation, Banking and Financial Services: Second Report (Some Case Studies)

Tonight I wish to draw the attention of the Senate to the crisis in our nation’s premier science organisation, the CSIRO, and in particular to the forced shift in that organisation away from science that is in the public interest—in this case the public health interest—to science that benefits commercial interest. The result is that most matters of public health and development of standards of practice will effectively be left to voluntary organisations. I find this to be a ludicrous situation for a nation that is as wealthy as ours. I ask: how is it that we could afford to do this work and fund it publicly 20 years or so ago—maybe even seven years ago—but not now? I think the answer to that question is that we can afford it but it is ideology and lack of will that stops us from doing so.

The parlous state of the CSIRO came to my attention in a conversation I had with senior principal research scientist Dr Stan Barnett last week. Dr Barnett, who is Section Manager in the National Measurement Laboratory’s Division of Radiophysics, has just been advised that he is redundant. He is not of an age where retirement is appropriate, and he is surprised—as was I—that he is in this position. He says that so are the 250 or so other scientists who are now being given the boot.

Dr Barnett’s work first came to my attention in the Senate inquiry into electromagnetic radiation from mobile phones. His 1994 report entitled Status of research on biological effects and safety of electromagnetic radiation: telecommunications frequencies was pivotal in bringing the nation’s attention to the potential health problems of mobile phone technology. Back in 1993 the federal department of communications approached CSIRO to evaluate the status of research on the biological effects of radiofrequency radiation. That report concluded that there was insufficient reliable scientific evidence on which to base sound conclusions about the safety of radiofrequency exposures in telecommunications. It stated:

... because of its equivocal nature, the database for RF emissions has limited value. It may be dangerous to make general statements on safety based on lack of evidence of harmful effects when so little relevant research has been carried out.

I point that out because I want to explore tonight the importance of research and why we need it in these areas that might not attract the commercial dollar. Of course the news from this 1994 report was not welcomed by the telecommunications industry...
or by the government, both of whom moved to relax mobile phone emission standards more recently despite opposition from the CSIRO through Dr Barnett, who said that there was no scientific basis for doing so.

That report I mentioned was a literature study by Dr Barnett, as opposed to hands-on experimental research. According to CSIRO, they have just a watching brief on telecommunications radiation issues and no budget to actually do research. The CSIRO did apply several times for funding to conduct hands-on research from the $4½ million fund on EMR. They wanted to examine the potential effects of radiofrequency radiation on DNA and cancer production, but they were knocked back. Submissions to the electromagnetic radiation inquiry that reported two years ago stressed the need for independent research into the controversial area of EMR. A lot of the studies supposedly showing that mobile phones are safe in fact rely on research which has been done or was funded by telecommunications companies.

The demise of jobs in this general area of public health was to some extent pre-empted by Dr Haddad, head of the CSIRO Division of Telecommunications and Industrial Physics, when he appeared before the committee. He said:

CSIRO has a choice these days. It is required to maintain its external income level at a reasonably high level for a research organisation and, as such, it has to choose the areas in which it works quite carefully. Appropriation funding has been flat; in fact, in real dollar terms, it has decreased significantly over the last few years. That makes it harder and harder to maintain a variety of areas of what I would call more fundamental research ... which underpins all this sort of short-term tactical work that you can do to earn money.

As well as working full time in his position, Dr Barnett worked in a voluntary capacity on research into the safety of diagnostic ultrasound equipment, and he has had over 100 studies published in medical journals in this area. He has been investigating the potential medical implications of some types of exposure of the foetus to ultrasound equipment. He has found, for example, that Doppler ultrasound technology can heat tissue up to five degrees. The World Federation for Ultrasound in Medicine and Biology says that increases of four degrees for five minutes or more are potentially hazardous.

Dr Barnett has found some evidence to suggest that ultrasound-induced bioeffects can be enhanced by modest increases in temperatures. He says that pulsed Doppler exposure, as opposed to non-pulsed B-mode scanning exposure, can produce significant heating in the foetus, particularly near bone, where the ultrasound beam is fixed on a single point tissue target. Dr Barnett’s work also shows that foetal tissue is also sensitive to physical change and that the resultant perturbation of cell differentiation may result in significant consequences. He says that the scientific database is incomplete and cannot keep pace with technological development in modern equipment and that the clinical implications of non-thermal effects have not been fully evaluated. So, despite the fact that every pregnant woman who presents to a doctor will have an ultrasound, very little work is being done on the safety of this technology and there are no standards to protect the foetus from adverse effects. The reason I point out all this detail—it is not necessary for us to know it—is that we need to understand the implications if we stop important work being done.

Another scientist at CSIRO to have been given the sack earlier this year is microbiologist Dr Ruth Hall, regarded as a world expert in the field of antibiotic resistance. Dr Hall, who is bound by a legal agreement not to speak about her sacking, has had to look for work overseas as a result of being made redundant. Her research enabled the CSIRO,
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in 1998, to raise the alarm about evidence that animal microbes could pass antibiotic resistance to bacteria that cause disease in humans. Given that the European Commission is in the process of phasing out antibiotics in stockfeed by 2006 and that the US is putting pressure on Australia to do the same, I would have thought that more importance, not less, would have been attached to her work. Associate Professor Stokes at Macquarie University said that the CSIRO’s action was comparable to the Australian Institute of Sport making Ian Thorpe redundant due to insufficient funds.

The collective work of these two scientists alone is obviously of great value to Australia but how many of the other 600-plus staff who have been stood down over the last year or so were also contributing important work? We just do not know—at least I do not know. Perhaps some people know; perhaps the government knows. Under our present government the CSIRO has been the subject of radical changes that will mean it must now raise 30 per cent of its funds externally. To do this the CSIRO has to spend up big on corporate staff in the area of business development planning in order, according to CEO Dr Geoff Garrett, ‘to enhance our commercial prospects’. But this grant-chasing focus in research projects has proven to be at the cost of those in favour of public benefit, particularly health benefit. According to the CSIRO Staff Association, cutbacks and the failure to meet funding targets have caused the biggest crisis in the organisation’s history.

In February this year the Senate’s Employment, Workplace Relations and Education Legislation Committee heard at estimates that over the past three years 600 jobs have been cut and retrenchments are set to continue. Dr Garrett told the Canberra Times a couple of months ago that around 200 staff per year had been culled over the past six years. Apparently a leaked internal survey said that only 47 per cent of CSIRO had faith in ‘organisational leadership and direction’ and that 48 per cent believed their jobs were not secure. So not only do we have these important scientists being sacked but we have others whose morale is very low and who are clearly not able to function in the way that we would like them to. The survey also found that 55 per cent of staff felt organisational change had not improved the CSIRO and 51 per cent were not confident in the abilities of senior personnel. Dr Garrett conceded that, whilst 12 scientists in just one division would be made redundant and 40 redeployed, two new business development managers would be employed, on six-figure salaries. *(Time expired)*

**Senate adjourned at 7.41 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:


**Australian Radiation Protection and Nuclear Safety Agency**—Quarterly report for the period 1 January to 31 March 2003.

**National Health and Medical Research Council**—Strategic plan 2003-06.

**Natural Heritage Trust**—Report for 2001-02.

**Sydney Airport Demand Management Act 1997**—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 April to 30 June 2003.

The following documents were tabled by the Clerk:

**Remuneration Tribunal Act**—Determination—


2003/18: Remuneration and Allowances for Part-Time Holders of Public Office.
2003/19: Remuneration and Allowances for Holders of Public Offices.

**Departmental and Agency Contracts**
The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended on 27 September 2001, 18 June and 26 June 2003:

Departmental and agency contracts for 2002-03—Letters of advice—Employment and Workplace Relation portfolio agencies.

**Indexed Lists of Files**
The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended on 3 December 1998:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2003—Statements of compliance—

Department of Education, Science and Training.
Employment and Workplace Relations portfolio—
Australian Industrial Registry.
Office of the Employment Advocate.
Environment and Heritage portfolio agencies.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Foreign Affairs: West Papua
(Question No. 1227)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 4 March 2003:

With reference to the attack on Elsye Rumbiak Bonai and her 12-year old daughter, Mariana, in West Papua on 28 December 2002:

(1) (a) When was the Minister informed of the attack; and (b) was the Minister aware that Ms Bonai is the wife of the director of the Institute for Human Rights Study and Advocacy, Johannes Bonai.

(2) What was the involvement of the Indonesian Army in this attack.

(3) How was the attack carried out and who else was involved.

(4) What has the Australian Government done to help bring the attackers involved to justice, including ensuring a full and independent inquiry into the atrocity.

Senator Hill—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:


(2) We have no evidence that would lead us to conclude the Indonesian Army was involved in the attack.

(3) Media have reported that Elsye Rumbiak Bonai, Yeni Irew Merauje and nine other people arrived by car at the Indonesia-PNG border on 28 December 2002. As the border gate was closed, they reportedly drove back to the immigration post. Shots were fired from the forest at the vehicle. Elsye Rumbiak Bonai and Yeni Irew Merauje were both hit in the legs and Marlin Bonai was hit in the shoulder.

(4) The Australian Government has made representations to the Indonesian Government on the need for Indonesia to ensure that the human rights of all its citizens are respected and that those responsible for criminal acts are brought to justice.

Transport: Rail Expenditure
(Question No. 1376)

Senator Nettle asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 2 April 2003:

(1) What was the actual Commonwealth outlay for each financial year since 1996-97, and what are the forward projections to 2005-06, for each of the following categories of rail expenditure: (a) expenses associated with the former Australian National Railways Commission; (b) expenses associated with the Alice Springs to Darwin Railway; (c) expenses associated with special tourist railways; (d) expenses associated with the Australian Rail Track Corporation; (e) any other expenses associated with earlier commitments to conditionally outlay $250 million to upgrade Australia’s interstate track and safe working systems (can the information also be provided for each state); and (f) expenses associated with planning of rail development, including for the ‘Inland Route’ between Melbourne, Queensland and the Northern Territory (can the information be provided in a table format).
(2) What were the Commonwealth receipts from the Australian Rail Track Corporation for each financial year since 1996-97, and what are the forward projections to 2005-06, including (separately identified): (a) dividends; and (b) any interest and loan repayments.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) (a) expenses associated with the former Australian National Railways Commission:

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(b) expenses associated with the Alice Springs to Darwin Railway:

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(c) expenses associated with special tourist railways:

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<tbody>
<tr>
<td>-</td>
<td>$0.512m</td>
<td>$8.294m</td>
<td>$10.814m</td>
<td>$3.68m</td>
<td>$2.15m</td>
<td>-</td>
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(d) expenses associated with the Australian Rail Track Corporation (ARTC):

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<tbody>
<tr>
<td>N/A</td>
<td>$17.8m</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$143.4m</td>
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* Funding for an equity injection of $143.4 million is being held subject to the successful conclusion to negotiations with the NSW Government. The Government’s policy reform in this regard will see additional investments in rail from various sources including the ARTC, the private sector and the NSW State Government. This will facilitate the Government’s announcement of $870m being spent on the interstate rail line in NSW and is subject to the successful conclusion of negotiations.

(e) other expenses associated with earlier commitments to conditionally outlay $250 million to upgrade the Australia’s interstate track and safe working systems:

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<tr>
<td>-</td>
<td>$4.934m</td>
<td>$49.642m</td>
<td>$36.58m</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$20m</td>
<td>-</td>
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</table>

State | Value of work ($) 
--- | ---
Victoria | 76.395 m\▲
South Australia | 18.771 m
Western Australia | 18.0 m
Network wide | 0.687 m

\▲ Includes a future $20m contribution to the Wodonga Rail Bypass Project.

Works worth approximately $2.7m more than the Commonwealth outlaid for them have been completed. These additional funds came from interest earned on programme funds, and from contributions added to the programme by its manager, ARTC.

(f) Information on expenditure on the scoping study into a possible east coast very high speed rail network was provided to Senator Nettle in my answer to Senate Question on Notice No.844 (Senate Hansard No.1, 2003, page 8427).

Expenditure on studies into the possible ‘Inland Route’ rail network is as follows:

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<tr>
<td>-</td>
<td>$0.3m</td>
<td>$0.03m</td>
<td>$0.15m</td>
<td>$0.1m</td>
<td>-</td>
<td>$0.4m</td>
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\▲ Figures represent current estimates.
(2) Commonwealth receipts from ARTC:

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<tbody>
<tr>
<td>Dividends</td>
<td>N/A**</td>
<td>N/A**</td>
<td>$2m</td>
<td>$6.75m</td>
<td>$6.75m</td>
<td>$5.725m</td>
<td>$2m***</td>
<td>Estimates are commercial in confidence</td>
<td></td>
<td></td>
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<tr>
<td>Interest loan Payments</td>
<td>Nil</td>
<td>Nil</td>
<td>$22m</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Estimates are commercial in confidence</td>
<td></td>
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</table>

** ARTC operations commenced on 1 July 1998.  
*** ARTC interim dividend payment.

**Health: Pharmaceutical Benefits Scheme**

(Question No. 1744)

Senator Chris Evans asked the Minister for Health and Ageing, upon notice, on 6 August 2003:

(1) Has the department conducted any market research on Australians’ level of knowledge about the Pharmaceutical Benefits Scheme (PBS) in the past 2 years, or paid for it to be conducted by external bodies; if so: (a) when (list each occasion since January 2001); (b) how many Australians were asked about their level of knowledge, and on what basis were these Australians selected (for example, x number from y electorate or z postcode); (c) what companies and individuals conducted the research (list for each instance of market research); (d) what were each of the companies and individuals referred to in (c) paid for their market research; (e) can a copy of the questions asked be provided; and (f) can a copy of the Department’s report on the market research findings be provided.

(2) Has the department at any stage in the past 2 years recommended to the Minister that a public advertising campaign about the PBS be conducted; if so: (a) when did it make this recommendation; and (b) what data did it use to support it.

(3) Did the Minister or the Minister’s office in any way initiate: (a) the proposal for market research; and (b) the proposal for advertising about the costs of the PBS.

(4) Has the department done any market research on Australians’ knowledge of the PBS by way of: (a) focus groups; and (b) surveys; if so, can a copy be provided of the persons or organisations involved in any focus groups and/or surveyed, with an explanation as to why they were selected.

(5) In relation to all forms of market research conducted by or for the department into Australians’ knowledge of the PBS since January 2001, can a list be provided of: (a) the total cost of the research; and (b) the cost of all segments, including consultants’ charges, travel costs of persons conducting the research, report production costs etc. (please list separately).

(6) In relation to the advertising campaign about the PBS: (a) how much was budgeted for the total costs of the campaign (for example, production and screening costs); (b) which advertising agencies and consultants have worked on the campaign at any stage; (c) how much as been paid to date to each of those agencies and consultants; (d) how much more is expected to be paid to each of these agencies and consultants in the 2002-03 and 2003-04 financial years; and (e) can a list be provided of any agencies or consultants that have rendered services in relation to the advertisement campaign, and have not charged for them.

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

(1) Yes.  
(a) February 2002 and July 2002.
In the case of the February 2002 quantitative research, the sample size was 55. This sample was selected on the basis of age and level of medicine use.

In the case of the July 2002 qualitative and quantitative research, the sample size was 876. This sample was selected on the basis of age, socio-economic status and level of medicine use.

Wendy Bloom and Associates undertook the February 2002 qualitative research, Community Awareness and Understanding about the Pharmaceutical Benefits Scheme (PBS). Woolcott Research undertook the July 2002 qualitative and quantitative research, An Exploration of Issues Surrounding Prescription Medicines and the Pharmaceutical Benefits Scheme.

February 2002, by Wendy Bloom and Associates: $32,744.40. This amount is GST inclusive.

July 2002 by Woolcott Research: $72,471.30. This amount is GST inclusive.

The questions used in the February 2002 and July 2002 research, relate to ongoing research and communication activities. Accordingly, it would not be appropriate to release the questions at this time.

Consistent with departmental guidelines, Principles for the conduct of social research, the findings cannot be released at this time. This may jeopardise the implementation of related activities.

Yes.

The market research findings available from the July 2002 Woolcott research.

The Campaign formed part of the 2002-03 Federal Budget initiative ‘Sustaining the Pharmaceutical Benefits Scheme – reinforcing the commitment to evidence based medicine’. Following the Government decision to undertake an awareness campaign to inform the community of the high quality medicines system funded by taxpayers, market research was developed and undertaken by the Department.

Based on the findings of the market research, a strategy for a community awareness campaign about the PBS was developed by the Department. This strategy was approved by the Minister’s Office.

Yes.

See the answer to part (1) of the question.

Details of persons involved in the research were not divulged to the Department. However, as advised in the answer in 1 (b) above, samples were selected on the basis of age, socio-economic status and level of medicine use.

The total cost of research was $105,215.70. This amount is GST inclusive.

This amount represents the total cost of the research, including travel and report production.

The allocated budget covering the total advertising costs of the campaign is $13,620,000.

Aside from the research companies noted in the answer to part (1), Whybin TBWA is the advertising agency appointed to work on the campaign (as approved by the Ministerial Committee on Government Communications). The Department was also required to use the services of the Australian Government media placement agency (Universal McCann) to buy media space for the advertising campaign. The Department does not pay Universal McCann a fee for this service.

$1,408,257.06 was paid to Whybin TBWA, in the 2002-03 financial year. This amount is GST inclusive.
(d) It is expected that a further $801,535.95 will be paid to Whybin TBWA in 2003-04. This amount is GST inclusive.

(e) There are no services provided by the agencies and consultants contracted to the Department for which the Department has not been charged.

**Resorces: Petroleum**

(Question No. 1767)

**Senator Brown** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 12 August 2003:

What planning or risk assessment is the Commonwealth undertaking to address Australia’s vulnerability to potential near-term declines in petroleum supplies.

**Senator Ian Macdonald**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

Commonwealth policy for managing Australia’s petroleum supplies is a primary responsibility of the Minister for Industry, Tourism and Resources. I refer you to the Minister representing the Minister for Industry, Tourism and Resources’ response to Senate Question on Notice 1768.